LABOUR RELATIONS REFORM BILL 2002

Second Reading

Resumed from 17 April.

HON BILL STRETCH (South West) [12.04 pm]: Last night I discussed the great need for balance in and review of this type of legislation. It is controversial legislation and requires expressions of opinion from both sides of the political fence.

Before I continue, I will make a correction to the report of my speech in *Hansard*. I referred to earlier times, the history of industrial relations and the previous occasions on which Bills of this type have been discussed. Hon Tom Stephens, Minister for Housing and Works, interjected during my comments on when he was an understudy to Peter Dowding and had put on some pretty histrionic performances. I then said we - meaning we on this side of the House - had thought of nominating both Hon Tom Stephens and Hon Peter Dowding for Oscars at some stage in their careers and indicated that we thought they would probably have succeeded in winning that award. Unfortunately, *Hansard* picked up the name of Hon Peter Foss instead of Hon Peter Dowding. Members of this House are well aware that Hon Peter Foss would never be guilty of putting on histrionic performances in this House as he is a level-headed and even-tempered performer.

Hon Ken Travers: That is your totally unbiased view of course.

Hon BILL STRETCH: Absolutely. I just wanted to make sure that that name was corrected in *Hansard*, so that members are not left in any doubt that, although I had some very interesting times and debates with Hon Peter Dowding, I would not want him to be confused with Hon Peter Foss on any grounds, and I am sure neither of them would want that.

I concluded my comments last night by referring to the way in which the quality of the last Labor administration fell away after Hon Peter Dowding became Premier. Members will be aware that Hon Peter Dowding moved from this House to the lower House and ultimately became Leader of the Labor Party and Premier. From that time, the fortunes and performance of the Labor Party fell away sharply - I do not blame Hon Peter Dowding for that - largely due to a headlong chase by the extreme elements of his party into what I call the "hymn of hate" and the ideological pursuit of goals that went beyond the normal balance to which I referred previously. The pendulum always swings with a change of government. I described the art of government as keeping the pendulum somewhere in the acceptable spectrum so that the work force, as a whole, maintains its forward progress. The Government stalled from then on, because this ideology - it was almost hatred - got in the way of rational judgment and blinded certain elements to the real needs of the economy and the work force. Rather than being the defender and helper of what could be regarded as the work force as a whole - employees and employers - it focused on a narrow sector of the work force, which was the strong ideology within the union movement, and that eventually destroyed the Government. To illustrate that, I refer to the Midland saleyards era. That involved the ideological pursuit of a boss. Members will recall that the Midland Brick Company Pty Ltd was a large and successful company.

Hon Murray Criddle: It was a great company.

Hon BILL STRETCH: It was a great company that came through some hard times and literally built Perth, brick by brick, for many years. It had a strong view on maintaining a stable, unified and productive work force. To my memory, it was not a unionised work force, and this stuck in the craw of the ideology within the union movement. The political muscle of the union movement was used to destroy the Midland Brick Company and Rick New. This man was a successful business proprietor and a free enterprise person who went out and did his own thing and built his own business with his own hands. His political affiliations drifted towards the Liberal side of politics, even though he was even-handed in regard to his work force. That was not enough to placate those previously referred to ideologues. Therefore, an amazing combination of the unions and the parliamentary wing of the Labor Party came up with an amazing project to build a competing brickworks. They had to look around for some land in proximity to the clay supplies in the foothills. Therefore, the Midland saleyard site was selected as a suitable place to start a competitive brickworks. It became, as history will relate, Prestige Brick Pty Ltd. It had some terrible times and caused a terrible uproar. It was the subject of investigations by a parliamentary committee - and one thing and another. All sorts of scandals were attached to it, with personal associations of cross-interests between the union movement and certain highly placed political figures. Labor cabinet ministers became involved, and it all became extremely messy. Caught in all this, of course, were the rural industries, which were trying to maintain a viable, working saleyard at the time.

I raise that sorry incident because it is an example of what happens when the ideological balance overtakes commonsense and a Government pursues political ends to meet a particular ideology. I guess that can be expected. It happens in all parties, but it seems to be a particular facet of modern Labor. It was well summed up

by Malcolm McGregor in *The Australian* on 29 November 2001. It came out in an analysis of the previous federal election, when he was assessing the Labor Party's performance in opposition. Another commentator said that the campaign was abysmal, and that only time would tell if the ALP's attempt at generational change since the election would have any effect. McGregor described it in these terms -

> Desiccated factional careerists are simply no match for accessible local candidates who have worked in real jobs and had broad life experience rather than meticulously planning political careers since joining Young Labor in high school.
>
> They arrive in Canberra with hearts full of hate and minds devoid of ideas to provide lobby fodder for the factional bosses who have sponsored them.

They are not my words; they are the words of a commentator from a reasonably regarded national newspaper on the performance of the Labor Party in that field.

It is worth thinking about that. It particularly upsets me when it is clear that people arrive in the Parliament - in that case, in Canberra - with hearts full of hate. McGregor goes on to say "minds devoid of ideas". That is not my personal observation - however, it is in the quote. I do not think there is any doubt that many of the Young Labor candidates who come into this place have plenty of ideas. The fact that they differ ideologically is accepted. However, there is an element of hate, and that word does not belong in the Westminster parliamentary system. Differences of opinion and of outlook are fine, but that element of hate is not. As Hon Graham MacKinnon said many years ago, we are, fortunately, getting away from the politics of the 1930s, when the Labor movement believed that the Liberals were people who ate their young at birth. That was a sort of built in -

Hon Ken Travers: It sounds like the Young Liberals when I was at uni, Bill. That was their attitude to the Labor Party.

Hon BILL STRETCH: I think Hon Ken Travers might be reverting to high school politics. Hon Ken Travers' interjection is interesting. As I said, hate is a word that I do not like, and it certainly has no place in a Parliament. It may have a place in young politics before people understand the viciousness and destructiveness of the word hate. The Minister for Racing and Gaming is making interesting signs. I am sorry that he does not have his voice today, because his interjections are always worth listening to.

Hon Bruce Donaldson: You are being so kind.

Hon BILL STRETCH: He is being kind.

Hon Bruce Donaldson: No, you are being kind.

Hon BILL STRETCH: I am being kind, am I? I am too old to have much hate in my heart.

Hon Ken Travers' interjection says more about Hon Ken Travers than anything being said here. I have noticed in this Chamber that some members are trying to take rational commentary back to high school debate.

Hon Ken Travers: I will see if I still have the leaflets that the Young Libs used to put out, and I'll show you what they say on campus.

Hon BILL STRETCH: I have already commented that we tend to grow out of those things.

Hon Ken Travers: I am just making the comment.

Hon BILL STRETCH: Okay; I accept that. Those things are best left on campus. Some of the debate that we hear sometimes from members to Hon Ken Travers' right - physically, not politically, because I would not comment on whether they lean to the left or right - is of a high school level. We are not a high school debating society. We do not score cheap little points.

Hon Ken Travers: Read your speech when you have finished it.

Hon BILL STRETCH: It always fills me with terror when I read a speech afterwards, because I tend to reflect on what I believe rather than follow a text that is laid down by any -

Hon Ken Travers: There are some inherent contradictions in what you are saying.

Hon BILL STRETCH: Always. The greatest oxymoron of all times is that changes are constant. I can change very rapidly. I sometimes say things, then think that they did not sound quite right, and I can always find an argument to counter what I have just said. I am always balancing these things. Life is a balance, and I hope that my mind is open enough that I can correct or contradict myself if need be.

Hon Bruce Donaldson: Maybe your statements are a bit above the IQ of some members on the other side.

Hon BILL STRETCH: The Whip is very kind.

Hon Sue Ellery: That is exactly the kind of thing you were just talking about.

Hon BILL STRETCH: Yes. We are in a serious game in this place. I do not regard it as a game, but, unfortunately, a lot of people do. The high school society debating techniques come out. They are very good, but they belong in high school. In this place, we are talking about real people's lives, real businesses, expectations and futures.

I said last night that if we swing the pendulum too far either side, there is a grave danger that we will crunch the people that we set out to help. When that is done in a work force environment, the outcomes will be either a loss of jobs or a loss of businesses. Either way, that means that at the end of the day, at the bottom of the heap, there is a loss of jobs. We must always remember that what we do must create a better business environment, because, without that, we will not get a better work force.

Again last night I referred to the need to develop a seamless work force as a major component of a seamless community. That will not be done by people marching up and down and putting on the disgraceful performance that we witnessed the last time this Bill was debated. They were bullyboy tactics that evoked the epithets that were thrown across this Chamber, with which I do not associate myself. However, when people go to extremes, and when there is victimisation of people on either side of the fence, at either spectrum - either by the exploitative employers or the exploiting employees - it will draw epithets, unpleasant as they are, towards those people. Unfortunately, Hon Ljiljanna Ravlich misunderstood the comments. On second thought, I do not think she misunderstood them, because she is pretty smart. She misinterpreted them and took them to mean the entire union force, when they did not mean that; they were aimed at the extremes of both sides of the argument. That must be borne in mind. We must all work through legislation to achieve that balance and to ensure that at the end of the day the people involved are, not so much better advantaged, but better positioned to take their place in the changing work force, which is changing very rapidly. When I attended a talk in Canberra on training, I was horrified at a response to a question I asked. I asked what was being done about training the rural work force. The public servant who was speaking said that the department does not worry too much about rural training because rural workers tend to learn from each other and pick it up as they progress. I referred him to the fact that much of the modern technology in primary industry is at the cutting edge. It uses global positioning system guidance technologies and computerised components in heavy machinery, which can be worth up to $500 000. Use of this technology requires more than picking up farming advice from one's father or grandfather. It is complex information and, therefore, it is imperative that proper training programs be established for those people in the work force. I found frightening this rather dismissive attitude to training young people in what were once regarded as unskilled areas.

There is really no such thing today as an unskilled work force. That term is out of date, as are terms such as "union bludgers" that were heard in the work force when I was younger. They do not belong in workplace vocabulary any more. Everyone has their skills and they are being rapidly upgraded at all levels. On-the-job training is a very important part of that. If we achieve that, we will raise productivity, which, as I said last night, all helps to produce a bigger cake from which everyone can have a larger share. There is no point scrambling for better results from a work force with diminishing productivity. In other words, if the work force does not increase its productivity, down the track everyone's share will be smaller. As I said earlier, a good business depends on a good work force, good employers and good employer-employee relationships. None of them can survive in isolation.

I was saddened to hear the minister's second reading speech on this Bill. It was obviously not written by him. Nor was it prepared by someone who had done manual work. When I read it I marked with a red pen paragraphs that were ideological nonsense and I marked in blue constructive commentary on the Bill and the proposed changes. The proportion of red to blue was alarmingly high. I do not have it with me but I think in the first three or four pages more than 50 per cent was marked in red. That is okay, but it does not provide a true background to the legislation. I will repeat much of what I said last night because the minister was unfortunately nursing his disappearing voice. I am aware that his sight is not impaired and that he can read. However, ministers have much to read and I do not necessarily think my contribution is at the top of his reading priority. I acknowledge the minister's signal that he has read it and I am pleased about that. It is worth setting out that we must work together to build cooperation in the work force. I like the words "anything in moderation". That is an indication of the balance to which I referred.

I accept that political parties cannot compromise on some matters. With a change of government, some matters might arise that Hon Nick Griffiths in opposition would find difficult to accept. I am sure the minister is intelligent enough to appreciate that. In this legislation we must try as much as possible to break down divisions between workers and employees.

The impact of this legislation on rural businesses will be strong. The pastoral and grazing industry is covered mostly by federal awards and will not be impacted on greatly. However, many small country businesses will be

affected by it. I have a letter from Shipwrights of Deloy (1986) Pty Ltd, a ship builder located in Jurien, outside the city coastal plain, which reads -

> I am writing showing my grave concern at the (LABOUR RELATIONS REFORM BILL 2002).
>
> It is absolutely terrible and will affect all Businesses large and small.
>
> I am a founding member of the Western Australian Ship Builders Association.
>
> To yourself and all others please oppose this at your Best.
>
> Thanking you all.

People who have established businesses in the country have many difficulties facing them and they do not need to be faced with artificial barriers.

Horticultural industries that employ many casuals do not appear, on a first or second reading, to be well covered under this Bill. If employers must rewrite an EEA every time they employ people, it will cause much dislocation and unnecessary paperwork. I hope the minister will be able to expand on that. Will it be necessary to rewrite an EEA to re-employ a fruit picker, for example, after a gap of three or four weeks between employment?

Hon Sue Ellery: You must do that now under workplace agreements.

Hon BILL STRETCH: That may be so but it has not been raised with me as an issue. However, it has been raised as a problem in relation to the proposed EEAs. I would like that clarified. So much of this Bill must be dealt with in great detail in Committee, for which I will leave many of my comments. It would be helpful if the Bill were referred to a standing committee for examination. I oppose the thrust of the Bill, although I accept the reality that a Labor Government sees the need to write this sort of legislation. However, I implore the minister to recognise that the devil is in the detail and implementation, not so much in the written word.

HON ROBIN CHAPPLE (Mining and Pastoral) [12.29 pm]: I rise to speak on this extremely important piece of legislation. I advise members opposite that I was a proud member of the Australian Manufacturing Workers Union and I am currently a proud member of the Community and Public Sector Union. I have listened with interest to the debate by opposition members, and I will comment on some of the statements that have been made. The first point made by Hon Ray Halligan was that employers were given only 10 days to deal with the legislation, which is at odds with what employer groups have been saying. I refer to the Argyle Diamonds agreement 2002, employee question and answer update No 2, Friday, 8 March 2002, in which the first question was -

> **Why do we have to proceed to make this agreement now? Why the rush? Why can't we wait to see what the State legislation is like before we have to make a decision?**

This was about moving into section 170LK agreements under the federal Workplace Relations Act. The company answered -

> This decision has not been rushed, it has been carefully considered. We have been in discussions over the past 12 months with the State Government, we have assessed the proposed legislation and expressed our concerns on several occasions.

That is certainly not 10 days. The Government has been negotiating with all sectors of the community about this legislation for a long time. To say that it was rushed and industry sectors had a mere 10 days in which to consult on the Bill is abject nonsense.

The next point refers to the process the major corporations have entered into in the move to section 170LK agreements at a federal level. The corporations deemed there was some uncertainty in the legislation, and they put out a paper to their work force dealing with a number of issues. I refer to point No 1, which reads -

> **Why do we have to proceed to make this agreement now?**

That is the section 170LK agreement -

> **Why the rush? Why can't we wait to see what the State legislation is like before we have to make a decision?**

This is what the companies were putting to the work force. I would ask the same question: why do we have to rush to a section 170LK agreement when the work force has not seen the state legislation? I refer to the company's answer -

> This decision has not been rushed, it has been carefully considered. . . . Our proposal to establish a 170LK Agreement will provide a certain and secure pathway for at least the next three years. This will allow us -

The industry sector -

> to continue a direct productive relationship with our employees, one that has been both successful and rewarding.

It is interesting that the employers are going down this path when they say that neither they nor their work force have seen the legislation. The company further states -

> It is not just about maintaining what we have, but providing a framework for improvement.
>
> We believe that there will be uncertainty in the State system for a considerable period while the Bill proceeds and is amended by the parliamentary process, as well as when the new legislation commences.

The company tried to convince its work force in the Pilbara to move to a federal award on the basis of some fears it has, and it has not allowed the work force to see the alternatives. That was a fairly draconian process. The company then went on, at another stage within their employee question and answer update No 2, to ask the question -

> **6. If the majority vote yes to the Agreement -**

That is, to an agreement under section 170LK of the federal Act.

> **- can those who voted no invoke a fair treatment case?**

The response was -

> No, the voting process is a democratic process to determine what the majority view is in relation to the proposed new Agreement and is in accordance with the Workplace Relations Act. In any event, the outcome of the vote is not a decision made by Argyle, it is the decision of the majority of employees and any issues on the process will be addressed by the Australian Industrial Relations Commission in the certification process.

As many members would be aware, Rio Tinto Ltd held a number of ballots at different sites - Hamersley Iron Pty Ltd, Argyle Diamond Mines, Dampier Salt Ltd and Robe River Ltd. Following the votes and the scaremongering that went on, it was interesting to note that Hamersley Iron had a 92 per cent turnout for the vote; 59 per cent of whom voted to remain within the state award, and 41 per cent to go to a federal award. Dampier Salt had a 97 per cent turnout; 55 per cent of whom voted to stay in the State structure, and 45 per cent to go to a federal award. At Argyle Diamond Mines 84 per cent voted to stay in the state system and 16 per cent to go into a federal award. By contrast, Robe River had a 90 per cent turnout; 63 per cent of whom voted to go to a federal award and 33 per cent to stay within the state award. Three-quarters of the work force under Rio Tinto's control determined, notwithstanding the scaremongering that was put out, to remain under the state award. That will give those workers the option to now come back into a collective bargaining situation; a position that I commend. The Argyle-Rio document asked -

> **If the majority vote yes to the Agreement, can those who voted no invoke a fair treatment case?"**

The answer was no, the ballot is final. It is rather interesting to see that immediately the vote was made public Rio Tinto spokesperson Andy Munro said the company was disappointed with the result, but accepted the outcome. However, he would not rule out another attempt to transfer across to the federal industrial relations arena. One would suggest that when one has a vote - as the company indicated - the outcome is fairly final. The company is already reneging on its agreement to honour the outcome of the debate, and has immediately asked for another round of propaganda.

I wish to make it clear on the record that I acknowledge the outcome achieved by the work forces at Robe River Ltd, Rio Tinto Ltd, Hamersley Iron Pty Ltd, Argyle Diamonds and Dampier Salt Ltd. I was appalled by some of the processes that occurred to get the work force to try to move to a federal system. Rio Tinto began a campaign when it became apparent that it would lose the vote and that members would stay in the state system. It called together small groups of workers and berated them on a one-to-one basis that they could lose their superannuation, educational benefits and all manner of things if they stayed in the state award. That was a very devious move by that corporation.

I will now comment on some points made last night by Hon Robyn McSweeney. She said -

> The members are still barking. The service stations that employ people to work odd hours, and fast food places and restaurants will have to increase their prices to cover costs or cut staff. Does the Government want people out of work? Is this not the Government that works for employees?

She said further -

> In some cases, staff will earn more than the proprietor. I have been to country forums about this legislation and people are most unhappy, not only because they were not consulted but also because their businesses depend on flexi-agreements and workplace agreements. That is not exploitation. No-one holds a gun to employees' heads and says, "You will sign this piece of paper". It is done without confrontation. People walk in and find a job, and the employer says what he will pay.

I will now read an interesting e-mail to Dr Gallop from a gentleman whom I know personally. He was a supervisor with BHP Billiton whom I negotiated with on many occasions as a representative of the union movement. The gentleman subsequently left BHP and worked in the private sector for a while in a restaurant employing a number of people. Over time his business failed and he re-entered the work force. He is currently working for someone who is clearly holding a gun to his head. He works for one of the service stations that Hon Robyn McSweeney talked about. He had an agreement with his previous employer at that service station but the service station was sold to BP, one of the multinationals, and he became an employee of one of the local multisite operators. His employment was terminated when the station was sold. He then had to reapply for his own job under a workplace agreement with no transition period. The wages and conditions he had been on were totally downgraded. His only option was to accept the new agreement or leave. He chose to take the new agreement, which means that he now works 12 hours on night shift with a half-hour meal break that he cannot take. He cannot leave the service station and must be there at all times. There is no chair and no provision for him to eat on the job.

Hon Murray Criddle: Where is he employed?

Hon ROBIN CHAPPLE: BP. It is a franchise.

Hon Murray Criddle: That is different.

Hon ROBIN CHAPPLE: Yes. His only option is to remain in the job. He cannot raise his concern, although there are processes for raising concerns. The moment he does so, the very nature of his occupation and income, however abysmal, will disappear. In the e-mail he said -

> Given that I was FORCED onto a work place agreement by the sale of the store I work in by BP (the multi national) -

Hon Murray Criddle: I didn't think these people were allowed to do that.

Hon ROBIN CHAPPLE: They are not. However, the fundamental problem is his only option was to accept what he was offered or leave. There are processes through which people can complain but the moment they complain they are earmarked and at some stage down the track they will lose their job. I will talk shortly about workers in the Pilbara. The e-mail continues -

> Will you make my contract null and void immediately the legislation comes in to effect so my pay can be adjusted back up immediately? (and there are an awful lot of us out here) -

Many of his colleagues are in exactly the same position -

> or will you pander to the bleating of the big end of town like the Liberals did.
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> Also I e-mailed the member for Joondalup about the Joondalup city changing their security patrols from in house to contractors on work place agreement early in December and am still waiting for his response. Oh yeah the contracts came in to effect in December too late to do much about it now that the horse has bolted I guess. Makes me wonder . . .
>
> Just thought I better remind you what I do.
>
> I work the nite shift at a service station for $14.40 per hour (casual rates.) I havent had a holiday since the work place agreements came in to effect as I cant afford the pay cut when I drop on to permanent staff. I dont have the protection of an award or the representation of a union to get a decent roster, ie I work 4 on 4 off or in laymans terms. I am rostered between 63 and 72 hours per fortnight Work that out at $14.40 per hour. Guess I have to work every hour known to make ends meet . . .
>
> And While Ive got your attention again, How do you think a night worker, working on their own has a 20 minute uninterrupted meal break when they arent allowed to close the shop. Let me tell you. You

> cant. We arent even afforded the luxury of a chair. We have to stand the entire shift unless we . . . sit on a milk crate. OK so there are laws that say that this cant happen. You look around the service station employees and find a person thats prepared to stand and be counted while they are on their own under a work place agreement.

Hon Graham Giffard: That would not last long.

Hon ROBIN CHAPPLE: Exactly.

Hon Murray Criddle: What part of this legislation will overcome the points you raised?

Hon ROBIN CHAPPLE: We are concerned that, in many cases, employer-employee agreements will not be much better. My colleague Hon Dee Margetts will talk about that shortly. She will also mention that UnionsWA continues to be opposed to individual contracts in any form, and that would include EEAs.

Some people in my electorate have recently contacted me about what I believe almost amounts to abject slave labour. Work in the north west, specifically in many of the shopping centres, is offered to people who are captured by the region in which they live. As a result, we are witnessing a downward spiral of wage structures. A lady who has contacted me on a number of occasions is working in a shoe shop for around $6 an hour.

Hon Paddy Embry: Is this in the Pilbara?

Hon ROBIN CHAPPLE: Yes.

Hon Murray Criddle: What have you done about it?

Hon ROBIN CHAPPLE: Nothing. She has said that she does not want me to do anything because she is scared that if anybody intercedes in her issue, she will lose her job. That is a very important point: people in small shops and industries in the Pilbara and the Kimberley are being forced to work well below -

Hon Graham Giffard: And in the city.

Hon ROBIN CHAPPLE: Yes.

Hon Murray Criddle: You are not going to do anything about it.

Hon ROBIN CHAPPLE: No, for the simple reason that I cannot. She has said that she does not want her issue raised.

Hon Murray Criddle: You said it was a general issue.

Hon ROBIN CHAPPLE: We will do something about that by moving amendments to this legislation, about which my colleague will talk.

Hon Murray Criddle: That is the answer I wanted.

Hon ROBIN CHAPPLE: We will do things in that light. However, the problem is that we cannot intercede on a one-to-one basis. The people involved in this form of work cannot even go to the people who are ostensibly put there to protect them, because if someone in a small community steps over the line, he will lose his job. It is as simple as that. It is happening. There have been cases in which a person has raised with the union movement in the Pilbara concerns about his working conditions and the union has gone in and tried to intercede on his behalf, only to find three or four weeks down the track that that person has lost his job. The company says that the person lost his job because it could no longer afford to employ people or was experiencing a downturn in business. Within two or three weeks someone else is employed under the draconian wage structure.

Hon Murray Criddle: I look forward to your amendments.

Hon ROBIN CHAPPLE: I assure the member that there are some doozeys.

I aimed to put in context the reasons the Greens (WA) will support the Bill on some levels but will also seek to make amendments. We want to make sure that people working under arduous conditions - which they cannot change - have some recourse. On that basis, I support, to a degree, this legislation.

HON SUE ELLERY (South Metropolitan) [12.54 pm]: My remarks will follow two themes: why we need this legislation to restore the safety net, and how the legislation will improve relationships in the workplace. Members will recall that in my first speech in this place, I advised the House that I had spent the previous 12 years of my working life in the trade union movement. I worked for a variety of unions: the nurses' unions; the union that covered people in local government; and most recently, the Miscellaneous Workers Union, for whom I worked for seven years. In my work for that union, I looked after a wide range of members, who were mainly lower-paid women in part-time jobs or from non-English speaking backgrounds.

Much has been said in this debate about a particular union. I defend that union's rights to protect the working conditions of its members. It is convenient for those on the other side to create a picture that this legislation is designed to protect only one type of worker, or that there is only one type of worker. It suits those people's argument to continue a mythology of the union movement comprising only big, burly men. It is convenient but it is inaccurate. Large sections of the work force are much less able than other sections to protect and defend their conditions of employment. We need this legislation to put a safety net back in place. Under the first, second and third waves of the Court-Kierath industrial relations regime of the 1990s, women on low incomes, people who worked part-time and casual hours and workers from non-English-speaking backgrounds were subjected to a systematic reduction of their conditions of employment. Their wages dropped, their hours of work increased and their access to avenues of redress were removed.

Hon Murray Criddle: Which part of this Bill will overcome that?

Hon SUE ELLERY: I will talk about that. Some of the facts and figures about what occurred during that time have already been mentioned through references to a report by Sydney University's Australian Centre for Industrial Research and Training. That report compared employment conditions under individual workplace agreements and awards in Western Australia. That report showed that 56 per cent of employees on workplace agreements received less than the award rates of pay, that 78 per cent worked from Monday to and including Sunday, and that 87 per cent worked shifts longer than 12 hours. It also showed that people on workplace agreements had lost penalty and overtime rates and had their annual leave loading absorbed into their hourly rate of pay. However, the hourly rate was still below the award rate of pay. Those figures do not add up to a system that sees employees and employers as equal partners negotiating terms that mean that what employees lose in conditions they make up in higher hourly rates. In fact, the figures show the opposite.

Another effect of that time, which arose from but was not limited to a policy of privatisation of government services, was felt by the competitive industries of contract cleaning and security, in which companies tender for work. In those industries, workplace agreements had the effect of pushing down wages and reducing jobs. The Supreme Court, sitting as the Industrial Appeal Court, recently handed down a decision regarding Airlite Cleaning Pty Ltd. The case is the Chamber of Commerce and Industry of Western Australia (Inc) v the Australian Liquor, Hospitality and Miscellaneous Workers Union, Western Australian Branch [2002] WASCA 24, and the decision was handed down on 15 February this year. I refer to remarks made by one of the members of that appeal court, Justice Kevin Parker, in summing up the view that was expressed by the Industrial Relations Commission when the case was heard in the first instance -

> This led to the Commission . . . to find and reason that:
>
> > "We conclude that because of the exclusive nature of offers of employment pursuant to workplace agreements, such offers containing conditions and rates which are substantially lower than those provided by the Award, and that it is only in a limited range of areas that employees are being offered work other than exclusively on such a basis, that opportunities for employment in the industry at Award rates and conditions are becoming increasingly limited."
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> The reasoning in these passages is critical to the decision. In essence, the Commission has identified that employees are agreeing with employers in the industry to be employed under workplace agreements on terms and conditions of employment which are less, generally speaking, than those for which the Award provides. This is occurring in particular because employers are only offering to employ pursuant to a workplace agreement in all but a limited range of areas of employment . . . The Commission has identified that there are commercial reasons why employers are doing this. In short it enables them to be more competitive in securing business. A further consequence is that the numbers employed on award terms and conditions in the industry are diminishing.

Sitting suspended from 1.00 to 2.00 pm

[Quorum formed.]

Hon SUE ELLERY: Before the lunch break I drew the attention of the House to a judgment from the Industrial Appeal Court that noted the conclusions drawn by the Western Australian Industrial Relations Commission on the consequences of using workplace agreements to drive down wages and reduce the number of jobs in the contract cleaning industry.

I will now comment about the rhetoric of choice that formed an important part of the Kierath-Court industrial relations regime, how that choice was exercised and what it meant for low-paid workers. One example involved two cleaners who were employed by the former Ministry of Sport and Recreation. Between them, the cleaners had given 28 years of service in the job. The employer provided written notice to the cleaners that they were required to either sign a workplace agreement or be taken off the roster. That direction came from a Government

that had promised that no worker would be forced to sign a workplace agreement and that the system was based on choice. The case of those cleaners made the front page of *The West Australian*. The union represented them in the Supreme Court action and won an injunction and then the substantive argument that the government employer had breached the Government's Act. Why do we need unions? In that case, a union was needed to pool the resources of employees, so that the case could be run. That was what it took to convince the Government that one of its departments had breached its law.

Another example involved the Morley Alehouse, which offered its casual workers a change in the status of their employment - from casual to part-time - if they signed a workplace agreement. The advantage of part-time employment was that it was more ongoing and stable employment than casual employment. One worker was dismissed during discussions in the workplace about the particulars of that workplace agreement because she expressed her dissatisfaction with the terms on offer. Again, the relevant union sought injunctions, using the pooled financial resources of union members. The case was adjourned a couple of times but finally, in the week the hearing was scheduled to proceed, the employer sought to settle the matter by offering a financial settlement to the worker who had been dismissed and giving a commitment that he would not sack or injure the conditions of employment of any other employee who did not want to sign the workplace agreement. Again I ask the rhetorical question about why unions are needed. This practical example shows that unions are needed because they provide the opportunity to pool resources and to use the strength of the collective in order to advocate for those who are in an unequal relationship in the workplace.

Another example of how choice was effected by that legislation, rather than the theory of how it would be effected, involved a company called Solid Concepts Pty Ltd, which is a small manufacturing enterprise that makes resin prototypes and models. When two young workers who were offered workplace agreements raised questions about some of the terms of the offer, they were told that they had an attitude problem and that failure to sign the workplace agreement would result in their employment being "transferred" to a labour hire firm, which would have resulted in the loss of ongoing, stable employment. The workers refused to sign the agreement, which was a difficult decision for them to make. They were both under 25 and one had a mortgage. The employer took the action he said he would take; he illegally transferred their employment to a labour hire firm. The union took that as a claim for unfair dismissal to the Industrial Relations Commission and won the case on appeal. That is no small answer to why unions are needed; they are needed to redress harsh and unreasonable dismissal. I used that example to illustrate what choice actually meant under that regime. The rhetoric was one thing, but the practice was that choice was available only in an unequal playing field.

I will provide a classic example that demonstrates the idea of informed and genuine choice. A Thai restaurant in Subiaco employed two cooks who were brought to this country because of their skills in the preparation of Thai food. Those cooks were unable to speak or read English, yet they were offered a workplace agreement written in English. It took the union to draw this matter to the attention of the registering body - the Commissioner of Workplace Agreements. He was the so-called umpire who was charged with ensuring that informed and genuine choice occurred; however, his officers had taken no steps to ascertain whether the two cooks knew anything about the document that was put in front of them to sign. I could go on and on with example after example that show why we need to repeal the Workplace Agreements Act and put in place a regime that restores balance and fairness.

The nature of the debate so far says a lot about members' respective positions. It has evoked strong language and emotions. Some contributions from the opposition benches have been less than measured. That is not surprising for a couple of reasons. First, this debate goes to the heart of the respective philosophical positions of members on both sides of the House. At that heart are notions about the kind of community we want to live in and the role that the Government has in building, supporting and sustaining the community. Our differences on the question of relationships in the work place bring those broader differences into stark relief. Some of the arguments from the other side have referred to this legislation as being part of a nanny-state and that it is more about handholding than anything else. What members on the other side describe as nannying, we describe as providing a safety net. That is why this Government is committed to not just the economic health of this State, but to what is referred to as the triple bottom line. Our social health is as equally important as our economic health and our environmental health. When all three of these are in balance, we have a healthy community. Government has an important and legitimate role to play in ensuring that those three factors are meeting the test that we want them to meet. The arguments I have heard so far from the other side reinforce my understanding of its philosophy. Members on the other side can talk only in terms of one measure of health; the economic one. To paraphrase my friend, Joan Kirner, we do not just live in an economy; we live in a community. That is where the stark relief is.

A few years ago, One Nation made many public statements about being the new alternative voice for working people. I do not know what happened to that commitment but it seems to have evaporated somewhere between then and the speech that Hon Frank Hough made in this place a few nights ago.

I suspect that for those members on the other side, this debate about putting back a safety net is too stark a reminder about how they got on that side of the place in the first instance. Last year the Labor Party went to the February election with a clear and unambiguous policy to repeal the Workplace Agreements Act and to reintroduce a safety net supported by a strong independent umpire, the Western Australian Industrial Relations Commission. It also had a preference for collective agreements while recognising that employers wanted the ability to have individual agreements with a safety net. The Labor Party won seats in last year's election that even it did not expect to win. That is in no small part because Western Australians rejected both the style and the substance of the changes made to industrial relations legislation by Hon Graham Kierath. Western Australians were genuinely worried about the kind of workplace that he was creating for their children. This debate reminds us of all that and it makes some people uncomfortable. That leads to a debate that is characterised by some emotional tirades and, in some cases, quite reckless contributions, as were made by some opposition members last night in particular. I listened to the debate today and was pleased with the remarks by Hon Bill Stretch to the extent that he called for some rational commentary and cautioned members of the House on how they should contribute to this debate. I agree with him. However, he should re-read the *Hansard* and the contributions made to the debate last night and draw judgment on them.

I want to debunk some of the myths around this issue. One of the views put forward in the speeches so far has been that unions have had an important role to play historically, they did goods things in the past but we do not need them any more. Work recently carried out by the Australian Bureau of Statistics has shown a significant difference in the rates of pay of those workers in unionised workplaces and those in non-unionised workplaces. This work was released on 26 March this year and showed that part-timers, casuals and women workers benefited most from union membership. In particular, the Australian Bureau of Statistics looked at the hospitality industry and found that hospitality workers who were members of their union - the Liquor, Hospitality and Miscellaneous Workers Union - were earning at least 30 per cent more than non-union members. Part-time, casual and women workers are benefiting most from union membership and earning up to 43 per cent more than their non-union colleagues. Union members on average earn an extra $99 a week, or 15 per cent more, than non-union members. The benefits of union membership are even greater for part-time casual women and teenage workers. Last year, part-time employees who were union members earned on average 42.9 per cent, or $129 a week, more than non-union members. Women union members averaged 24 per cent, or $123 a week, more pay than women who were not union members. Casual union members earned 16.2 per cent, or $64 a week, more than non-members. Union members aged 15 to 19 years earned 20.2 per cent, or $40 a week, more than non-members. We need unions because in a deregulated labour market in which the relationships in a workplace are not equal and are without advocates for those who are least powerful, wages can stagnate and, in some cases, fall below livable rates.

Before the lunch break, Hon Murray Criddle asked by way of interjection how I thought this legislation would improve the lot for low-paid and women workers in particular. I will now address some of those issues. It restores balance to the system by restoring the powers of the Industrial Relations Commission, for example, to assist the parties to a dispute. Under the previous regime, the powers of the umpire to resolve disputes were narrowed, and with workplace agreements, there was no independent umpire. In the case of the relief sought by the union for the Morley Alehouse and the Ministry of Sport and Recreation, the only way that action could be taken to limit the illegal activities of those employers was by way of the Supreme Court. The Industrial Relations Commission was not able to act on those matters. The cleaners and workers at the Morley Alehouse had no way of getting access to the Supreme Court. They were only able to seek relief because they were members of the union and the union had the resources from other union members. There was no independent umpire to deal with workplace agreements under the previous regime. Many workplace agreements referred to a disputes procedure which required the workers to pay for the conciliation process. In many cases, it got the employer to nominate the arbitrator or conciliator, which was often a legal company that had an ongoing relationship as a legal advocate with that business.

Hon Murray Criddle: Will all that go to the Industrial Relations Commission?

Hon SUE ELLERY: Some of it will; if there is a dispute over an employer-employee agreement, yes.

Hon Murray Criddle: I was talking about the other issues though.

Hon SUE ELLERY: I am getting to them.

Removing the veil of secrecy within which agreements are registered and making employer-employee agreements open to public scrutiny effectively creates a means by which the effect of the terms of those agreements can be measured against the public interest.

Inserting into the objects of the Act the recognition of equal pay for work of equal value is a matter that I touched upon in my first speech. It also highlights the role that government can play in sustaining and building strong communities. There are many steps - legislation is only just one step - that we must take to get us to the point at which we value the work of those who care for the children, the aged, people with disabilities and the sick, by the same measures that we value the work of those who fix our cars, mend our plumbing and dig resources out of the ground. Legislating is just one step but it is a very important one. By inserting the reference to equal pay into the objects of this Act, we are taking one of those steps and I look forward to assessing this legislation's progress in a few years time.

The introduction of a no-disadvantage test is a critical mechanism by which we can address the question of rates of pay and conditions of employment that were pushed down under the previous regime. It is the mechanism by which the safety net is restored. It will have the effect of ensuring that choice is real, but it will also mean that unscrupulous employers and those who were forced, because of the nature of the competitive industry they were in, to use workplace agreements to drive down wages will no longer be able or have to do that. Certainly, many people in the cleaning industry say that they felt they had no option but to follow, and drive down wages to the lowest common denominator. This legislation will stop that.

The no-disadvantage test will require the registrar of the commission, when running a ruler over employer-employee agreements, to take account of both monetary and non-monetary benefits. Employers requested this flexibility, they got it, and they had a commitment to it prior to the election.

I will touch on some of the issues raised about concerns of members of the brethren faith. I have twice met with representatives of the brethren, and I have also had telephone discussions with their representatives. I place on the record that I respect their sincerity and the conviction of their beliefs. I am sure they will agree with me that those meetings were cordial and respectful. However, in those discussions we struggled to find a way to reconcile the key difference between us. In those discussions I was advised by the brethren that they would characterise their work force as follows: one-third are members of their families, one-third are members of the broader brethren community, and the remaining third are not of the brethren faith. Therein lay the crunch issue for us.

I respect the views of the brethren regarding the choices they make about union membership for themselves. However, we could not reconcile how to accommodate their desire to exclude unions from their workplaces when they know they have workers who are not members of the brethren faith, and how they would know whether that non-brethren third of their work force were or were not union members. We could not get past the fact that any such system would have the effect of allowing recruitment practices that infringed on a non-brethren employee's right to join - or not, as the case may be - a union and on that employee's right to request services from that union in the course of his or her employment. I regret the anguish that this causes those members of the brethren. However, I see no way to resolve this issue while they seek an outcome that has the effect of imposing their religious views on their non-brethren work force.

I conclude by saying that this legislation is overdue. Working Western Australians elected this Government with a clear mandate on this issue: restore balance and fairness; repeal the Workplace Agreements Act; put a safety net in place; rebuild a strong and independent Western Australian Industrial Relations Commission; and provide a system of individual agreements that is measured against a no-disadvantage test. All that was put before the people of Western Australia, and they voted for it. They want government held accountable to a triple bottom line of economic, social and environmental measures. This legislation delivers on that.

HON MURRAY CRIDDLE (Agricultural) [2.23 pm]: I will raise some points about this Bill. I must say from the outset that I have trouble recognising the necessity for this Bill to be passed by the House, bearing in mind that the employment situation in Western Australia is strong and that the State is prosperous - it is clearly the best in Australia. Living conditions throughout Western Australia are comfortable, and industrial unrest has been at a minimum for many years. I have had many dealings with the unions. I believe that we are travelling pretty well at this time. This legislation will lead to major disruption for not only employers but also employees; and I will touch on that later.

First of all, I should point out that I have been employing people virtually ever since I left school, and I continue to do so. From that point of view, I should express an interest in this Bill as an employer and a person who has been fortunate enough to have longstanding employees who have worked with me for many years on a cooperative basis. I wonder sometimes about some of the across-the-Chamber confrontation that takes place, and how those members would get on if they were employing people and had to negotiate a difficult situation

with their work force. With the attitude they have, they would find it difficult to come to a reasonable resolution, without worrying about any laws that may well be implemented.

There should be a realisation that employers need employees just as much as employees need employers. Cooperation is necessary. As I said earlier, I have had a lot to do with industrial relations. In fact, I was in the Federal Court when the dispute about the ports was going on. That dispute was not about an objection to the unions; it was an objection to the way in which the work practices were carried out. In many ports around Australia, there is now a multiskilled work force, and in many operations it does itself proud. Around Australia, that work force has a very good production and productivity rate. As a result, this country has lifted its export profile in the world markets. It is imperative that Australia have a work force that allows it to be competitive on the world market. I will deal with that a little later as well.

I will get back to the structure of the Bill and the way in which it came into this House. I understand that, after some debate, it was guillotined in the other House. It is always disappointing when a Bill goes through in that way, because all the clauses should be debated so that there is a clear understanding of the legislation. One of my criticisms of this Bill relates to the explanatory memorandum. It should have been a better document, so that we would have a far better understanding of the Bill and the intentions of the Government.

This legislation was put forward by the Government without a great deal of consultation. When I was a minister in the previous coalition Government, my opposition spokesperson used to tell me every day of the week that the then Government needed to have consultation. I notice that she has now gone to the other extreme and has not made a decision since she has been a member of the current Government. People can go a bit too far with consultation. However, we needed significant consultation on this Bill. I am not sure whether the final result reflects what the exact intention was. That is why I interjected on Hon Robin Chapple. He has told me that he has some amendments. That reflects my concern about the issue that was raised; that is, how low wages, long hours and so forth would be addressed in this Bill, and whether this legislation would overcome that. If we pass legislation for legislation's sake, and it does not resolve the issues, why are we putting legislation through this Parliament?

I am not the greatest fan of this legislation. This Bill is very thick, and we now have an amendment Bill that is virtually the same size. It would have been better to just start again. At the end of the day, the result may have been better.

Hon Dee Margetts: I do not disagree with that.

Hon MURRAY CRIDDLE: I thank the member. Hon Dee Margetts and I agree on the main issue of the Bill.

I talked about consultation. One issue that has been raised with me by the Chamber of Commerce and Industry of Western Australia is that if this Bill is passed, it will bring about a complicated change to the way in which the labour force is dealt with. Small business employers - not so much the big employers - and workers will need to participate in an education program that will explain to them what this Bill is about. I am participating in debate on this Bill and I am having a great deal of difficulty understanding it. It is complicated and will have a major impact on those people and on small businesses, particularly in the light of the amount of additional administration work that must be done. Section 47 of the Workplace Agreements Act headed "Keeping of employment records" describes the many records that employers must keep. I have heard much talk about lunchbreaks. I have not had a problem with lunchbreaks, because members of my work force usually fit in their lunchbreaks around their work and manage to have a break because they organise themselves very well. If staff must clock on and off before they begin work and before taking their lunchbreak, when they have finished their lunchbreak and before leaving work, it will place an enormous burden on the people who keep records, particularly in small business. In our business we must keep many records. Some people have wondered whether it is worth employing anyone and have thought about doing all the work themselves. That is a sad reflection on some of the legislation being passed in this place. I will discuss shortly the right of entry.

I wonder whether the Government has any understanding of the economic impact of the Bill. Has any assessment been undertaken on its ramifications for the work force? I am not referring to the impact only on employers. If an economic effect of this Bill is workers being laid off, that will be the wrong outcome. Young people are in the firing line. An effect of the drought last year throughout the wheatbelt, which fortunately ended half-way through the season, could have been to lay off apprentices. We do not want any more events to compromise the economy and cause people to be laid off. We must also appreciate that this economy is part of a global economy. People have often said that our workplace must appreciate that competition is a reality.

I have read the Bill with a view to assessing its impact on businesses in regional areas and the mining sector. The industrial relations system has led to increased productivity, pay rates and workplace safety and resulted in

less downturn due to industrial disputes. That can be clearly demonstrated in statistics on the number of disputes held over recent years. Our research indicates that the economy can continue to grow within that philosophy.

The objective of the Bill is to reform the legislation implemented by the coalition some time ago. However, it will simply implement Labor Party ideology. In his second reading speech, the minister says -

> This Government believes that its choice of industrial relations system is a defining statement about the type of society it wants.

It is. This Bill will effectively lower the industrial relations bar to the lowest common denominator and will provide full rights to the unions rather than employees. That is a pity. It is important that all those involved have an equal understanding of the situation. Union members must understand that they are employees first and, in a similar vein, employers must appreciate that they cannot operate successfully without a good work force. The cross-Chamber conversation I had with my colleague opposite reflects that.

Hon Barbara Scott interjected.

Hon MURRAY CRIDDLE: That is right. One of the Acts that will be amended is the Industrial Relations Act 1979. It was obvious to me when I read the second reading speech for the 1979 Bill the other day that it is a reflection of the situation in those days because it refers to further flexibility and situations that were relevant at the time. It provides for -

> freedom of choice by the individual and direct access to the commission;
>
> the Industrial Commission to have increased flexibility and, in keeping with this, the commission's status is to be raised by the appointment of a judge as president of the commission;
>
> general orders for minimum conditions to be applied to all employees;

That sounds similar to that which we are seeking to do.

> national wage decisions to apply to Western Australia, unless there are good reasons they should not.

The objects of the 1979 Bill and the expressions of people at that time are not different from what we all seek now.

The present industrial relations system allows employers to have a workplace agreement with a single employee or a collective agreement with all or some of the employees. That will be one of the major changes in this legislation. If we cannot work with the employer-employee agreements as a result of an industrial or collective agreement, that will create difficulties. As I understand the legislation, which is complicated - if I have it wrong, so be it -

Hon Graham Giffard interjected.

Hon MURRAY CRIDDLE: I am sure I have it right.

Hon Graham Giffard: You are a pretty cluey bloke.

Hon MURRAY CRIDDLE: I have examined it and it seems to me that if a workplace has a collective agreement, EEAs will not be acceptable. The Bill will clearly give primacy to industrial agreements in the workplace. That inflexibility will have an impact across the board.

Before it can be registered an EEA must pass the no-disadvantage test, which will entitle an EEA to be, at best, equivalent to the relevant award. The current workplace agreement system is covered by the Minimum Conditions of Employment Act 1993, which I have read. It establishes the minimum standards for the work force. The good faith bargaining clause will enable unions to commence bargaining with several employers who are to be bound by a similar industrial agreement. Employers will be able to initiate bargaining with several unions to cover their entire work force. Good faith bargaining will not require any party to reach an agreement. The Industrial Relations Commission will be empowered to arbitrate an outcome by consent for the parties who are ultimately incapable of finalising the agreement. There is no incentive for the unions to reach an agreement. The first union representative has recently been appointed to the commission. No doubt that will be the first of more appointments that will lead to stacking the commission in favour of unions. I refer to the point made earlier by Hon Sue Ellery. It is one of the issues that may well favour the unions when they go before the commission. I hope that as an independent arbiter, the commission will comprise balanced representation rather than representation that favours either side.

Hon Graham Giffard: You should have told Graham Kierath that.

Hon MURRAY CRIDDLE: The member can look back as long as he likes; we have to look to the future. The Minimum Conditions of Employment Act 1993 was amended to improve the weekly rates of pay and how they

are set, and explains the minimum employment conditions. The responsibility for setting the minimum wage will be removed from the minister, and I have had many discussions with members about the minister being responsible for decisions. Obviously, the commission will replace the minister and will review the minimum wages and pay annually at the time of the state wage case. The categories of minimum wages will be expanded to include apprenticeships and trainees, and this will almost certainly increase the cost of engaging apprentices, making it potentially not viable for a small regional business to hire apprentices or trainees. I also mention that in relation to the drought. Apprentices and trainees will be too costly for small business. This could be bad for employment. It is yet another reform by the Government which takes the responsibility from the minister.

Hon Barbara Scott interjected.

Hon MURRAY CRIDDLE: The trouble with that, of course, is that there are not many opportunities in the government system that allow for apprentices. All industry would be aware that we need apprenticeships into the future. When I was in a leadership role with Main Roads Western Australia we were moving towards putting on 30 apprentices a year to overcome the shortage of young people in the government work force. That should be continued.

I now refer to the rights of entry and inspection of records. The Bill will repeal section 49AB, power of entry, and section 49B, inspection of records, from the Industrial Relations Act 1979. This will allow authorised representatives to enter during working hours premises where relevant employees work. They can hold discussions with those employees or investigate breaches of the industrial instruments of law. An authorised representative is someone who holds an authority issued by the registrar of the commission, and unions will have virtually unrestricted entry. The Bill also prescribes the minimum record-keeping provisions, which I have touched on. That is one area in which there will be a great deal of difficulty. There will be some conflict when people come onto workplaces uninvited.

This legislation has amended the unfair dismissal process. Changes include allowing reinstatement of an employee pending the resolution of a claim; reinstatement will be the primary aim rather than compensation. The commission will have discretion to hear claims outside the 28-day time limit for lodgment. This will provide employers with considerable uncertainty, as they could find unfair dismissal claims being lodged against them months after the employee has left.

Hon Barbara Scott: Has a time limit been put on it?

Hon MURRAY CRIDDLE: There has been some talk of a time limit, but not in this legislation.

Hon Barbara Scott: It could go on forever.

Hon MURRAY CRIDDLE: It could go on for an extremely long time. I will explain one of the impacts of that as I comment about the unfair dismissal section. At present the process is rigorous. I am sure that anybody who has had to dismiss people would know that it is a very difficult time. If a dismissal has proceeded there is probably no reason for a reinstatement. Reinstating an employee would be extremely difficult and more costly in regional areas, because there is often greater cost to employing people, such as relocation costs, and the new employee cannot be dismissed because an employer has been ordered to reinstate an employee. The cost of that procedure will be enormous in regional areas, with employers having to relocate the person with furniture and the like.

Hon Barbara Scott: What about seasonal workers?

Hon MURRAY CRIDDLE: I discussed that last night. This will have to be worked through on an understanding with the employee. It also comes back to the point I made earlier: there should be a clear understanding of all aspects of the Bill by the employer and the employee.

Where possible, businesses will increase the level of mechanisation and replace employees with factory equipment. That has happened. We cannot chuck the dishwasher out because we do not use a tea towel any more. That underlines the stage at which mechanisation is taking over. On farms nowadays the big tractor replaces four pieces of equipment, and one person can probably operate equipment that five or six people operated. We have seen small farms close down and large farms take over, and the population leave those areas as a result.

Employees in many cases do not want reinstatement; they are looking for a payout. That creates a difficult situation within the work force. The morale and the whole structure of the workplace are affected when a person is working in an unfriendly environment. The extension to 28 days provides uncertainty for both the employer and the employee. If employees have a genuine claim they would surely raise it within the 28-day period.

Statistics are widely used nowadays to underline different points of view, and there has been a lot of talk about unions representing different groups. From the statistics I have been given, trade union membership in Western Australia has declined from 25 per cent in 1996 to 19.5 per cent in August 2001. At a national level trade union membership increased in only one industry sector from August 1996 to August 2001 - the personal and other services sector - and that was an increase of 1.5 per cent. Overall union membership declined from 51 per cent in 1976 to 24.5 per cent in 2001, which represents an enormous drop-off in union membership. Those statistics contain a message: unions are not as popular as they used to be. Naturally the trade union membership in the mining sector has declined from 38.5 per cent in August 1996 to 30.8 per cent in August 2001. Nationally, the largest decline in trade union membership was in the communication services area with a massive 22.8 per cent decline from 1996 to August 2001. This was followed by the electricity, gas and water supply sector with a 17.1 per cent decline over the same period. The other interesting factor was that the median age of trade union members increased from 36 in 1990 to 40 in 1999, indicating that the trade unions are not recruiting new work force entrants, but are merely retaining some long-term loyal supporters. Industrial disputes nationally have declined from 248 days per 1 000 employees a year in 1991 to 87 days in 1999. That relates to the point I made earlier about disputation.

I will now raise some of the points that the regional areas and the mining industry have brought to my attention. The mining industry is concerned about the way in which the Bill was handled in the other place. Virtually no substantive amendments were made in that place to give clarity to the way in which the Bill will be administered. As I said earlier, people must understand exactly where the Government is coming from with this legislation.

I will refer to the industry's concerns on the workability of employer-employee agreements. The Western Australian Industrial Relations Commission has the power to order an employer not to offer EEAs or to cease offering them when a party has initiated bargaining. This will have the effect of forcing an employer into an industrial agreement or have an outcome imposed by the commission. The framework for offering, accepting and registering EEAs is complex and provides a lengthy time for registration before processing an EEA. A choice must be offered when engaging a new employee, when an existing employee changes his work from casual to part time or full time and back, or when an existing employee is promoted or transferred. There is obviously a deficiency in that part of the Bill.

The Bill now provides that an employer cannot offer an EEA when an industrial agreement is in force. I made the point earlier that that provision applies not only when the EEA is within its term. An industrial agreement will remain in force even after its nominated term has expired until it has been replaced by a new agreement. This means in practice, in terms of timing, that an employer's ability to develop and offer an EEA, and a union's ability to frustrate an employer's intention, is unclear.

I will now refer to the industry's view of the role of the Industrial Relations Commission. The likelihood of arbitrated employment conditions being imposed by the commission will be significantly increased - that point was made also by Hon Sue Ellery - and the incentive and/or the ability to negotiate enterprise outcomes will be significantly reduced. Both parties could slow down that process or cease it if they did not agree with it. The commission will be able to receive evidence of past workplace agreements and insert their conditions into awards, giving rise to the probability of a flow-on of workplace agreement conditions into awards. The commission's power to stop industrial action will be weakened. The commission's jurisdiction will be broadened by changes to the definition of "industrial matter", which will lead to uncertainty and legal challenges.

Good faith bargaining, industrial agreements and pattern bargaining is another area with which the Chamber of Minerals and Energy has a problem. Bargaining over good faith provisions will ensure that an employer has little option but to agree with an application for an industrial agreement or risk the imposition of an adverse enterprise order by arbitration. The Bill gives the commission the power to insert agreement provisions into common rule awards by consent, which will lead to comparative wage justice claims, a high safety net and the no-disadvantage test being placed against the agreement provisions rather than an award. I have referred a few times to the right of entry provisions in the Bill, which provide for an expanded right of entry for union officials, and to other requirements in section 49B of the Industrial Relations Act.

The Western Australian Farmers Federation referred to a number of issues in the Bill about which they are concerned. It is a large and comprehensive Bill that substantially amends the Act and is of concern to the people in the farming industry. Having had a close relationship with and having worked in the industry, I can understand the concerns of the Farmers Federation and the industry. They do not want to see anything that impedes the way in which their operations are carried out.

I will refer to the employee relations profile from the Western Australian minerals industry. That industry's summary strongly supports the current labour relations legislation framework, particularly the existing workplace agreements system. The summary indicates that the industry has gone ahead very strongly in the past few years. The oil and gas industry produced something like $21.3 billion in 1999-2000, and I believe it had an even stronger result last year. It therefore produces a large part of the wealth of this nation. This Bill will impact on approximately 44 000 people in the mining industry and the directly related mineral processing work force. That work force relies heavily on the mining industry's profitability. Flexible labour practices and wages are closely linked to employee productivity. Skills development has occurred in the industry, which allocates by far the highest expenditure to training of any industry in Australia. It is definitely the skilled work force of the country, with a high representation of tradespeople. Workplace reforms and flexibility of employment practices, such as multi-skilling and flexible schedules, have been of great benefit to that industry. Without any shadow of doubt, those practices have added to its profitability. In recent years the average wage has gone from $1 000 to $1 400 a week. It is therefore a very highly paid industry. I was talking to some people over lunch and was told of some of the pay packets received by people in the industry in the north west of the State.

The document clearly indicates that since 1993 industrial disputes have dropped dramatically. The figures from the Australian Bureau of Statistics clearly reflect that disputes have dropped right off, apart from in the coal industry, which has a different award. As I said, earnings have increased rapidly.

I have referred to a number of issues that outline the position that the National Party and I will adopt. I will refer to another issue relating to the brethren. They came to me expressing their concerns about the right of entry provision. They have, in fact, had provisions put into agreements in a number of other jurisdictions, including New Zealand and New South Wales. Those provisions were sponsored by people from right across the political spectrum. In 1996 a precedent was set in the New South Wales Parliament when those provisions were introduced by an Independent member and allowed by the Australian Labor Party. In 2001 an assessment by the industrial registrar certified that no other groups had used those provisions that the brethren in this State want inserted in the Bill. In 2001 the provisions were introduced by a member of the Green Party of Aotearoa, New Zealand and put into agreements in the industrial relations legislation in New Zealand, which are working well. They were introduced into the federal legislation in June 2002 with Labor acceptance. The beliefs of the brethren should be recognised and taken into consideration. An amendment to the Bill to that effect will appear on the Notice Paper and I suggest that the amendment be considered favourably by the Government. I will refer to an interesting extract by Sue Bradford, the member of the Greens in the New Zealand Parliament who introduced the Bill. It states -

> Finally, I would like to talk about clause 23, and the addition relating to the Brethren that Dr Smith has just been referring to. The Green Party did take a stand in favour of the Brethren . . . I would just like to read quickly from one of the Brethren documents about their beliefs. We have supported this amendment because of our respect for the diversity and sincerity of other people . . .

The New Zealand Green Party was clearly in favour of such a move. I mention that for the Government's consideration. I have a supporting letter from the Shire of Dalwallinu that points out that the brethren employ a number of people in that area. They have 11 businesses in Dalwallinu and eight in Kalannie. They support 36 families in Dalwallinu and 42 in Kalannie. The number of brethren employed in Dalwallinu is 22 and in Kalannie it is 33. The brethren also employ 28 non-brethren people in Dalwallinu and 13 in Kalannie. The brethren employ other people. We do not want to see any impediment to those businesses. There are 120 brethren businesses across the State, and 800 jobs would be affected if agreement on this matter could not be reached. Those people do not want to be seen to be breaching the Act in the course of their employment.

Hon Graham Giffard: Can you identify the document and letter to which you referred?

Hon MURRAY CRIDDLE: Yes. It is called "Submission Re: Labour Relations Reform Bill 2002", and the letter is from the Shire of Dalwallinu. I am happy for the member to read them if he wishes.

I have real concerns with this legislation. I will be involved throughout the committee stage of the debate, and I will challenge the majority of the clauses as they come forward.

I thank members for the opportunity to speak.

HON BARRY HOUSE (South West) [3.01 pm]: This legislation fits the pattern that we have seen develop since the change of government in February last year. We have experienced a total preoccupation with three pieces of legislation dealing with electoral change, gay and lesbian laws and now labour relations. All were introduced without a full mandate from the last election. There has been little or no public consultation in the construction and implementation of any of the pieces of legislation and they all pander to the interests of vocal minorities in our community. These pieces of legislation are not in the interests of the majority of Western

Australians. Governments are supposed to govern for every person. This Government is taking law-making to the extreme end of a spectrum. Its laws are not balanced in any way, shape or form so that they cater for the vast majority of Western Australians. In each of the cases I have mentioned, the Government is swinging its pendulum to a radical extreme.

In a nutshell, I have found the priorities of the Labor Government to be unbelievable. That is starting to impact on all sorts of other legislation on the Notice Paper. I know that I cannot refer to that in detail during this debate, but I will briefly mention three pieces of legislation with which I am personally involved and about which the community at large is asking what has happened. The first Bill falls within my responsibility as the Legislative Council member representing the Liberal spokesperson for consumer affairs, and is the Motor Vehicle Dealers Amendment Bill, which has been on the Notice Paper since December. This legislation had its genesis in a 1996 review by the previous Government. The current Government sat on its hands for ages. It finally introduced the Bill into the other place, and it was dealt with there at the end of last year. I have been sitting on a file containing information relevant to the Bill, ready to debate it, for four or five months. It has been on the Business Program on most sitting days since sittings began in February. We have not got to it.

Hon Ken Travers: Hurry up with this speech and we will be able to get on with it.

Hon BARRY HOUSE: The member should cut it out. It would take an hour to deal with it. However, the Government will not discuss anything else but legislation like the Bill before the House. That is just one example. People are contacting us and saying that elements of the industry are desperate for this legislation.

As opposition spokesman for racing and gaming, I am responsible for the Betting Legislation Amendment Bill. I understand that as I speak it is being dealt with by the other place. However, it has been languishing there for months. Newspaper reports in recent days have referred to the disgust the bookmakers of Western Australia feel towards the minister and racing authorities. They want some sort of action. They want that legislation dealt with.

Hon Ken Travers: Why are you holding it up?

Hon BARRY HOUSE: Why am I holding it up? Cut it out. I want to deal with it now. I have been ready to deal with it for a year.

Hon Ken Travers: Get on with your speech.

Hon BARRY HOUSE: Bring it forward.

The DEPUTY PRESIDENT (Hon Kate Doust): Hon Barry House might restrict himself to talking about the Bill we are currently dealing with as his time is ebbing away.

Hon BARRY HOUSE: The Government's preoccupation with the industrial relations Bill means that we have been unable to deal with those other Bills. It would take this Chamber only an hour to deal with both those pieces of legislation.

The Standing Committee on Public Administration and Finance, of which Hon Ken Travers is a member, tabled a report on the Planning Appeals Amendment Bill. The minister told us that she was desperate for the Bill to be passed, and she beat the drum in the community, saying that our committee was holding it up. The report is now before the House; the Government should get on with it and debate the Bill. We wanted to do it yesterday.

The Labor Party in government is like the rats of Hamelin; it seeks a bright light and somebody dressed in a funny uniform and making a lot of noise so that it can follow him. It did that with the electoral Bills and the gay and lesbian Bill, and now it is doing it with the industrial relations Bill. The Government has pandered to the radical green element and the gay and lesbian community, which represents, at most, two per cent of the broader community, and now it is pandering to its union bosses, who represent another vocal extreme minority. It shows clearly that the Labor Party in government is a follower, not a leader. I hope - and predict - that at the end of the day, it will meet the same fate as those rats.

I got involved in parliamentary affairs not because I wanted to be involved in a group with a radical, extreme ideology but because I was interested in representation. My firm conviction is in decent parliamentary representation for all the people, industries and issues of the community of the State of Western Australia. I did not come to this place to expound a radical, ideological point of view. For me, the motivating force was a concern about extreme radical union power. That concern motivated me to seek the opportunity to represent people from a part of the State in this place.

Hon Graham Giffard: Can you give an example of that?

Hon BARRY HOUSE: I will give the member plenty of examples in a moment. The revulsion I felt about the corruption and standover tactics that are associated with those excesses was the most important motivating force

for me. When legislation like that is in place, people can take a couple of roads. They can sit back and tut-tut about it to their mates and in fact do nothing about it, although if everybody took that attitude, the society in which we live would suffer the same fate as that suffered by Germany in the 1930s and 1940s. That is the best analogy I can make. I know I speak for members on this side of the House -

Hon Dee Margetts: In the 1930s, Germany was actually a corporate state. It did not like minority groups. It did not like unions or communists. It did not like anyone from a minority.

Hon BARRY HOUSE: Members of the silent majority in places such as Germany sat back and watched as an extreme group of people took control of their lifestyle, administration and military and put their country in a terrible situation. Members can do that if they like, but I am not prepared to do that; that is why I am here.

I am very proud to have been part of the Government that made changes to the industrial relations system in this State in 1993 and in 1997. That system introduced some flexibility to keep it in line with modern society. It created an environment for a successful economy and for individual enterprise. It did that primarily through workplace agreements and controls on the extreme trade union elements and activities in workplaces in Western Australia. The success of that policy can be seen clearly in this State today. We have a thriving economy. The irony is that the Premier and Treasurer are taking credit for that. Good on them! They are in power, but let us not forget how they came to be in that position. We have a thriving economy with a low level of unemployment, particularly youth unemployment. Other members have mentioned statistics. We have secure and stable political, economic and industrial systems. Now we can see the clear differences between those on this side of the House and those on the other side. I remind members how we achieved legislative change in 1997. The union thugs took over this place. That is the only way I can describe it. They took over the Parliament using their age-old standover tactics and intimidation. They tried to silence the legislators so that we could not legislate.

Hon Bruce Donaldson: Anarchy.

Hon BARRY HOUSE: They created total anarchy. They had a total disregard for the laws of this State and all the conventions that make us the society we are today.

Hon Graham Giffard: Like the convention of telling people what you are going to do when you go to an election?

Hon BARRY HOUSE: I will remind members what happened, because they hate being reminded of it. It was a dark day for members opposite and they must live with that legacy.

Hon Graham Giffard: What you did was quite improper and you know it.

Hon BARRY HOUSE: Those thugs invaded the public gallery. They threatened members and disrupted lawful parliamentary sittings in an attempt to prevent legislation being passed. Is the member proud of that?

Hon Graham Giffard: You brought shame on this place. Your behaviour was disgraceful.

Hon BARRY HOUSE: Hon Graham Giffard supports that sort of behaviour; in fact, he is proud of it and probably would have been in the gallery with those people.

Hon Graham Giffard: I was proud to campaign against what you did.

Hon BARRY HOUSE: Let us get that on the record; he is proud of it. Terrific! That sets him apart from me.

Hon Graham Giffard: It does; you are a disgrace and I am not.

Hon BARRY HOUSE: Those people were successful in shutting down this Chamber. That was a disgraceful episode in this State's history. It was the low point in the time that I have been in Parliament. We could not go about our lawful business as legislators because we were intimidated, and this place was closed down by thuggery. We all know the history of that event. To allow the legitimate parliamentary sitting to proceed, the proceedings had to be adjourned to the select committee room on the second floor, and the debate and vote were conducted there. Thankfully, those people did not succeed in completely preventing the Legislature from doing its business and passing that legislation.

Hon Bruce Donaldson: We entered into the quietest and best industrial relations climate ever in Western Australia.

Hon BARRY HOUSE: That is exactly right. However, that will remain forever as a stain on the union reputation in this State. It is a clear indictment of the trade unions and all they stand for. I was disgusted, disappointed and annoyed, as were many people, that the gallery was not cleared so that we could go about our

business purposefully. We had to slink off like dogs into another chamber to complete our business. That lowered the tone of this Parliament in a permanent way.

Nevertheless, the legislation was passed and it has been remarkably successful in this State. It is one of the best success stories in the western world in what it has done for the industrial climate and the economy of this State. That cannot be disputed. It is galling to come into this place now and see that legislation being undone. This legislation swings back the pendulum to the extreme. I am not saying that the Labor Party does not have a right to make changes. It does; it was elected to government, even though it was with the lowest vote since 1940. However, a win is a win.

Hon Graham Giffard: It sure is; we are not handing it back.

Hon BARRY HOUSE: No. The introduction of this legislation, which radically tips the balance away from the current situation, is totally unacceptable. It will hand the workplace over to the trade union bosses, and it gives rise to an adversarial situation. In fact, the genesis of this legislation is from a mentality derived from a bygone age - probably from the industrial revolutions of 1750 and the 1800s when class warfare, particularly in England, was all the go. That sort of mentality has driven the Labor Party to introduce this legislation. In fact, it has not moved into the twentieth century yet, let alone the twenty-first century. The Labor Party introduced this legislation on the basis of old hang-ups that stem from a bygone era. The Labor Party is caught in a time warp while the rest of the world has moved on to a modern, flexible society.

What amazes me is that this legislation is being introduced against the backdrop of the Cole royal commission into the building industry. We have seen over the past month the revelations that are emerging from the royal commission. They have been very informative for the community of Western Australia. They have confirmed what many people have suspected for a long time. The revelations have given us a window into the type of people who will benefit from this legislation and who will gain control of workplaces.

I will spend a few minutes analysing and reminding members opposite of what sort of people will be handed this control and power.

Hon Bruce Donaldson: Do you want an extension of time?

Hon BARRY HOUSE: Not yet, but it might get to that point.

I went to the Parliamentary Library and got a few newspaper clippings on the past month's proceedings of the Cole royal commission. I have a huge bundle of them in front of me. I do not intend to read them all, but I will pick out a few headlines to remind people like Hon Graham Giffard of what happened.

Hon Graham Giffard: I have already read those headlines. I am happy for you to read them again.

Hon BARRY HOUSE: I might read the text in which the member gets a mention. A headline in the *Sunday Times* of 17 March reads "Union protest 'illegal'". A headline in *The West Australian* of 18 March reads "Shutdown. Building union rally to cost 'millions'". The article states -

> Unionists will bring city building sites to a standstill today to protest against the building industry royal commission, which begins hearings in Perth.

This is the start of the intimidation, threats and bullyboy tactics. There is much more to come. A headline of *The Australian Financial Review* of 18 March reads "CFMEU targets Cole royal commission". A headline in *The Australian* of 18 March reads "Building sites idle as unions protest". The article states -

> Building sites across Perth will shut down tomorrow as construction industry unions take to the streets to protest against local hearings of the building industry royal commission.

That is before a word had been said in the royal commission.

On a humorous note, perhaps the best commentary on the protest march appeared in an august journal called *The Guest Afghanistanian* of Wednesday, 17 April produced at the University of Western Australia.

Hon Graham Giffard: Hon Robyn McSweeney has already made that gag.

Hon BARRY HOUSE: I do not need to read the whole article then. A headline on page 4 states that unions unveil a new policy. It has the well-travelled photograph of Messrs Reynolds and McDonald and someone else. The article states that in a move guaranteed to appeal to the *Today Tonight* watching masses, union officials marched the streets of Perth advocating a new weight-loss program. That probably makes more sense than the point the union officials were trying to make.

Hon Graham Giffard: What point is it making?

Hon BARRY HOUSE: The point the article is making is that it is not worth taking the actions of those union officials seriously, because if we did, we would have anarchy in our society; we would not have rules, standards or procedures that everybody observed. Hon Graham Giffard believes that by belonging to a small group of thugs, as he does, he can do what he likes, regardless of the harm and damage he causes. If the member cannot understand that, I am very sorry for him. A headline of *The Australian Financial Review* of 19 March reads "Commission warns builders to co-operate". The commission would not stand back and be browbeaten by the threats and thuggery. A headline of *The West Australian* of 19 March reads "State powerless to stop strikers: Kobelke". This is the other aspect that starts to emerge. The Labor Government was copping out. It said that it was none of its business and it could do nothing about it. What a weak and pathetic response. The fact is that the Government recognises that the unions are its bosses. The Government panders to sectional interests and does not represent the broad community of Western Australia. When it suits it, the Government will not take any action.

The State Government's attitude to another group of thugs in this State, the bikie gangs, could not contrast more starkly with its attitude to unions. The Government has introduced legislation for bikie gangs, mounted public campaigns, blamed the Opposition for not dealing with the legislation and tried to blame everybody else. I could have mentioned that piece of legislation when I was talking about the priorities of the Government. We will deal with that tomorrow. The Labor Government is all hairy chested and wants to convince the public that it is for real when dealing with bikie gangs. Today's *The West Australian* has a photograph on the front page of two Cheshire cats representing Jim McGinty and Robert Cock, the Director of Public Prosecutions. They are seated on a Harley-Davidson that has been confiscated as a result of crime profits. I might remind members that the legislation that enabled the confiscation of assets from crime was introduced by the Court Government.

Hon Simon O'Brien: Keep it quiet; they might want to repeal it.

Hon BARRY HOUSE: I could not see that anywhere in the article. We were very proud to be involved with that legislation. The confiscated Harley-Davidson is worth about $20 000. The Attorney General and the DPP are sitting on it rather stupidly, without wearing helmets, I might add.

Hon Graham Giffard: Why pick on the DPP? What is your problem with Mr Cock?

Hon BARRY HOUSE: Quite a few issues could be taken up there. There is supposed to be a separation of powers between the legislators and the Director of Public Prosecutions. The picture of the DPP on the back of a motorbike as a pillion passenger appears to imply that they are hand in hand. The point I am making, which I hope is clear enough even for Hon Graham Giffard, is that the Labor Party is very hairy chested and keen to get out and promote the actions it is taking against bikie gangs. However, a group of union thugs can bring the city to a standstill and march down St Georges Terrace in an intimidating way, and the Government says that it is none of its business and it cannot do anything. We saw an example of that from the Government right from day one when no ticket, no start signs went up on construction sites all over the State. The Government sat back and said absolutely zilch. A headline in *The West Australian* of 19 March reads "Union militancy not justified". *The West Australian* recognises decent behaviour, even if the Government does not. Another headline in *The West Australian* on 19 March reads "Defiant builders pour scorn on Cole inquiry". A headline in *The Australian* on 19 March reads " Inquiry urges whistleblowers to review all". A headline in *The West Australian* on 20 March reads " Strike 'was to punish'" and states that -

> A Unionised construction site went on strike to punish a contractor working on non-union sites, the Cole inquiry was told yesterday.

This is the first of the issues that has emerged from the Cole royal commission. The headline from a letter to the editor in *The West Australian* on 20 March reads "Is union afraid of the truth?". This letter was written by Gerry Hanssen, from Hanssen Pty Ltd. He has written to me - I presume he has also written to other members - to explain what it means to him to come face-to-face with corruption, bullies and intimidation. A headline in *The Australian* on 20 March reads "'Threat' to building inquiry: witness". Some of the standover tactics employed start to emerge. A headline in *The West Australian* on 21 March reads "Threat a joke: union officer: It states -

> WACA job row put Test match at risk, Cole told.
>
> A Shop steward who gets $950 a week after tax for 12 2 hours work told the Cole inquiry yesterday he was joking when he threatened a project manager due to testify.

They laugh it off as a joke. The fact is that at the demolition site of the old Farley stand at the WACA ground the union heavies went in and made their threats of intimidation and extortion. They were prepared to go as far as threatening a test match at the WACA. To me, as a cricket fan, such a threat would have been a personal tragedy. More generally, it is a tragedy that a minority group of people with such an attitude can use standover tactics to bully other people into submission.

A headline in *The West Australian* on 22 March reads "Union official confirms threat to stop site work". A headline in *The West Australian* on 23 March reads "'Country' Joe McDonald opts for Italian sausage". The threats, extortions and paybacks include an esteemed union official making it clearly known to people on building sites that he likes Italian sausage, so that they will have a stock in store when he calls to make his threats. That is pretty sick stuff. A headline in *The Australian* on 22 March reads "Test at risk over site bans". A headline in the *Sunday Times* on 24 March reads "Rebel with a cause". This is an article about Terry McParland, who has been a whistleblower about many of these issues. He now lives in fear of being kneecapped - or worse - if and when the union thugs are given the opportunity. A headline in *The West Australian* on 26 March reads "Workers hostages of building site, inquiry told". These are great tactics. A headline in *The Australian* on 26 March reads "Union denies worker 'lock-in'". The lock-in was denied, but that is not the type of evidence that is coming to the fore at the moment. A headline in *The West Australian* on 27 March reads "Union man faces charge." The only action I have seen from the Labor Government is the laying of charges against Joe McDonald. The article reads -

> Union official Joe McDonald may soon be charged over standover tactics allegedly used on non-union workers, Labour Relations Minister John Kobelke said yesterday.

Joe McDonald was subsequently charged on a couple of counts. A headline in *The Australian* on 27 March reads "Union inquiry records stolen". That is an interesting insight into the way that the union might suppress evidence.

A headline in *The West Australian* on 28 March reads "Strike to stop 'bullying'". This is another example of how unions think it is legitimate to take the law into their own hands. A headline in *The Australian* on March 28 reads "Militant called picket to make point". A headline from *The West Australian* on 30 March reads "Union boss threatens to cut Labor ties". This illustrates the age-old tactic of intimidation, and that the unions are prepared to use it against their own. Unions own the Labor Party, and they will intimidate it to achieve its own agenda.

Hon Simon O'Brien: What is the significance of those Labor Party ties?

Hon BARRY HOUSE: The Labor Party must do what it is told.

Hon Simon O'Brien: Does it have anything to do with cash?

Hon BARRY HOUSE: Yes, and cash deals will be revealed by my newspaper articles. I have a feeling of deja vu, because during the 1992 royal commission into WA Inc, we suddenly started hearing about enormous sums of money that were being extorted from building operators, or from people such as Laurie Connell, Dallas Dempster and Alan Bond. Huge amounts of money - surprise, surprise, surprise - ended up in the coffers of the Labor Party.

Hon Norman Moore: Via brown paper bags.

Hon BARRY HOUSE: Yes, and via every devious means one could imagine. A headline in the *Sunday Times* on 31 March reads "Union boss pushes son's labour firm". I wish I had more time to dwell on that. in *The Australian Financial Review* on 2 April reads "Commission accused of union-bashing". That is the pot calling the kettle black. A headline in *The Australian Financial Review* on 2 April reads "Building needs task force: AIG". The task force was abolished by the Labor Government soon after it came to office, and that is about the only measure that was effective in keeping industrial peace on construction sites in this State.

A headline in *The West Australian* on 3 April reads "ALP win 'unleashed unions'". A headline in *The Australian* on 3 April reads "ALP poll win led to 'union chaos'". A consistent pattern is emerging, as is the commentary by the media. A headline in *The West Australian* on 4 April reads "Inquiry told union chief blackmailed company". A headline in *The Australian* on 4 April reads "Builders 'gave in' to union blackmail". A headline in *The West Australian* on 5 April reads "Picket-cross photos 'flopped'". A headline in *The Australian Financial Review* on April 5 reads "Moves to outmuscle unions". A headline in *The Australian* on April 5 reads "Builders to suffer in silence". A headline in *The Australian* on 6 April reads "Reynolds keen to have his say". We are all waiting for that. A headline in *The West Australian* on 9 April reads "$20, 000 for union got job site peace; witness". A headline in *The Australian Financial Review* on 10 April reads "Builder admits strike payments". A headline in *The Australian* on 10 April reads "Boss tells of illegal strike pay". A headline in *The West Australian* on 11 April reads "Peace cost thousands: building chief". The article states -

> Construction giant Multiplex regularly paid for non-existent union membership and training in order to build big shopping centres, the Cole royal commission was told yesterday.

A headline in *The Australian Financial Review* on April 11 reads "Multiplex made bogus payments". A headline in *The Australian* on 11 April reads "Firm paid unions for phantom members". That is also a consistent

tactic. A headline in *The Australian* on 12 April reads "Bogus site fees, 'the way it's done'". A headline in *The West Australian* on 12 April reads "Firms paid $1m for peace". Perhaps that headline best sums up the situation. That is all we know at this stage.

The editorial of *The West Australian* of Saturday 13 March, entitled "Jungle law on building sites", states -

> THE picture of the building industry that has emerged from evidence given to the Cole royal commission in Perth is far from edifying.
>
> In fact, the evidence indicates that the only law that applies on some Perth building sites is the law of the jungle. It suggests that might rules, and the rules of acceptable relations between union officials and managements are ignored for the sake of self-interest.

It goes on to explain the totally unacceptable picture that is emerging from the Cole royal commission. The *Sunday Times* adopts the same theme in an article on 14 April that is headed "Ban union outlaws" and states -

> DAMNING evidence in the Cole Royal Commission demands that Premier Geoff Gallop act now against the powerful building workers' union.
>
> He acted the decisively against bikies who believed that they were above the law. Now he has to take the big stick to the industrial outlaws.
>
> Extortion, bribery, coercion and deprivation of liberty are the same whether they occur on a building site or anywhere else.

That is a wise summary. The other similarity to the 1992 WA Inc revelations that has emerged in evidence to the Cole royal commission is that many of these illegal and corrupt transactions are done over lunch. Another article in the *Sunday Times* of 14 April is headed "Exclusive lunches a powerful force". This is where a member of this Chamber gets a mention; and he is probably proud of it.

Hon Norman Moore: Who did he have lunch with?

Hon Graham Giffard: Be careful what you say or you will not be coming to lunch!

Hon BARRY HOUSE: There we go - we can bring our own kneecap!

Hon Graham Giffard: It has been filth until now, so I have no reason to believe this will be otherwise.

Hon BARRY HOUSE: The article states -

> ECHOES of a dark chapter in WA's history were revived in the royal commission when Brian Burke's name cropped up for the first time.
>
> The ex-Premier and king deal-maker is still bringing powerful interests together over lunch at Perth's most exclusive eateries.
>
> Broad Constructions managing director Karl -

How is his name pronounced?

Hon Graham Giffard: Rummukainen.

Hon BARRY HOUSE: I thought Hon Graham Giffard would know. The article continues -

> hired Mr Burke in February this year to set up a meeting with Norm Marlborough, parliamentary secretary to John Kobelke, the Minister for Industrial Relations.
>
> Mr Rummukainen said he was trying to untangle problems with a project in Port Kennedy.

Hon Dee Margetts: Are you suggesting a private building company hired a former Labor Premier? Is that the problem?

Hon BARRY HOUSE: No. I am just trying to establish what we are dealing with. The article continues -

> Kevin Reynolds and Graham Giffard, parliamentary secretary to Planning Minister Alannah MacTiernan, were also present.

There we go!

Hon Norman Moore: What did they talk about?

Hon BARRY HOUSE: The article states -

> Mr Rummukainen said the lunch was to get an understanding of Labor's industrial relations reforms.

It states also -

> The commission had heard that Mr Rummukainen had sided with the union in disputes with subcontractors who claimed they were being intimidated.

Hon Norman Moore: Does it say what Hon Graham Giffard said? Perhaps in his speech he can tell us.

Hon BARRY HOUSE: No. The article states also -

> Commissioner Terrence Cole asked: "Did you tell them that you had paid $52,000 in the last 12 months for training fund contributions which had nothing to do with training funds?"

There we go! That is what the lunch was all about! That is a snapshot of the sort of people who will benefit from this legislation and who will control Western Australian workplaces. It is quite a good picture of the tactics that they think are fair and reasonable. Those tactics are extortion, intimidation, bullying, corruption, corrupt payments and standover tactics of every shade. Another aspect of the legislation that is most disturbing is its effect on the tourism industry, which is very important to the south west, which is in my electorate. My electorate office is in the town of Margaret River, which is alive at any hour of the day or night.

Debate interrupted, pursuant to standing orders.

[Continued on page 9782.]

Sitting suspended from 3.45 to 4.00 pm