

## **SOLARIUMS**

### *Grievance*

**MR P. ABETZ (Southern River)** [9.24 am]: My grievance is also to the Minister for Health regarding compensation for commercially operated solarium beds. In April this year, the Premier announced that all commercially operated solarium beds would be closed by the end of 2014. The minister is well aware that I argued against that because I believe that the regulations implemented in 2008 provide adequate safety for the use of commercial solarium beds. Nevertheless, cabinet made the decision and I accept that decision, but now the question is one of compensation.

I understand that there are between 25 and 30 operators who have one or two solarium beds as a sideline to their beauty salon business, for example, or something similar, and for these businesses the loss of income from their solarium beds is not critical to their survival as a business. In May, the minister advised that those businesses with fewer than five machines would receive \$5 000 per machine if they surrendered them by 31 August and \$2 000 if they surrendered them between 31 August and 31 December. From what I am hearing from the industry, those people feel that that compensation is adequate and generous. However, there is a real problem for six solarium businesses that will need to close down their businesses because the solarium income stream made up more than 80 per cent of their income and there is no opportunity to diversify in their local area. I appreciate that the compensation package is structured so that they will be able to operate until 31 December and still receive the full \$5 000 compensation per bed. I put it to the minister privately, and I do so now publicly, that the \$5 000 per bed compensation offered by the government to the six small business operators that have to close their business on 31 December is inadequate. Samantha Mato—a constituent of mine—David Murray and Russell Hirt and his father, Bert, are in the gallery this morning because they operate commercial solarium businesses and they are really concerned about their future.

Samantha operates nine solarium beds at her business Ezy Tan in Cannington. It was through Samantha that I met with the other five small business owners, some of whom the minister met with on 5 May this year. They appreciated the opportunity of meeting with the minister, but they were disappointed that the compensation package was developed without their input. They rightly concluded that they were just presented with a *fait accompli* which, I understand, is contrary to government policy, because if the government changes regulations, there must be a consultation process and I understand that that did not take place with these operators. I believe real consultation is needed, particularly when the change in regulations will result in destroying people's livelihoods and leave them with debt and no means to service that debt. Through hard work and excellent customer service, Samantha has built her business and provided well for her family, but now she faces an uncertain future. Jobs are hard to get and starting a new business in this economic climate is not so easy. Health bureaucrats might think that people can quickly shut down a business and walk away, but it is not that simple. For example, it will cost Samantha \$18 500 to de-fit her shop. Thankfully, Westfield has agreed to allow her to terminate her lease early without penalty, but she still needs to pay legal fees of about \$1 000. She needs to pay rent for the month that the shop is being de-fitted, which is another \$4 000, and because she has staff who have been with her for some time, there is a redundancy payment of \$4 000, and so on. It will cost Samantha at least \$30 000 in cold hard cash to shut down her business. Five years ago, her premises needed to be refitted at a cost of about \$170 000, but that has not fully depreciated so she can kiss that money goodbye on 31 December. Under the announced scheme, Samantha will receive compensation of \$45 000 which, given the circumstances, is inadequate.

David, who is also in the gallery, owns Ezy Tan Perth, which has seven beds. He has similar costs of de-fitting and so on, but he is in a difficult situation because his lease does not expire until the end of March 2017, with the result that if the landlord cannot re-lease the premises, he will be liable for the lease until that time, which will cost approximately \$60 000. His out-of-pocket costs to close his business will be \$50 000, but if the premises cannot be re-leased promptly, he will be up for a total of \$110 000 to walk away from his business.

Time does not permit me to provide more details of other examples. The Australian Medical Association and the Cancer Council claim that closing these solariums will save the government \$3 million a year. I am asking the minister that these six businesspeople be allowed to sit down with the Small Business Commissioner and perhaps an appropriately qualified business accountant to look at their books and their specific situations so that a tailor-made package appropriate for each business can be formulated. I believe that this government wants fairness and justice, and it has a good track record of caring for people in the way that it has looked after non-government organisations by increasing their contracts by 25 per cent, it has doubled disability funding and so on. We have a track record of wanting to be just and fair, but I think that for these six businesspeople, we need to do better than what is on offer at the moment.

**DR K.D. HAMES (Dawesville — Minister for Health)** [9.30 am]: I thank the member for his grievance and his particular perseverance on this issue. I think it is fair to say that this government has not shown itself to be unsympathetic along the way. I have copped constant criticism from members on the other side of the chamber and the Australian Medical Association because of the delays. As the member knows, this has been in the wings for a long period and we have stated publicly that this is the direction that we intend to take. We are the last state in Australia to bring this on, and our compensation package is better than the vast majority of the other states. It is at least equal to Queensland's package, if not better.

We recognise the problems it has caused for those businesses and particularly some of those individual businesses. The package was split into two parts. One part is \$5 000 for smaller operators, providing that they close by 31 August. So far, seven registered businesses have taken advantage of that. I presume the other six businesses that the member referred to contain the majority of the rest—there are 57 units altogether—although it may be that one or two of the other businesses that are smaller operators have decided that they will hang on, because they will earn more money in the lead-up to December than they would by taking the \$5 000.

As the member knows, we met with the group and it put the case that the member has put to us today that this is contrary to government policy. It is not contrary to government policy; a cabinet decision overrides all policies, because cabinet takes policies into account when it makes its decisions. Therefore, I was not authorised to do more than I am doing. Already we have a budget of something like \$350 000 to pay for all the things that have to be done. There is one thing we have done since that meeting with those affected businesses: they complained about disconnection costs and we said that we would look at whether we could incorporate that into our package, and we have done so. We have actually removed those costs for eight businesses, one of which was unregistered. The government has paid the disconnection and disposal costs. That is something we will continue and it will need to be factored into the costs of those involved.

I suggested that the member raise this issue at our party room meeting the other day, and he did so. I have had discussions with the Minister for Small Business, and we have agreed that we will accede to the member's request. That does not mean that compensation is going to be paid—that is a separate decision that again will be a decision of cabinet—but we have agreed that the Small Business Commissioner will meet with those who have been significantly affected and discuss with them and evaluate their total loss, so the government then can make a decision on whether additional funds should be provided. There are conflicting views. There are some who are of the view that business is business and the writing was on the wall and people could have better anticipated what was coming but did not. However, others are of the view that these were legitimate businesses that the government has chosen to close down, and it is not fair on those who have been affected that they should have to bear the brunt of that cost.

We will do as the member has requested and arrange for the Small Business Commissioner to meet with those who are affected and make a determination on their loss, and then, after seeing those figures, government will make a decision on whether further compensation could or should be provided.