

WESTERN AUSTRALIAN JOBS BILL 2017

Second Reading

Resumed from 6 September.

DR M.D. NAHAN (Riverton — Leader of the Opposition) [4.05 pm]: I am the lead speaker on the Western Australian Jobs Bill 2017. It is a very important issue, of course. Enhancing and expanding job opportunities in Western Australia is, I think most of us would agree, our primary role. However, governments have a limited role in this. Most jobs are created, of course, by the private sector and sometimes we can create jobs by expanding the public sector. That is often not the appropriate way to do it. Governments through history have long had policies to implement various programs to try to enhance local government and local jobs, particularly through procurement policies. In the late 1980s, I used to be in charge of that for the Department of Commerce at the time. It is complicated. In the late 1990s, under the Carmen Lawrence government, a number of agreements were signed between the various states, led by the commonwealth, to basically eliminate the ability of a state or territory to have a local procurement policy targeted solely at its constituents—that is, to have procurement policies restricting procurement preferences solely to people or businesses in the states. That expanded over the years to an agreement between the commonwealth government and New Zealand that is signed off by all the states, which limits the various jurisdictions within the commonwealth and New Zealand from tying procurement to only local activity. In other words, what it has done was the intent of the Constitution, which reinforced the definition of “local” as “national, including New Zealand”.

We understand the Premier’s objective is to give a genuflect to his claims during the election campaign that he is going to focus on local jobs. But the simple fact is that that Constitution and the agreements between the commonwealth and New Zealand, and agreements between the states, define “local” as “national and New Zealand”. Therefore, claims of the government, indeed imbedded in the title that this is a Western Australian jobs bill, are obviously false. If a bidder comes in for a tender and they are from South Australia and have the same local content policies in South Australia in their bidding against a Western Australian firm, this bill provides no way to discriminate either against or for those. The idea that this bill, by itself, will enhance local content, is false. It states that the overall objective of it is to grow the economy in Western Australia; it cannot ensure that at all.

We have had a whole range of policies in place to enhance local content and local procurement for various projects. Those policies were always restricted by constitutionality and agreements between the states. It is always a very difficult issue, particularly in government procurement, to trade-off price and local impact when providing a service and also building up the capacity of local firms to provide a service either for that tender or for future tenders. It is a long and ongoing process.

We heard the Minister for Sport and Recreation, in his own way, explain the difficulty of getting local content. We have a stadium, which members opposite are taking total credit for. Of course, I can remember when they complained that it was in the wrong place and was too costly and inappropriate. But now it is obviously in the right place and a beautiful facility, so they grasp it. The construction end and delivery of that project had 90 per cent local content, defined properly as “Western Australian provided”. That is not the definition under this bill, but the definition of “local” meant WA provided contractors. However, there are always examples of what local content cannot go beyond. The Minister for Sport and Recreation, referring to the policies in place now, which are policies the government inherited from us, said, “We are bending over backwards. We do a lot for local content on the largest project in the state.” That is what he said. The minister in charge of the stadium made it quite clear in question time today that we are very, very generous to local firms. Despite that very, very generous nature under the existing laws, we came up with all sorts of examples of contracts for Domain Stadium that were given to local contractors—which means Western Australian, not national and New Zealand—but are now being given to overseas or interstate firms.

This is a very vexed position. We hear, as I understand it, that there are a number of changes in this legislation. We cannot really assess the benefits, the effectiveness, the targeting or the coverage of this legislation because large sections that are essential to understanding this bill are missing and will not be provided for some time. Regulations will be provided down the track. In essence, this bill gives legislative carriage to a Western Australian industry participation strategy, or WAIPS, that will not be ready until March next year. The WAIPS sets the really essential details of the local content strategy; that is, which firms will be allowed, how we will define a target firm, how we will vet one firm from another, how we will implement or target projects as strategic, and how we will identify firms for diversification. All the guts of the implementation of this legislation will be provided in a strategy that has not been written yet. We are here, again, just like we have been in the past, with legislation that by itself does nothing; it just provides the legislative powers to implement a strategy that has not been written yet. When

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we asked people from the department about the intent of this legislation and the issues, they basically could not say very much. We asked what the cut-off for firms will be, what the targeted firms will be in terms of diversification and how a small firm will be defined, but they did not know. In other words, this strategy—this bill—is premature. The government should have come down with the Western Australian industry participation strategy and put it out for community consultation and discussion to make sure it was agreed on and right, as a government would. Then, once the government had finalised the strategy, if it wished, it could put in the bill that implements the strategy, gives it legislative teeth and ensures that over time it is reviewed and is publicly available. The trouble is that the government did it backwards. We can only conclude that the government did that to give the impression, by the name of the legislation, that the government is doing something about jobs when we know it is actually not ready to do something about it.

One of this issues is that the government will define “strategic projects”. The strategy document will come out as early as March that defines “strategic projects” but the government has not defined that yet. As I understand from the briefing, there is a \$20-million threshold that projects undertaken by the state have to go through a participation plan. That policy has been longstanding. The mining and resource sector has been doing something like that for a long time, particularly at state level and in interactions with the commonwealth in most cases. This also means that the difference between it and the existing policy, as I understand it, is that the participation strategy will be part of each tendering process. A potential tenderer will be required to not only put the tender together, but also put together a participation strategy as part of that tender about the cost and maybe the design or whatever the tender requires. It will not apply like it does now to the successful tenderer, but to all bidders in a tender. That, clearly, will expand dramatically the red tape involved in this process, because all potential tenderers will have to have a participation plan. Right now, there is no guidance—because the strategy has not been written—about what the government means by a “participation plan”. What is the government looking for? What are the criteria? What are the categories?

The briefing notes for the bill quite rightly state that a large amount of flexibility is required for participation plans because not all tenders are the same. Some tenders are for a combination of design, build and operate and others are just to build a specified design. They vary immensely, so the participation plans would vary immensely. Sometimes the tender is, let us say, to build a bridge. After the bridge is built, it is handed over to Main Roads Western Australia, and it is really defined. Sometimes—increasingly in most states—the tenderer operates the built entity for long periods. Therefore, if the tenderer is to operate it, one of the goals of a participation plan would be, even if there is no local capacity now, to encourage the development of local capacity. That has been the case for a long time for participation plans, but it is not clear what they mean in this case. One of the biggest issues that the Minister for Sport and Recreation indicated is that if there is a tender that has value-for-money criteria, which this bill states has the highest weighting, there is a participation plan. We do not know what the criteria will be for judging the various participation plans or for choosing between the various participation plans and the various tenders. There is no guidance for that. That is to come later on. How will we trade off between value for money and local participation? There is no guidance or weighting indication in this legislation yet it is a fundamental issue the government will have to deal with for local content. The Minister for Sport and Recreation said that today. He basically said that the government goes out and very much helps local industry, but that there is a limit to what it will trade off between local activity, specifically in Western Australia, and non-local activity, which means interstate and overseas. This bill provides no guidance as to how a minister or, more importantly, the public servants who will vet the tendering process will decide. In other words, it provides no guidance to the central issue.

Another issue is that it expands the procurement policies to public trading enterprises. That is a major expansion. There are some very large challenges with that. I heard the member for Cannington yell across the chamber that it would apply to Western Power. Yes, Western Power has a procurement policy or expectations over the next four years of \$3.2 billion. That is a lot of money. Western Power is going to have prospective tenders for various goods and services it purchases, for example, under a procurement policy. There are all sorts of complications with that. For instance, for a long time Western Power has had a relationship with select firms that provide engineering or repair and maintenance services on long-term contracts. Those firms have had an understanding with Western Power that when work needs to be done, Western Power does not go to tender but just goes to them. Those things can be dealt with. However, when a government starts requiring a public trading enterprise like Western Power to implement procurement policies that are unspecified and unclear, it is going to make its ability to lower costs substantially more difficult.

I will give some examples that occurred in our last term. Western Power is a major purchaser of transformers. ABB built a manufacturing facility in Western Australia some years ago to build transformers. For a long time, Western Power purchased its transformers from ABB under a long-term contract. During the 2000s, there was a huge demand up north for additional transformers from Western Power, Horizon Power and the private sector,

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so ABB expanded its facilities. Because throughput was very high, it was quite competitive. Most of the other manufacturers of transformers in Australia closed down and went overseas. Then mining and liquefied natural gas expansion slowed, and demand for transformers from the ABB workshop declined. It got to the point at which, essentially, the only steady buyer of transformers from ABB was Western Power. Western Power, in driving efficiencies, made a decision to not replace as many transformers but to fix the existing ones; that is, instead of buying new ones, it decided to undertake a policy of repair and maintenance. ABB did not want to do that; it was in the business of constructing new transformers. The demand from Western Power declined, so ABB substantially jacked up the price of transformers to the market. At the request of Western Power, I authorised a re-tender of the transformer agreement. Western Power went around the world to find a difference in cost. ABB of course lobbied very heavily to maintain its infrastructure here, which was understandable. It was during an adjustment period. We also knew that ABB had decided to build a very large transformer factory in Vietnam. It was very obvious from things that Western Power told me and information it provided to me that ABB, a major transformer manufacturer, was consolidating its transformer business into a very large new factory in Vietnam and that it was going to service the whole South-East Asian region, including Australia, from that centre. It was obvious that the company was going to do that; that is what it said in its literature. The pressure was on Western Power to maintain local content and to continue the operation here, but it would have cost \$80 million extra a year to buy the transformers from ABB here. Was it worth it? That is a lot of money. There is no question about the quality of ABB's transformers—I am not going to argue about that. Western Power was of the view that if we signed the multi-year contract, which the company demanded, ABB might shut down the operations after a year or two and then just bring in the transformers from Vietnam. There was nothing we could have done to stop that once we had signed the contract. Transformers are not necessarily replaceable. Once there is a design for one provider's transformer, such as ABB's, it is not easy to shift to another. That is why there are multi-year contracts and it is built into the plan. Western Power had a long-term policy of buying local, and by local I mean from WA. It wanted ABB to stay here if possible. It had a really good relationship with ABB, and ABB transformers were of high quality, but \$80 million a year for five years was a lot of money. I remember the Leader of the Opposition pilloried me for allowing Western Power to decide to go other than with ABB and for the plant to shut down.

That illustrates some of the real difficulties of procurement policy. It also illustrates some of the difficulties of having a procurement policy at the tendering phase, because although it is locked in and the firm is chosen in part because of local content, that might change over time, like ABB was probably going to do, and one might give preferences at an added cost to taxpayers that cannot be borne out in reality. It is one problem in this tendering process. We asked the public servants. I add that the three public servants who advised us are very well informed. They know procurement policy. One in particular—I will not mention his name—has been in the procurement game for nearly 40 years, so he is really well informed and very highly respected. Another is equally so. How would we address the issue of change over time? I am not criticising ABB—it is a fine firm that provided facilities to us for a long time—but they were multi-year contracts. ABB wanted to renew for five years, but I think the contracts with Western Power before that were even longer. Things change. Designs change. Policies change. Western Power changed its mind; it decided to not buy new transformers but repair the old ones. How do we make sure that the procurement policies upon which we allocate the contract in the first instance are sustained over the length of the contract? I really do not know. This brings up the complexities that are inherent to the issues and require flexible judgement by the tendering officers and ministers.

I will give another example. We increasingly have projects that are designed, built and operated, like the stadium and some of the schools. We do that for a variety of reasons, such as to optimise the design and also to ensure that the design includes better consideration of repair and maintenance over the life of the facility. We did that for high schools. I remember we did a procurement policy for high schools. The construction price was not too much different from what the government specified, but the operating cost was hugely different, because the design built in objectives to minimise repair and maintenance. It was the same thing with the stadium. But how do we have procurement policies that specify local content at the design stage if the government is stating that it will design a facility specifically to have local content for, let us say, a stadium, a high school or something of that nature? I understand build to some extent, but I do not know about operation over time. These are really difficult issues and bringing things forward to the tender phase takes away the flexibility of ministers and departments in the operation of a successful tender. I am not arguing against this phase. I know the Victorians have done it and New South Wales has something similar, but the feedback from New South Wales is that it is very bureaucratic, not worthwhile except for the largest contract and very cumbersome. The point I make is that the way these things operate is not part of the legislation. This is just the legislative framework—the skeleton if we wish—with the really difficult issues yet to be identified and expressed in a strategy. Again, we are being asked to debate a skeleton here and not a real body of policy. Nonetheless, we do it.

Dr Mike Nahan; Dr Tony Buti; Mr John McGrath; Mr Stephen Price; Mr Ian Blayney; Ms Janine Freeman; Ms Libby Mettam; Ms Mia Davies; Mr Sean L'Estrange; Mrs Robyn Clarke; Mr Simon Millman; Mr Kyran O'Donnell

There are some major issues that we would like to know about, in particular, how will a local procurement policy be enforced on a public trading enterprise like Western Power or Synergy, which have a board responsible for meeting budgets, economic objectives and key performance indicators, particularly at the tendering phase? I just emphasise that the legislation will apply much more widely to the purchase of goods and services by the state government—defined broadly—to all agencies. Therefore, the range of variability of services subject to procurement participation plans will expand. Given that it happens at the tendering phase when there are multiple bidders, the amount of effort going into the participation plan because it is at that phase, with the multiple bidders and it applying to virtually all goods and services purchased by the state either by government agencies or public trading enterprises, means that there will be a huge new industry of developing participation plans. I think there could be mechanisms to streamline that, and the bill and accompanying briefing notes indicate that the government is worried about red tape. The strategy, which will be published next year sometime, will try to deal with that, but there is no guidance here whatsoever. I worked for a while with the Chamber of Commerce and Industry of Western Australia and associated with the Industry Capability Network, which was set up by the CCI and funded, I think, in part by the state government. All large projects in Western Australia went to the CCI and gave it the full list of their prospective tenders on projects. Wheatstone did it, Gorgon did it and all the iron ore mines did it—all the major projects. One of the focuses of that was to recognise, at least in the construction phase, that there were restrictions in getting local content, but it was more likely at the production phase. Importantly, the whole focus of those participation plans was to identify weaknesses in local industries and to use the participation plans to develop additional local capacity. That might have meant including interaction with non-local firms through joint ventures, getting quality assurance and certification for local firms, trying to target a consortium of local firms and activities like that. I assume that the strategy will deal with that down the track, and it is very, very important, but this legislation provides us no guidance as to whether or not that will be done effectively—none whatsoever.

I have another couple of points to make. In Victoria there are strategic projects, as proposed here, as well as ordinary projects. One of them was a desalination plant. It was a fairly expensive desalination plant that was constructed during the global financial crisis primarily as a job creation mechanism. There was an effort made because the state thought it needed desalination due to global warming, a decline in rainfall and a decline in water in the dams—dams were definitely low at that time—and the state needed the activity. The government of the day brought forward and encouraged the building of a very large desalination plant. My memory is that it was worth in the vicinity of \$4 billion.

Mr W.R. Marmion: Yes, pretty close to that.

Dr M.D. NAHAN: It was pretty close to that. There was a local participation plan and as part of that plan there was built in an enterprise bargaining agreement specifying in great detail who could be employed under what EBA. That turned out to be a complete and utter disaster. One reason was that the plant was mothballed and it still is, but that has nothing to do with the participation plan. It rained and flooded and I do not think the desalination plant ever operated.

Mr W.R. Marmion interjected.

Dr M.D. NAHAN: All the dams were full. Basically, it has been mothballed for almost a decade. The member is right that it was a take-or-pay contract, so the private sector built it and was going to get money to operate it, but it is not operating, so the government is compensating with huge ongoing payments. But the real problem was a locked-in EBA that basically made that spread to the rest of the Victorian economy and made much of the construction uncompetitive. One of the questions we will ask in consideration in detail, because we do not know what is in the strategy, is whether this legislation will relate to industrial relations issues. Will local content participation strategies be the rule or is the government even considering industrial relations-type issues as was done in Victoria? Victoria does not do it across the board, but it did it for at least some strategic projects. There is another issue we want to know about. Again, going to the guts of the policy—although the policy is not here, this is just the skeleton—how will the government deal with value for money in life-cycle issues in the participation plan? Will Indigenous issues and non-metropolitan local content, which is different from metropolitan local content, be dealt with? The local content policies currently have a weighting for non-metropolitan activity and that has been a difficulty, because firms from Perth go and locate to, let us say, Albany, call themselves local and get around the rural and regional local content policies. How does that fit into this plan effectively? When will the WA industry participation strategy be ready and delivered so we can understand what the actual policies are? Let us say that the WAIPS is developed, as we were told, by March next year at the earliest; what will be done in the meantime? There is a whole range of projects, such as Metronet, I guess, or at least part of it, that are being developed. There are also quite a few new schools being developed.

Is the government operating under the old system or will it alter its strategy as it goes along? Members opposite said that by querying this WA jobs participation plan, we are questioning local jobs. That is false, stupid and

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ridiculous. We are seeing whether it will work. We want to understand it. That is why we are here. We want to know how it will work and how it differs. How will the government make the major trade-offs between value for money and local participation, which are inherently difficult? Importantly, how will it make sure that the tender vetters in the tendering process can effectively choose between tenderers? Unless the tendering process is altered—that is a question that needs to be asked: will the government alter it?—the ministers do not operate the tender process; it is passed on to the bureaucracy. The bureaucracy has developed certain operating instructions and processes to keep ministers away from it to a large extent. A team is set up and they vet it with advisers. How will the government know and vet and make sure that the people selecting and setting the tenders have operating instructions to effectively choose between various local content structures? One of our biggest problems is if there is a tender for a high school and there are three tenderers—this is hypothetical—with one in WA, one in South Australia and one in the Northern Territory. How will the government choose between them? Under this bill, it cannot choose between them on local content.

The Premier indicated quite clearly and repeatedly that within this bill he perceives there to be some ability to peer through the constitutional agreements that restrict the definition to mean national, including New Zealand. He has some means of ensuring that he can peer through that and provide truly local content or preferences to Western Australians. He said that repeatedly in public and in this house. During consideration in detail, we will look at how that will be carried out, because given our reading of the bill and the advice we have received, it cannot be. The Premier might have some secret way to do that. We will also not be able to answer questions about what guidance the decision-makers have about trade-offs and also whether the decisions about trade-offs and the participation plans will be published. The documentation that we have says that the strategy will be published once it is developed, which is fair enough. The participation plans for major projects put out by the government and the private sector are provided publicly. They used to go through the Industry Capability Network. This allows contractors and the general public to assess them. Successful tenderers are required to put together a participation plan for the public and contractors to assess. If these participation plans are part of the tender process and the tender bids are confidential, how will they be released? The public, particularly local providers, will want to know whether contractor A's participation plan is better than contractor B's participation plan. They will generally know whether it is largely about value for money and quality of design. That is okay. If these local participation plans are done through a tender process, they will get locked behind the tendering process and potentially become confidential information and not open to the public.

There is also an issue with the Auditor General. I do not think this will be a big issue but we will want to know for sure that the Auditor General can assess all the criteria when entering into decision-making about a tender. He does it to a large extent now. There is a flaw in the Auditor General Act 2006 that prevents him from providing access to information that is provided in legal confidence. I hope that the government alters that legislation in due course. There was an error in the legislation way back in 2007 or so. Our concern is that the Auditor General needs to not only audit the veracity and quality of the participation plans, but also, and most importantly, assess whether we get value for money and what the trade-offs between the participation plan and value for money will be. We will be asking the Premier during consideration in detail what assurance he can give us on that.

I go back to the issue. Western Australia has had a very good track record in ensuring local participation and the procurement of government activity but also, and most importantly, private sector activity. Indeed, much of our resource development programs have been designed over decades specifically to ensure local content and large resource development projects, whether that goes way back to iron ore and alloy or specifically LNG. It has not always been easy, as technology changes and our costs go up. Asia, in particular, has become much more competitive. As we have entered into all sorts of free trade arrangements, our ability to keep things local or define it just in WA has shrunk. Some of the industries, such as the iron ore industry, often have local content of 80 per cent to 90 per cent and their operating and maintenance costs are high. LNG was much more difficult, mainly because of sourcing equipment, which is exclusive to a few countries around the world. As a result of our labour costs and changes in construction techniques, our local content declined sharply. Generally, we have had a very good track record of local content. We need to ensure that remains. We also had a pretty effective means of ensuring an effective trade-off between value for money and local content. When we go through these changes, one of our objectives is to understand the process that is underway, understand how it will work and ensure that we get the correct trade-off between value for money and local content. We also want to ensure that the public of Western Australia is not fooled, and the government of the day, like the government of the past, could not define local content as just Western Australian. There are great limits on our ability.

The Western Australian Jobs Bill is a misnomer; it is the Australian and New Zealand jobs bill. As time goes by, when the strategy is published, we would like to ensure that it includes a review from an independent body that assesses the cost of this participation plan, its effectiveness, the extensive trade-offs, value for capture, value for money and participation and how many jobs are created by it. The title of the bill is the Western Australian Jobs Bill,

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so we assume that it will create jobs by using local procurement. We would like to ensure that there is an independent assessment of its performance. That is not to be critical of it; it is just to see whether the process works effectively.

As an opposition, we think that the bill should have been held over until we had the strategy for which it provides the skeleton, but we will support the bill. We will go into the consideration in detail stage to ensure that we know how it works. We are not confident that the Premier will be able to answer a great deal of the questions, but we will proceed through that. We recognise that other states have done it this way. We would like to have seen an assessment of the performance of other states. Victoria and New South Wales do it differently. We would like to have seen a document looking at what other states have done, but as per the approach of the McGowan government, it does not provide analysis of that type. We will go through the consideration in detail stage. We will support this legislation. We look forward to an industry development strategy down the track and that is where we will put our effort. We will try to ensure that the bill is properly worded and that it has safeguards so that when there is a strategy, and it has had time to operate, it has adequate transparency mechanisms.

Mr M. McGowan: Just to clarify, you said that you're supporting the legislation.

Dr M.D. NAHAN: That is right. I know the Premier is disappointed.

Mr W.R. Marmion: Extremely.

Dr M.D. NAHAN: He is extremely disappointed. He would like us not to so that he can continue his rhetoric of destruction and whatnot, as though we are Godzilla. Nonetheless, we will support this legislation. As usual, the guts of the issues are yet to come forward, but we will seek assurances from the Premier, if he understands the bill well enough, that it has mechanisms to ensure safeguards for its performance, effectiveness and costliness, and ensures that ministers cannot use participation programs to get involved in the tendering process and that the Auditor General has adequate coverage of these issues.

DR A.D. BUTI (Armada) [4.53 pm]: I rise to speak on the very important bill before the house—the Western Australian Jobs Bill 2017. It is good to hear that the opposition will support the government on this very important legislation. As the Premier mentioned in his second reading speech and introduction to this bill—he is also the Minister for State Development, Jobs and Trade —

This bill, in its implementation, will support small and medium businesses to participate in the supply of goods and services to the government, creating more local jobs for local workers.

Further, the Premier stated —

The bill requires the strategy to be consistent with section 92 of the commonwealth Constitution.

I think that matter came up today in question time when the opposition seemed to try to argue that this bill is a farce, if I could get the general flow of its question, but it is good to see that it is supporting the bill. This bill needs to comply with the Australian Constitution and section 92 refers to the free movement of trade and goods and services across state boundaries. The government is mindful of that need to ensure that it complies and it has very carefully drafted this legislation so that it will comply with the constitutional requirements under section 92.

The bill also sets out an incredibly important regime, because if there is one thing on which I am sure all members would agree, one of our most important duties is to do everything we possibly can to ensure that the maximum number of jobs are created for our constituents in our community. As we all know, not being able to get a job can be one of the most soul-destroying experiences anyone can experience and, therefore, we, as a government, must do what we can to ensure that we maximise the potential for jobs to be created in Western Australia. Obviously, the government can do that because it is a major creator of jobs and a major player in contracts to build various infrastructure projects and so forth. This government has the foresight; obviously, that started in opposition many, many years ago. I have been in this place since 2010 and the Labor opposition was always talking about the need to do what we can to ensure that we have the best environment for jobs in Western Australia. This is the first time we have been in government since I have been in Parliament and this bill gives us the ability to ensure that we are doing what we can in the economic situation in which we find ourselves so that Western Australians are considered in the government's ability to create jobs. This bill also provides a strategic plan to ensure that government and government agencies give Western Australians the best opportunity to be employed in projects in which the government is engaged.

The Premier said —

The bill sets out three major steps that must be taken by an agency in the course of a procurement process for relevant supplies. Firstly, the agency must require each prospective supplier to submit a participation plan.

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We are always looking at doing things in an appropriate, well-thought-out manner to ensure that we can achieve the aims that any bill that we bring before the house seeks to achieve. The Premier stated —

Secondly, when evaluating a supplier's offer to supply, the agency must assess and consider the supplier's participation plan. This will need to be done in accordance with the strategy. Thirdly, the agency must incorporate in any contract awarded the successful supplier's participation plan commitments. The agency must also include in any contract awarded a requirement for reports to be given to the agency on the fulfilment of the commitments.

A lot of that is geared to trying to improve the manufacturing base of Western Australia. One of the problems in the two terms of the Barnett government is that it was a one-trick pony, and it dealt with resources. Yes, we are very fortunate to have a natural advantage in that we govern an area that is rich in resources. That is easy. But we cannot have an economy based on only one industry. What we need to do, and what the previous government should have done, is diversify the industry. It did not do that. That is why when there was a downturn in the mining industry, we found ourselves in the state that we inherited when we won government earlier this year. We need to diversify the industry. Having a strong manufacturing base is good on many counts. It is always good, of course, because it employs people. Also, a strong manufacturing base ensures a diversification in the industry so that if there is a downturn in one sector, it can be taken up by another sector.

Manufacturing is also very important because, as I am sure many members realise, the opportunities for people when they leave school, if they do not go on to tertiary education, are very limited. Part of the reason that they are limited is that the number of apprenticeships has been severely curtailed. If a young person is not necessarily academically minded or does not wish to pursue a tertiary education, their opportunities are minimal. The last thing we want is for our young people to leave secondary education without any hope. Leaving an educational institution without any hope can be one of the most devastating consequences for any young individual, and many do not recover from that. This bill does what the Premier said that it seeks to do. It seeks to ensure that we do what we can do to support small and medium businesses to participate in the supply of goods and services to the government and, as a result, create more local jobs. People in our electorates will have a greater chance of being employed if this bill is passed. The bill provides a legislative framework for the government. The government's policies and activities maximise the opportunity for jobs to be created in Western Australia. As I said, the government is also mindful of upholding the requirements of section 92 of the Constitution. The carry-on by the opposition today about New Zealand and Queensland et cetera was just silly. The opposition knows what the Western Australian government is able to pass in Parliament. This legislation goes hand in hand with its Local Projects, Local Jobs policy. The next couple of speakers from our side have come to this house from jobs in which they knew that having a job was important. If people do not have a job, the ability for them to progress and lead a very full life within the community is severely reduced. I commend the bill to the house. It is fantastic to hear the Leader of the Opposition say that the opposition supports this bill. The bill is very well crafted. It seeks to achieve a number of purposes and complies with legal and constitutional requirements.

MR J.E. McGRATH (South Perth) [5.01 pm]: I rise to say a few words in the second reading debate of the Western Australian Jobs Bill 2017. I preface my remarks by saying that I agree with what the member for Armadale said about being out of work. I have been fortunate to have had a job my whole life. Since the age of 16, I have never been out of a job. I look at people who have been out of a job and think how difficult that would be. I have not been in that situation, so I would not know what it is like for a person with family commitments trying to get a job in the workplace but who cannot.

My father was an electrical contractor in Fremantle. He always had tradesmen and apprentices working for him, depending on the work he got through builders in the area. However, one of the toughest things for him to do when work ran out was to put someone off. It is very difficult for someone in small business to call someone in and say, "I'm sorry. I cannot give you any more work." I know that he found that challenging.

I want to speak about the bill. The Liberal Party supports jobs in Western Australia, and it is silly to say that we do not. Although the opposition will not block this legislation, opposition members want to raise and flesh out some aspects of it. At the end of the day, we all want to protect Western Australian jobs. We want people in our community to get work from projects, especially government projects. I want to talk today about the Perth Stadium, which is an amazing project. As Parliamentary Secretary to the Premier, I was involved in the Perth Stadium and sat in all the meetings of the steering committee that put that magnificent stadium together. I have to say that the steering committee—made up of directors general of a few agencies, including Treasury, the Departments of Transport, Planning, and Sport and Recreation, and major projects—was the key body the government needed to make sure the project worked. I recall that whenever Brookfield Multiplex reported to the committee, it always mentioned how much local content was involved in building the stadium. A progressive report on local content continued through the years when the steering committee met and the stadium started to take shape.

Extract from Hansard

[ASSEMBLY — Tuesday, 17 October 2017]

p4805b-4831a

Dr Mike Nahan; Dr Tony Buti; Mr John McGrath; Mr Stephen Price; Mr Ian Blayney; Ms Janine Freeman; Ms Libby Mettam; Ms Mia Davies; Mr Sean L'Estrange; Mrs Robyn Clarke; Mr Simon Millman; Mr Kyran O'Donnell

The contract, for the history, was awarded in April 2014, and at that time it was estimated that 5 700 jobs would be created during the construction phase. That is a lot of jobs. Westadium at the time committed to supporting the Barnett government's Building Local Industry policy and the Buy Local policy. There was no legislation, but the government of the day, of which I was a member, made it clear to the successful tenderer that the policy was about local content and local jobs.

In September 2014, ProjectConnect was launched. It was a portal to advertise tenders for stadium construction and offer opportunities for competitive local businesses. That was another step the Barnett government took to ensure local content and local opportunities for workers in the project. In February 2015, the Perth-based construction company CASC Formwork was awarded a \$30 million contract to supply formwork and concrete. CASC is the contracting division of construction services group Global Constructions Services Ltd. At that time, another 80 local jobs were expected to be created. In March 2015, Civmec Construction and Engineering was awarded a \$73 million steelwork contract. Civmec is the company the McGowan government has now engaged to build the footbridge—a very controversial project. To my knowledge, the successful tenderer for the footbridge was a South Australian company in joint venture with an Italian company. The government believed that was the best tender and it was awarded the job. I am not sure whether Civmec even tendered for the job. However, Civmec now has that contract because there was a problem in Malaysia, which was really no fault of the then government. The former government was unaware that the successful tenderer, the South Australian company and the Italian company, might have to subcontract to supply some steelwork from a company in Malaysia. In March 2015, Civmec was awarded a \$70 million contract to supply and install more than 14 000 tonnes of structural steel required for the five-level stadium structure, plus the roof trusses that now support the lightweight fabric that covers 85 per cent of the seats at the stadium. Those massive trusses were brought by road from the Civmec factory in Cockburn Sound. It was a massive project. They were brought into the stadium, lifted up and put in place. We were told at the time that 120 people at Civmec would be working on the project. That is more local content.

In June 2015, nearly \$40 million worth of contracts were awarded to more local companies. Wagstaff Piling had a contract worth \$15 million and was responsible for driving more than 2 000 poles to support the stadium structure. PERMACast, another local company, had a contract worth \$14 million to supply the precast concrete seating platforms. OneSteel Reinforcing had a \$5.7 million contract to supply more than 4 000 tonnes of steel reinforcement. All of that was done by a government that has been accused of not supporting local content. Dependable Steel Fixing had a contract worth \$2.9 million to provide labour to fix the steel reinforcement. Imagine the number of people involved in that—all local people who got a job out of that project. The other one was WA Universal Crane Hire. Most companies do not own their own cranes; they hire them. That was a contract for \$2 million to supply eight tower cranes. Progressive reports were made to the steering committee by John Holland and the major project operator. By June 2015, \$180 million worth of contracts had been awarded, \$156 million of which had gone to local companies. That is a good statistic.

By May 2016, an additional \$76 million worth of construction contracts had been awarded to WA companies. In February, during that first six months, a \$48 million contract for the main electrical services to supply power and lighting to the stadium was awarded to Nilsen, a Bibra Lake-based business. It created 45 new jobs. A \$15.7 million contract was awarded to MPM Group, a Malaga-based company, in February and an \$11.8 million contract was awarded to Axis Plumbing, a Jandakot-based company, in March for the supply and installation of both the ductwork and water systems for the stadium's air conditioning and ventilation systems. Those are more local contracts that were awarded by a government that is now being accused of not supporting local content or local jobs. In April, Balcatta-based Floorwise was awarded a \$24 500 contract to supply and install the flooring for the stadium's main technical and operational area. In the grand scheme of things—a \$1.4 billion development—that is a small contract, but it is important to a small company and keeps people in work. Up to May 2016, about 16 months ago, construction of the stadium had created 346 new local jobs and nearly 2 000 existing roles had been sustained, which resulted in flow-on benefits to the wider community and the business sectors. Once again, that was the government that is now being accused of having no thought for local jobs or local content.

By November 2016, new figures showed that more than \$450 million worth of stadium subcontracts had gone to local companies. Nearly 80 per cent of all contracts awarded at that time had gone to local companies. About 800 construction workers were on the site and the workforce was expected to peak at 1 200 over the following few months. I went out there during the peak of the construction of this magnificent stadium and construction workers doing different jobs were everywhere. Since the McGowan government came into power, its members have been out there and seen the results of a lot of that work. We were there during the formative period of construction. It was a massive project and I believe that when the Premier walks down the red carpet and officially opens the stadium, the public of Western Australia will recognise it as a major step forward in the history of our state for entertainment.

Extract from Hansard

[ASSEMBLY — Tuesday, 17 October 2017]

p4805b-4831a

Dr Mike Nahan; Dr Tony Buti; Mr John McGrath; Mr Stephen Price; Mr Ian Blayney; Ms Janine Freeman; Ms Libby Mettam; Ms Mia Davies; Mr Sean L'Estrange; Mrs Robyn Clarke; Mr Simon Millman; Mr Kyran O'Donnell

Mr M. McGowan: I might invite you to help me.

Mr J.E. McGRATH: I am happy to sit with the real people. Like Alan Carpenter, I will sit with the people in the bleachers somewhere but I will be looking and I will watch. The Premier knows that he will enjoy it. It is a great project.

Since construction started two years prior to November 2016, 77 contracts worth \$456 million had been awarded to WA businesses, 20 contracts worth \$78.9 million had gone to Australian businesses, and two contracts had been awarded to overseas businesses worth \$8.6 million. Only two contracts went to overseas businesses. Someone made the point today—it might have been a government member or it might have been the Premier—that sometimes things have to be made overseas if the government does not get the tenders or if it is a wiser decision to do some things overseas. I make the point that throughout this project, from my knowledge and the meetings that I attended, it was very clear to Brookfield Multiplex that the government wanted local content and local jobs. Brookfield kept the steering committee up to date on the progress.

I have to say that the steering committee for the stadium was not involved in the bridge contract, which was done by the Department of Transport. I think that the people on the steering committee would be very happy that they were not involved in it because it has not worked out as we would have liked. That was a separate thing. The committee that I sat with was there to just build the stadium. The bridge was an add-on that was always going to be needed. I think \$50 million was budgeted for the bridge. Obviously, that has blown out now. It is important that we have the bridge because we need connectivity to the stadium. It is not like the Adelaide football stadium, which sits right on the edge of the city, so people can walk a couple of blocks from the CBD or the Rundle Mall to arrive at the stadium. The stadium is a little bit distant from the CBD. People will commute by bus, park at Gloucester Park and walk across that bridge. It will be about 14 000 people at games with a maximum crowd. I did not sit in cabinet, but I believe that the contract to design and build the bridge was awarded to a joint venture between a South Australian company and an Italian company. Those companies subcontracted the steelwork to a company in Malaysia, where it became problematic. I am not sure that Cimtec even tendered for that contract because it was so busy building the steel trusses. Without the steel trusses there would be no roof and people would not have any shelter, so it was a very integral part of the stadium. Cimtec got a good contract out of the stadium and, as a result of the McGowan government's decision on the bridge, is getting an even better one. That is fine. Labor is in government and that is a decision that it has made. Let us hope that we get to walk across it when the first big event is held at the stadium; I am not sure about the time line.

I want to make the point that we are in opposition. Sometimes in opposition when we are just trying to flesh things out and hold the government to account on various legislation, even though we do not plan to oppose or block the legislation, we are seen to be getting in the way of the legislation going through. In this case, that is not the opposition's intention. Some members on our side will raise points that they have concerns about. If a Western Australian content bill allows people to be employed or businesses to get contracts from all other states of Australia and New Zealand, it does not gel with the spirit of the legislation and the message it is meant to send to the commercial community.

MR S.J. PRICE (Forrestfield) [5.18 pm]: I rise to contribute to the second reading debate on the Western Australian Jobs Bill 2017. I am not the lead speaker on this bill. This piece of legislation is the McGowan government meeting another election commitment. In November last year, before the election, I held a jobs forum in my electorate. It was well attended and we spoke about Labor's plan for jobs, should we be elected. This is the centrepiece of what we ran to the election with. Back then, the now Premier commented that WA Labor had a "Plan for Jobs". That is a 138-page document that clearly spells out our plan to diversify the economy and make current and future small businesses a priority. That is exactly what we have done. We went to the election with a list of 200 fresh ideas. The thirty-ninth idea was that we would legislate to require government agencies to produce a WA local industry participation plan to show the use of local businesses and local workers in government contracts. This is exactly what we are doing; we are meeting our election commitments. Also included in that jobs plan policy booklet are several other sections that relate to supporting small business. This legislation goes to the heart of ensuring that small business enterprises get the maximum opportunity to participate in government contracts. The policy booklet states —

WA Labor's Plan for Jobs makes current and future small businesses a priority. We will deliver the action needed to support SMEs which will drive much needed employment and economic prosperity. This includes ensuring that money spent by the WA Government wherever possible will be used to support SMEs with more local content on government contracts.

That goes to the heart of this legislation. The McGowan government is meeting its election commitments. It is ticking another box upon getting into government and putting into action what we said we would do.

Extract from Hansard

[ASSEMBLY — Tuesday, 17 October 2017]

p4805b-4831a

Dr Mike Nahan; Dr Tony Buti; Mr John McGrath; Mr Stephen Price; Mr Ian Blayney; Ms Janine Freeman; Ms Libby Mettam; Ms Mia Davies; Mr Sean L'Estrange; Mrs Robyn Clarke; Mr Simon Millman; Mr Kyran O'Donnell

As we look through the legislation, we can see that the purpose of the bill is to ensure that the procurement process enhances local industry participation in the supply of goods and services. There are several elements to that, which include the development of a Western Australian industry participation strategy. It requires agencies to ensure that tenderers have a participation plan within their tenders, and it also obliges agencies to ensure that those participation plans are taken into consideration when assessing the tender. But it also has the ability for the determination of a strategic project; that is something of major significance to this state. On top of that, there are also reporting requirements. It is a legislative instrument that ensures that the effects, outcomes and benefits of this legislation are reported back to Parliament. In addition, it defines what a small to medium-sized enterprise is. An SME is defined as an enterprise that has fewer than 200 full-time employees. That counts for roughly 97 per cent of businesses within Australia. It also applies to government trading enterprises that have a significant procurement policy as well. As we look at some of the internal details of the legislation, we see that the WA industry participation strategy will be a written strategy that is about that participation of local industries and activities for, or in connection with, particular supplies to the government. It will include provisions for different classes, so it depends on the size of the service, goods or supply that needs to be provided to the government. Depending on the size of that, there may be different requirements within each category, so to speak. This will allow different companies of different sizes and structures to apply for different contracts within the government. That is exactly what we need to see when we are essentially spending taxpayers' money on government services. We are ensuring that local businesses get the opportunity to compete and tender for these particular services, knowing full well what is required of them.

The schedule will have what is required, under the industry participation strategy, and within the tender will be the participation plan of which the tenderer commits to how they will meet those requirements. Should that tenderer be successful, those requirements will be built into the contract that they then receive as a result of their tender. We heard the Leader of the Opposition speak about a challenge with ABB supplying transformers and that there was no way it could guarantee that if the government actually stuck with ABB transformers out of WA that it would not just shut down and import its transformers from Vietnam. Under the government's approach, the commitment given in the participation plans, as part of that tender process, will be written into the contract, which would eliminate that risk. Also on top of that is the ability for the identification of strategic projects. A strategic project could be any contract that is of strategic significance to the Western Australian economy. The minister can make a determination in writing to any procurement agency that whatever that supply requirement is, it is a strategic project. This will then allow the minister to include additional requirements and address matters relevant to the significance of that particular tender for that project, which will be different from other industry participation plans. A strategic project covers a broad field, but the underlying principle is about ensuring that local businesses and SMEs get the opportunity to apply for local government expenditure. Yes, we have had some conversation about the definition of "local" and the definition of local meets our constitutional requirements, but it is also the same definition of local that is and has been included in the Buy Local policy that has been around since 2002, that members opposite have spoken about. We need to ensure that we meet our obligations across the country and internationally, if we bring New Zealand into it as well, under trade agreements. We cannot get around them. But as we go forward, we need to ensure that the majority of Western Australian companies are included in the process. The challenge that comes with that, of course, is increasing employment opportunities. It has recently been highlighted that the unemployment rate is decreasing and the number of employment opportunities within the state is increasing. That is also going to be a challenge that we have to be mindful of as we head forward.

This legislation will enhance the employment opportunities of local Western Australians, but that will occur at the same time as we have an upturn in the economy. As a lot of people referred to, there are green shoots emerging in a number of different industries at the moment. We need to make sure that we are little bit ahead of the curve and do not damage the green shoots as they are starting to emerge by, once again, putting too much demand on the skill or trade and non-trade section of our workforce within the state. We have to make sure that we pick up on the training opportunities that are out there and increase the amount of training that is going on to ensure that we do not repeat the skill shortage that we had previously. There are a number of recent newspaper articles. On 16 September in *The West Australian*, the article titled "Boom in jobs as resources takes off" states —

A jobs bonanza is about to be unleashed with thousands of construction and operational jobs forecast for at least 15 different mining projects.

Another article in the WAMN News on 21 September is titled, "New WA Jobs Expected Following New Goldfields Projects." This one is fabulous because it states —

More than 600 new jobs are expected to be created following the start of new gold projects in the Goldfields.

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Dr Mike Nahan; Dr Tony Buti; Mr John McGrath; Mr Stephen Price; Mr Ian Blayney; Ms Janine Freeman; Ms Libby Mettam; Ms Mia Davies; Mr Sean L'Estrange; Mrs Robyn Clarke; Mr Simon Millman; Mr Kyran O'Donnell

That completely flies in the face of some of the opposition to the increase in the gold royalty rate that we have recently heard. On top of that, we need to make sure that we increase our number of apprenticeships, to ensure we have that continual supply of tradespeople coming into the workforce.

I want to touch on one thing that the Leader of the Opposition spoke about that highlights the fact that he misses the point of what the job of the government is. Our economy is very cyclical. We have the resource and private sector going off and constructing and creating a lot of employment opportunity. When that drops off, it is normally the role of government to step in and invest in infrastructure and local projects to continue that employment opportunity within the state. Then, after a while, the resource sector picks up again as base metal prices change and government expenditure drops off and everyone moves back into the resource sector.

Unfortunately, we picked up the cycle at a time when we had record debt and deficit and the government had no money to spend on infrastructure. We are having to do what we can within the constraints we inherited as a government. In particular, the Leader of the Opposition referred to a desalination project in Victoria. The Wonthaggi Desalination Plant is the project that he was talking about. Wonthaggi started in 2007, just before the global financial crisis, at a time when the Victorian economy was slowing down and construction projects had stopped. Wonthaggi lasted for four years and employed 10 500 Victorians over its duration, with a peak workforce of 4 500. Absolutely, that project was seen as very significant to the state at the time. As soon as the plant was finished, they turned it off. In 2011, when the plant was completed, as with anything—I think the same thing happened here when we built the Kwinana and Binningup desal plants, it started to rain. In Wonthaggi, even though it was quite an expensive project, it was the right piece of infrastructure expenditure to keep the Victorian economy going. Members would probably be happy to hear that in March this year, Wonthaggi actually kicked off again, and the first water out of it was sold at the beginning of the year. That highlights that the previous government did not really understand the significance of ensuring that government stimulates and generates employment opportunities. That is exactly what this legislation goes to and why we support it. It is really good to hear that the opposition is going to support this legislation. I urge the opposition to ensure that the other half of its members in the other house support this legislation as well. I commend the bill to the house.

MR I.C. BLAYNEY (Geraldton) [5.31 pm]: It is interesting that we are discussing the Western Australian Jobs Bill 2017 this week of all weeks, when, of course, at the end of this week, the Holden motor company will make its last car. We supported Holden for decades, but the government finally said, “The last time was the last time” and it is packing up and leaving the country. I would like to acknowledge the people who worked for Holden, Toyota, Ford and all their various component suppliers. The estimate I have come across —

Mr P.A. Katsambanis interjected.

Mr I.C. BLAYNEY: Well, Chrysler—going back to when it was Mitsubishi.

These people gave their lives to an industry and I think they built a very good product. Sadly, it has passed.

Local content for me, as the member for Geraldton, is companies that are competing against Perth companies. We are competing with the bastards from Perth, not the bastards from the east coast. Companies do various things like set up a local office that has one person in it, so they can be considered a local company and get the 10 per cent preference. If there is an interstate bidder, of course, which is what we have been talking about, interstate or New Zealand companies that bid on a local project, regional preference is off the table. During the term of our government, a couple of other members and I finally got the government to accept—and it did—that if there was an interstate bidder, regional preference would be off the table, but if there were two or three bidders and they were all Western Australian companies when the final decision was being made, then regional preference went back on again. I would like to acknowledge the member for Nedlands for what he did with that for us. Thinking about it, a local company can get its equivalent company from another state to effectively put in almost the same tender to get the regional preference off the table. If it is a company that is represented right around Australia, it is quite an effective way to get out of having to worry about regional preference. A company could give almost the same set of documents to its interstate partner and get it to submit them, and then regional preference would be off the table.

Quite early on when I came in to Parliament I was part of a working group set up by the Minister for Regional Development, Hon Brendon Grylls—I represented the Liberal Party, the member for Albany represented the Labor Party and the member for North West Central represented the Nationals—to look at regional preference to see whether it was working, whether the right rules were in place and what we could do about it. When we looked at it, we concluded that all the rules were there. Out in the regions, quite often the rules were not even understood and they certainly were not implemented. That is part of the issue I think the government will have

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with this legislation. The rules will be in place, but the people who will be asked to implement them probably will not fully understand them.

The sympathies are with the intentions of this bill; however, I do not see how it can be very effective when the government cannot positively discriminate against a local company. The agreement in place between the Australian states and New Zealand, I think, prevents that. In the last Parliament, the Economic and Industry Standing Committee studied the impact of floating liquefied natural gas on the local industry. We traced the gas industry from the North West Shelf, which was nearly all built in Western Australia, to Prelude, which, of course, was just towed down from Korea. It is interesting that Prelude comes from Geoje in South Korea and about 100 kays up the track Hyundai has the largest car plant in the world that produces, I think, about 1.5 million cars a year. Prelude does to our gas making what Hyundai has probably done to our car industry. It is the same thing. We discovered that international companies have preferred global suppliers. There arguably could be a company in Perth that is just as good, but it will not even get a look in because these global linkages are in place for those companies wherever they trade. I remember a bit later on we were up in Broome looking at issues around safety. I was not familiar with the helicopter company that Shell was using and I asked, "What is this company?" They told me that it was a Canadian company. I asked, "How come you are using them and not the other companies that are here?" They told me that it was their global helicopter partner. If it is an Australian helicopter company, it really does not matter unless government puts in place rules that large multinationals have to use locals, because they will bring their global partners here to work with. A lot of decisions are made even before things are advertised.

I remember asking another oil company how it made decisions about where it spent its money. The boss of the company turned around and said to us, "We basically do what we are told, so it is up to your national government to tell us what to do." Interestingly, we also looked at the Norwegian industry. The Norwegians built an oil-servicing industry under protection not long after they discovered oil in the early 1970s. But, of course, they could not do such a thing now, because although it is not a member of the European Union, it has a very strong relationship with it, and as a part of that strong relationship it has to accept all the European rules that sit around competition.

The success or otherwise of this particular bill will be pretty much determined by the strategy, which has not been done yet, thresholds that I am told are not yet known, and we will not see the regulations until March. The bill we are voting on here is really a shell. There is whole heap of other stuff that is needed to implement this bill that we do not know about yet. When we talk about value for money being the guiding principle, taking into account the whole-of-life factor in decision-making is very difficult, because every company will say that it is the best. How do we make an objective decision between two companies on that basis? I would say that that would be very difficult.

The issue of railcars has come up again. I have said this before: I have absolutely no doubt that in Western Australia we could build railcars as good as any in the world, but at what cost? I have my doubts that they would ever get a contract to build railcars for another state, because I do not think they would be competitive. A minor technicality, Premier, but I see you there. I checked up and I think the company that was going to build railcars in India is in the Punjab; it is not in Bombay. I distinctly remember that the member for Cockburn made a joke about "*Carry On Up the Punjab*". I checked, and I think that is the case.

Ms J.M. Freeman: It was, definitely.

Mr I.C. BLAYNEY: It was up the Punjab. Thank you, member.

Section 92 —

Mr M. McGowan: I'll make a personal explanation.

Mr I.C. BLAYNEY: I was going to say that the Premier had misled the house earlier today!

Mr A. Krsticevic: The Punjabis will be very upset.

Mr I.C. BLAYNEY: No, they will be pleased that they are being acknowledged.

Section 92 is a key part of our Constitution and concerns free trade between the states. A lot of people probably do not realise that before Federation there were quite high tariffs between most of the states. At Federation, they came down. I do not think anyone would argue for one moment that we should bring back tariffs between the states.

Ms J.M. Freeman: You guys argued for secession!

Mr I.C. BLAYNEY: Just remember that if we seceded, we would probably have free trade with all the other states anyway. The arguments that sit around secession are not arguments about trade; they are basically about sending all our money to the east coast.

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It is worth remembering that every time we subsidise one industry, it effectively places a tax on others that export. I became a farmer in the early 1980s, so I have scribbled down on a piece of paper where the machinery that I used came from. I had Chamberlain tractors that were built here in Perth in Welshpool; my John Shearer seeder was built in South Australia; my Horwood Bagshaw harvester was built in South Australia; the Jetstream boom spray I used was made in Belmont; the truck I had was a Leyland, which was assembled in Sydney; and I had a Holden HJ ute, which of course was built, I assume, in Victoria or maybe in Sydney. When I exited the industry in 2008, I had John Deere and Case tractors that were made in the United States; the seeder was a Flexi-Coil made in Saskatoon, Canada; I had a Case harvester that was made in the United States; the boom spray was a Hardi, most of the parts of which came from Denmark; I still had the same truck; and the ute was a Toyota made in Thailand. Since I became a member of Parliament in 2008, I have bought three locally made cars—two Holdens and one Toyota. Sadly, I cannot buy anymore locally made cars. Looking around the parliamentary car park, I do not know many other members who have that record.

Mr B. Urban: I have a Peugeot.

Mr I.C. BLAYNEY: I am sorry, but they stopped making Peugeots in Melbourne in about 1976. Peugeots are very good cars; my first car was a Peugeot, but it was built in Melbourne.

Ms J.M. Freeman: I have a Toyota hybrid.

Mr I.C. BLAYNEY: The member for Mirrabooka is saving the planet as well.

Ms J.M. Freeman: I know. I thought that if the government was subsidising the building of hybrids, I should purchase a hybrid.

Mr I.C. BLAYNEY: That was very good of the member. I think they built only about 2 000 of them, but anyway.

Economic theory tells us that with free trade, everyone is better off in the longer term. I note from reading various economic journals and newspapers that people are starting to question that. People link it with Brexit and Trump. Whether the member is shaking their head or not, there were seven states that made the decision to put Mr Trump into the presidency. They are all in the Midwest; they are all the old American rust belt states. People could see their jobs going to China, Japan, Taiwan or wherever. It is worth mentioning, given we are having this debate, that two of the biggest tariff cuts that Australia has had and which impacted massively on employment and industry were brought in by the Whitlam and Hawke–Keating governments. I distinctly remember that the Hawke–Keating government criticised the Fraser government for not doing enough to open up our economy. But it is other factors that drive whether companies thrive or go under. The value of the currency is critical now. Some people put the demise of the Australian car industry down to the fact that for a while, the Australian dollar went to \$US1.10, which was ridiculously overvalued. The local rate of inflation is important; it basically eats away at one's competitiveness. There are many other microeconomic factors that determine whether a company can survive or go under.

I wish the bill well. The Liberal Party and I are not going to oppose it, but to be really honest is it going to make much of a difference? I am sorry, but I have serious doubts.

MS J.M. FREEMAN (Mirrabooka) [5.44 pm]: I will also speak in support of the Western Australian Jobs Bill 2017. Front and centre of this bill is the objective to create jobs by using local procurement policies. It is designed to support local industries. The strategy will incorporate and strengthen existing state government policies, such as the Buy Local and Building Local Industry policies. In particular, it will promote increased apprenticeship, training and job opportunities, all of which is to be absolutely commended. This is not the only thing that the WA Labor government is doing to promote jobs and assist people into employment.

I am pleased to announce to the Parliament that the newcomer workforce participation project with the City of Stirling, which has been funded by this Labor government, has commenced. It is proudly funded through the Office of Multicultural Interests, with \$250 000 to start the project. The City of Stirling has worked hard to put the initiative into action. The Stirling community profile, which is based on the 2016 census, was outlined at a recent business community forum, as were the issues around the impact on business. The newcomer workforce participation project is now being called the Kaleidoscope Initiative, and it was introduced to local businesses at that forum. The intention is to make it very inclusive and positive and very much about seeking employer engagement. The vision for the City of Stirling and the project is that of a prosperous and inclusive city that harnesses the economic benefits of migration by enabling newcomers to obtain employment in their field of expertise and of supporting employers to reap the rewards of a diverse workforce. It is pretty exciting for many of us in the community. Over the years we have had lots of conversations with the community about the need to assist people with networking, mentoring and information sharing to be able to get people the best opportunities. Many

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Dr Mike Nahan; Dr Tony Buti; Mr John McGrath; Mr Stephen Price; Mr Ian Blayney; Ms Janine Freeman; Ms Libby Mettam; Ms Mia Davies; Mr Sean L'Estrange; Mrs Robyn Clarke; Mr Simon Millman; Mr Kyran O'Donnell

of us here know that, to gain employment, it helps to know people in the industry and to have people who can support one through education or into employment.

The Kaleidoscope Initiative is harnessing opportunity through diversity. The Stirling business community was given a presentation by the program manager of the objectives and implementation of what is an exciting program.

It will seek to address some of the unemployment in the Mirrabooka and Balga areas. Unemployment issues in Mirrabooka and Balga are complex. It is not just about this program; it is about multiple issues, and I will talk about those in a bit. Clearly, this is another indication and illustration of the commitment that the WA Labor government has to employment in this area, particularly given the high unemployment rate. I have often raised the high unemployment rate of the Mirrabooka–Balga area in this house. It peaked at 25 per cent unemployment in December. Thankfully, it is declining at 21 per cent. As I have outlined to this Parliament before, people seem to dismiss this as just being that area—that it has high unemployment and long-term structural unemployment. Again, I want to point out that the high unemployment rate did not begin in that way. When I entered the Parliament in 2008, we were tracking at about five per cent above the unemployment rate in the rest of the community. It jumped in 2011 and 2012 and continued to increase exponentially. Those sorts of issues need to be looked at as well in terms of addressing unemployment in the area.

The Kaleidoscope Initiative seeks to build prosperity by promoting the benefits of harnessing the opportunities of multiculturalism. A report released in 2015 by the Brotherhood of St Lawrence titled “Employer toolkits: Building more inclusive workplaces?” states —

Some jobseeker groups experience difficulty in securing employment due to perceived gaps in their employable skills, qualifications or experience. Others are effectively ‘screened out’ during recruitment processes on the basis of their gender, race, ethnicity, language, age or disability. Labour market participation for these groups is affected by the human resource practices of employers, as well as the nature of support they may receive to address perceived ‘employability’ gaps.

An organisation at the City of Stirling business community forum—I apologise because I cannot remember the organisation’s name at this point—works on blind recruiting. It goes into companies and works on blind recruitment. Blind recruitment takes away anything that can identify someone’s ethnicity or gender and focuses on their qualifications, skills and capacities in recruitment procedures. Blind recruitment has seen increasing diversity in employees in other organisations. We have only to look at the emphasis on the importance of diversity in companies such as KPMG. As a global company, its major focus is about increasing diversity in the workplace. A KPMG document on diversity explains —

Diverse teams are more likely to be innovative and commercial.

Our marketplace and our people are demanding change and we are determined to exceed their expectations.

It is such an important aspect of what can be offered. In the debate about including women and increasing women’s participation in the workforce, we all know that it greatly benefits the community, public policy debate in this house and industry. In fact, a report by the federal government some years ago on the gender wage gap and women in the workforce showed that of all the issues that increased productivity in Australia over the last 40-odd years, women’s participation in the workforce was most significant. Increasing women’s participation in the workforce increases productivity and outcomes. It increases the capacity of the economy to grow. Imagine if we further increased that diversity to reflect the community members who live in the areas we represent and the suburbs where we live. The City of Stirling talked about the diverse workforce in its offices. Again, I do not have the figures in front of me, but it has a reasonably high percentage of cultural diversity in its workplaces, but it still did not reflect the census. If we look at the census and the diverse multicultural background of community members, we find that although the City of Stirling was doing relatively well in comparison with other local governments, it still did not reflect the make-up of the community it represents. I think that is a really interesting aspect of employment. That is the sort of challenge that the Kaleidoscope team will face: should blind recruitment be used to increase opportunities for people who have an employment bias against them?

The Kaleidoscope Initiative is based on the Toronto Region Immigrant Employment Council. It is a very successful model that is about to celebrate 10 years of success in Canada. The Toronto Region Immigrant Employment Council sets up various different aspects; one is a mentoring partnership. Over 7 600 volunteer mentors have helped 12 000 skilled immigrants to reconnect with their careers in Canada since 2004. It also has a professional immigrants network program. In 2016, the Toronto Region Immigrant Employment Council supported 64 professional immigrant associations with 30 000 members across the greater Toronto area. It is very much about growing connections, networking and mentoring. This not-for-profit organisation is a 10-year success story. It has achieved thousands of job opportunities in Toronto. It showcases cultural diversity as a potential

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business driver through its connections with diverse local and international markets. It also ensures that people know that those different perspectives enhance workplaces throughout Toronto.

It is really exciting that as part of the Kaleidoscope Initiative, the Toronto Region Immigrant Employment Council will be coming to Perth and sharing its intellectual property. My understanding is that there is no onerous cost, if any cost at all; it is very much a collaboration with the City of Stirling to ensure that we get the benefit of this organisation's knowledge from 10 years of service to the community. The Kaleidoscope Initiative does not deliver individual casework or direct job placement. It focuses on capacity building through information sharing and coordination, networks, mentoring and partnership development. The Kaleidoscope Initiative's objectives include that its employer partners program—the outcome it will measure itself on—has an inclusive employer culture that enables businesses and organisations to benefit from the skills, knowledge and experience of a culturally diverse workforce. The outcome that the organisation's professional immigrant networks are seeking is strong, informed and connected community associations and professional networks that actively support newcomers to achieve their career goals. The outcome that the mentoring partnership seeks to achieve is for newcomers to build an understanding of Australian workplace culture and to develop occupationally specific professional networks that assist them to achieve their career goals.

A number of programs are being offered by the City of Stirling in the Mirrabooka area at Herb Graham Recreation Centre around exactly this sort of mentoring and assisting people by looking at their qualifications and how they can better serve themselves to gain employment in Western Australia. The program will run throughout next week with a number of presenters. The City of Stirling's jobs program is offered at Osborne Park library and at Mirrabooka library, where it has a job support volunteer program. People who have had extensive experience in employment and assisting in those areas will be able to assist people in the library with things like discussing how to do job applications or simply looking at their CVs or résumés—whichever people choose to call them. These are great programs and the City of Stirling should be congratulated. It was really important and great that the local councillor, David Boothman, worked closely with me in trying to find some solutions to employment in the area, and this program is what the city came up with. I think it is just proof of how, when we work collaboratively, we can do something innovative.

The other outcome the City of Stirling is looking at is a multi-stakeholder collaboration for stakeholder partners to work collaboratively to develop solutions that achieve equity in newcomer employment outcomes. It does not focus on upskilling.

Sitting suspended from 6.00 to 7.00 pm

Ms J.M. FREEMAN: I would like to continue my comments on this very important Western Australian Jobs Bill. I would also like to take this opportunity to say hello to the scouts from Southern River Scout Group in greater Gosnells, who are in the public gallery. It is lovely to have you here this evening. You will all appreciate the effort that the Labor government is making in pursuing this Western Australian Jobs Bill. This bill will oblige government agencies to develop participation plans for the procurement of goods and services. That means for you all that when the government contracts out projects, such as the bridge to the new Perth stadium, jobs for Western Australians must form part of the consideration of the people who win those contracts.

I have talked about the Newcomer Workforce Participation Project. The Western Australian government has funded stage 1 of that project with the City of Stirling. I congratulate the City of Stirling, and in particular Councillor David Boothman, who spearheaded this project. The City of Stirling also has a program called Migrant Success, and on 23 October, 30 October and 6 November will be hosting job seeker workshops to help migrants kick-start their career. Despite the fact that Kaleidoscope has not had a big formal launch, it has hit the ground running, with great enthusiasm. I have also talked about the City of Stirling Job Shop. That is a great service provided by the City of Stirling with volunteers at Mirrabooka library. Kaleidoscope is a great initiative. However, it does not focus on another area of great need in the Mirrabooka electorate. That is helping people in our community who are not highly skilled to upskill their qualifications, training and experience to enable them to obtain higher skilled positions. I look forward to working with the nursing home and other business that are seeking to establish themselves in and around Mirrabooka to ensure the provision of local jobs in my electorate. The federal Standing Committee on Employment, Education and Training is currently holding an inquiry into the transition from school to work. We in this Parliament should take an active interest in the recommendations of that committee to ensure that our school leavers are given the best possible opportunity to transition from school to employment. Frankly, the earlier students are able to transition from school to employment, the better their progression in the workforce. Thank you.

MS L. METTAM (Vasse) [7.04 pm]: I also wish to speak on the Western Australian Jobs Bill. There is no doubt that the Western Australian economy continues to feel the cold hard reality of the commodity cycle. In this last

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financial year, Western Australia remained unlucky last on basically every front, include capital city house growth and retail turnover growth. Interstate visitor numbers in Western Australia decreased by 8.2 per cent in comparison with average growth of 3.7 per cent across the country. In total, Western Australia is down by more than 450 000 visitors compared with last year. The Western Australian economy continues to struggle post the resources boom. Although commodity prices have recovered over the past year, any bounce-back is unlikely to be sustainable. Although the Western Australian labour market is growing, with just under 3 000 more people employed in the last months, and with a 2.6 per cent growth in employment from August 2016, the majority of this growth has come from part-time employment. That can be compared with strong growth in full-time employment in non-mining states like Victoria and New South Wales. In fact, Western Australia remains significantly behind other states in not only job creation, but also, more importantly, business investment. In fact, many experts are forecasting that business investment in Western Australia is not expected to grow in year-on-year terms until the middle of the next decade.

Although no-one can argue against the importance of ensuring jobs and opportunities for Western Australians, without investment as a key driver of growth in Western Australia, the economic future of our state will continue to look very sick. Although this bill is designed to ensure that money spent by the Western Australian government on goods and services is used, whenever possible, to support local industry and create jobs, what it promises on paper and what the Labor government does in practice are two different things. Facilitating greater local industry involvement in the supply of goods and services worth billions of dollars will grow local industry and, in turn, grow local jobs, apprenticeships and training opportunities, as will cutting red tape and the costs associated with regulatory compliance, especially on small businesses.

These should be the key priorities for any government. However, the difference is that this Labor government—the self-labelled party of the working class—is not interested in supporting small business. It is interested only in supporting those enterprises its union overlords tell it to support.

Several members interjected.

Ms L. METTAM: This bill is not about creating jobs for Western Australians. It is about creating jobs for the Labor Party's mates. This is the same Labor Party that only last week threatened the viability of the Western Australian gold industry by trying to force a 2.5 per cent to 3.75 per cent gold royalty hike on this marginal industry. The gold industry supports over 3 549 businesses and spends over \$4.4 billion in Western Australia alone. The gold industry employs thousands of Western Australians, particularly in regional Western Australia. If this proposed tax had been implemented, it would have destroyed much needed investment in our mining sector and resulted in further job losses. This would have impacted on the livelihoods of thousands of Western Australian families, many of which have already been hit with draconian increases in taxes and utility costs.

Ms J.J. Shaw interjected.

The ACTING SPEAKER: Thank you, member! I would like to hear the member in silence, please.

Ms L. METTAM: It was pure hypocrisy on the part of the Labor government to think that the costs associated with increasing the gold royalty rate would not severely impact on future investment in the gold industry or that, more importantly, it would not result in further job losses. Increasing the royalty rate would have led to reductions in payroll, and a decline in the purchase of goods and investment in exploration and new projects. Increasing the royalty rate would have led to a slowdown, if not a long-term halt to exploration. Stopping exploration means more job losses, including apprenticeships. Where was the Labor Party in protecting people's jobs in the resource industry? Where was the Labor Party in protecting us from the flow-on effects that would result from the slowdown in exploration and protecting the accommodation providers, the fuel providers, provedores, hire services, drill rod suppliers, and even people associated with camping and infrastructure associated with the exploration contracts? I will tell the house where the Labor Party was. It was planning to threaten these businesses, and the thousands of WA families who rely on them for their livelihoods, with increased fees and charges.

It is not just the resource sector that the Labor government continues to threaten. It is also threatening our tourism and events industries. One of the key components of this bill is the Western Australian industry participation strategy. In fact, one of the key objectives of the bill is to require the minister to develop and implement the WAIPS. According to clause 7 of the bill, the WAIPS objectives are aimed at —

- (a) promoting the diversification and growth of the Western Australian economy by targeting supply opportunities for local industry;
- (b) providing suppliers of goods or services with increased access to, and raised awareness of, local industry capability;

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- (c) encouraging local industry to adopt, where appropriate, world's best practice in workplace innovation and the use of new technologies and materials;
- (d) promoting increased apprenticeship ...
- (e) promoting increased opportunities for local industry to develop import replacement capacity ...

Clause 8 sets out the principles of the WAIPS, which is that the WAIPS must take into account and be consistent with existing principles related to the procurement process, namely —

- (a) the need to achieve value for money, as the primary consideration, when making procurement decisions;
- (b) the need to ensure probity and accountability for procurement processes and procurement decisions.

This is just more smoke-and-mirrors policy. I would like to draw the chamber's attention to an article in *The West Australian* dated Tuesday, 26 September 2017 titled "WA events company set to lose out on Perth Stadium contract to South Australian firm". It reads —

A Perth events company is calling on the State Government to step in after a learning that a major Perth Stadium contract would be awarded to a South Australian firm.

Lloyd Events —

I have had a conversation with Michael Lloyd of this company —

managed the demanding audio and visual production contract at Subiaco Oval and was in the running to continue at the new stadium until being told the Adelaide business had all but secured the deal.

Lloyd Events' bid for the contract included glowing references from the management of the West Coast Eagles and the Fremantle Dockers, which argued for the need to work with a local business.

Known as the "production suites" contract, the company responsible has to manage almost everything a patron sees and hears, including what is on the giant screens, and provide camera and audio crews on match days.

"We are exclusively West Australian," Lloyd Events boss Michael Lloyd said.

"Our bid was more than competitive. We've got our runs on the board in terms of experience and I think that State Government projects should be supporting local businesses and that's what the Government says."

The winning bidder, which set up a Perth office this year, has extensive experience at Adelaide Oval.

An established Western Australian business that has been running the audio and visual production at Subiaco Oval for the past eight years, has the full written support of the West Coast Eagles and the Fremantle Dockers, puts in a competitive bid and loses out to a South Australian company, at the newest most significant tourism and events facility owned by the state government. This is a piece of infrastructure that the state can be very proud of. So much for a Western Australian industry participation strategy. However, it does not stop there. A week later, another story appeared in *The West Australian* about another contract at the new stadium awarded to a non-WA business. The article was titled, "Perth Stadium: another local business misses out as French firm takes cutlery contract", and reads —

A Perth hospitality company has lost out to a French-owned business in pursuit of a \$3 million Perth Stadium contract.

Hisco has supplied crockery, cutlery and other kitchenware for catering at Subiaco Oval for more than a decade and is the second WA firm left disappointed by the tender process.

...

The latest contract winner has its head office in Queensland and is a subsidiary to a French multinational company.

Hisco chairman Murray McHenry is quoted in the article as stating —

"As a wholly owned and operated WA company with over 50 staff, we were obviously disappointed that we didn't win any of the initial set-up of such an iconic WA project ...

These two incidents illustrate the inconsistency of the current government's approach to local businesses. It is clear that this new jobs bill would make no difference, particularly given the fact that "local", by definition, according to this bill, relates to companies or businesses from not only Western Australia, but also any other part of the country or New Zealand, which is actually hilarious.

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Ms S.E. Winton: We're not laughing.

Ms L. METTAM: No, members opposite should not be laughing, because the bill does not actually meet what it sets out to achieve.

Not only Western Australian events businesses are taking a hit from this government that pretends to be a champion of local industry. Our tourism operators are facing further costs and more regulation, with the McGowan government's changes to the Liquor Control Regulations allowing tour operators to provide alcohol on their tours. Under the new regulations, tour operators are able to supply alcohol on their tours, but they will first have to complete training with the Australian Tourism Accreditation Program run by the Tourism Council of Western Australia. A reform measure was introduced last year, by the then Premier of Western Australia and the then Minister for Racing and Gaming, Hon Colin Holt, and we have since seen a new layer of red tape added. Under these changes, tourism operators will be required to join the Tourism Council to become accredited suppliers of alcohol, with fees starting at \$289 and tapering up based on the number of employees. This includes existing tourism operators who are already exempt from applying for a liquor licence or responsible service of alcohol training. This is quite okay for a larger organisation that is a member of the Tourism Council, but I have spoken to many smaller operators who feel that it is an additional piece of red tape and feel burdened by the fact that they now have to join a membership organisation and go through an unnecessary process, as well as pay the costs associated with this.

Mr M. McGowan: I don't think this relates to the bill.

Ms L. METTAM: Yes, it does, and I will continue. I am pointing to this government's commitment to local industry and local jobs, and this goes straight to the heart of that, given that I am illustrating what the government has done after several months in office, which is to not only prioritise businesses on the east coast and overseas for important projects such as Perth Stadium, but also add unnecessary red tape.

This is just a closed shop arrangement with the Tourism Council of WA that forces small businesses to join an organisation that acts like a union. In addition, as the Tourism Council of WA is not a provider of responsible service of alcohol training, operators and their staff will have to complete further RSA training with an accredited provider—presumably at an additional cost. This is just more red tape and further costs for our tourism businesses who, like every other small to medium-sized enterprise, have already been hit with increased fees and taxes by Labor. If Labor was genuine about supporting this sector, it should open this benefit to all tourism operators, as originally intended.

Mr M. McGowan: What do you mean the Tourism Council acts like a union? What does that mean?

Ms L. METTAM: The point I am making is that the reform that was introduced by the previous government should be open to all tourism operators. There should not be an additional obligation to be a member of the Tourism Council; I cannot see any reason why that obligation should be there. I cannot understand why the government would put that additional impost on small businesses.

At the beginning of my speech I spoke about the fact that although the WA labour market is growing, WA remains significantly behind other states in job creation and investment. According to Bankwest Curtin Economics Centre's August 2017 "Monthly Labour Market Update", Australia's construction industry has seen the largest gains in employment over the last 12 months, adding an extra 45 000 workers to the sector nationally—an increase of 4.3 per cent. Growth has spread across nearly all states, with NSW and Queensland continuing to lead the way, adding around 29 000 and 21 000 workers respectively.

Here in WA, we are shedding more than 8 000 jobs, and employment in the sector has fallen overall by 5.7 per cent. Wages growth, although still weak, has marginally strengthened. The value of the building sector is \$12 billion to \$15 billion, and comprises 10 per cent of the workforce. In addition, 45 per cent of all apprentices are in the building and construction sector. Key to this is the construction of new homes. However, since June the new home construction market has become more challenging. For first home buyers especially, the interplay between housing affordability and new house construction is critical. Supporting assistance affordability, supporting and helping Keystart applicants, first home owner grants and stamp duty exemptions all lead to increases in housing stock and jobs, illustrating a significant multiplier effect in our economy, which desperately needs it.

However, as we have seen, one of the first acts of the Labor government was to overturn a commitment made by the Liberal–National government last year, which was welcomed by the building and construction industry.

[Member's time extended.]

Mr M. McGowan interjected.

Ms L. METTAM: Very helpful! Premier's call!

Dr Mike Nahan; Dr Tony Buti; Mr John McGrath; Mr Stephen Price; Mr Ian Blayney; Ms Janine Freeman; Ms Libby Mettam; Ms Mia Davies; Mr Sean L'Estrange; Mrs Robyn Clarke; Mr Simon Millman; Mr Kyran O'Donnell

Mr M. McGowan: This is a good speech!

Ms L. METTAM: It is! I will give the Premier the notes afterwards!

That commitment boosted the grant for new homes built between 1 January 2017 to 31 December 2017 to \$15 000. This is why WA home builder Dale Alcock called on the government to maintain the first home owner grant for new homes, claiming the sector helped buoy jobs whereas established properties did not support employment. First home owner grants were introduced to compensate for the GST and focused on building new homes because of the jobs they created. According to the Housing Industry Association, more than 60 trades benefit from every new home built, which has a significant multiplier effect. Keystart, which was a key part of and beneficiary of this, has also helped more than 90 000 people make the dream of home ownership become a reality, which is why maintaining this policy is so important, but we saw this policy cut off only six months after its introduction, which has had a significant impact on the sector as well.

That basically finishes my remarks on the Western Australian Jobs Bill 2017. Others have already spoken about the substance of the bill and the fact that, although it is called the Western Australian Jobs Bill, it is clear that, in common with the commitments that I have outlined, and like the actions undertaken by the Labor government so far, what it says it is going to do and what it actually delivers are two very different things. It may be a Western Australian Jobs Bill by name, but when we look at the detail we see that it certainly is not by nature and by what it represents, given that it is prioritising not only Western Australian jobs, but also jobs and businesses from around the country and overseas. I thank members for listening to my comments.

MS M.J. DAVIES (Central Wheatbelt — Leader of the National Party) [7.27 pm]: Thank you, Mr Acting Speaker, for the opportunity to put the National Party's position on the record. From the outset, I will state that the Nationals will support this legislation, but we have some questions about its operation and why it is required, as has been raised in comments that have been made by some members of the opposition already, in relation to the fact that there do seem to be some questions around its operation and how it will be applied, and whether it is actually needed by a government that professes to be creating jobs and that has ministers working on that day in, day out. The government is saying that if ministers are committed to this, they should make sure that their departments are committed to this, and I will have some comments to make about that later. The Nationals will support this legislation, but we do have some questions about its operation.

It was a positive that we got a briefing on this, which is a bit different from the previous piece of legislation we debated last week. We were actually afforded a briefing from the government on this particular piece of legislation. Members might recall that the bill we debated last week was declared urgent, and then it was revealed that the government would be amending its own legislation. We have some questions about all the legislation that now comes to this house about whether the government has done the work, whether the legislation is ready to be debated and whether the government can provide the answers that the opposition, including members of the National Party, will quite rightly seek to assure ourselves that this is actually something that is practical and will not add a burden of red tape, which is something that the business sector, when it is operating with government agencies, quite often talks to us about.

I think it is debatable as to whether this is window-dressing as opposed to something that will actually increase local jobs. We are not convinced that that will be the case, but we will certainly ask questions during consideration in detail about how the government will assure itself that this legislation will increase jobs and that there will be mechanisms for reporting and auditing and some teeth in the legislation for when there is noncompliance. No-one would like to think that we in this house are adding to a level of red tape or administrative burden without some real outcome. I think that sentiment is shared by everyone in this house. We are not entirely convinced, but we give the government points for effort in committing to trying to at least window-dress the election commitments it made on creating more jobs. Since the Labor Party came to government there has been more about job losses and projects that have been pulled and infrastructure and services that have been "de-committed" to, as the Minister for Health admitted during the estimates hearing. It was "de-committed", was it not, member for Nedlands? It was a new word! That is a new one, but we have projects that have been "de-committed". Of course, those "de-committed" projects have associated job losses. I will talk a little about that later. I think —

Mr R.S. Love: It's a new process.

Ms M.J. DAVIES: It is a new process. Indeed, member for Moore.

Mr R.S. Love interjected.

Ms M.J. DAVIES: A new word has been created. The Minister for Health should be very proud of himself for coming up with a way to describe, "We have slashed your program and we are no longer interested in it. It's been 'de-committed'." Members, it is worth having this debate against the backdrop of the decisions this government —

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Mr W.R. Marmion: Is there a core promise now it's "de-committed" —

Ms M.J. DAVIES: Core, non-core, "de-committed", committed; it is just a way of explaining that, "We've cut your program and we don't care. But we'll make nice in estimates and make sure that we have a proper word for it."

It is worth having this debate against the backdrop of the decisions the government has made to date on projects, services and infrastructure it has cut. Of course, members expect the National Party to focus on that impact from a regional perspective. Returning to the original premise of what this government was elected to do, it said it would decrease debt and not increase taxes, fees and charges. We have now discovered that that was a lie. Its *Budget Statements* show no reduction in debt. The one thing this government should focus on is the reduction of debt, instead of the pursuit of the extravagant election commitments it made without a plan to pay for them. A reduction in debt would return confidence to government and business, and allow that job creation that the government so desires to continue to happen. The fact that the government is walking away from that commitment or is prepared to break promises it made to the electorate not to pay that debt but to simply pay for its extravagant promises is of enormous concern to the Nationals. We have spoken about that in this house a number of times.

It would be remiss of me not to state that reducing state debt should be the key focus. We think the Western Australian Jobs Bill 2017 is nothing more than window-dressing, but we are happy to humour the government and see whether it can be held to account on this promise and legislation over the next four years. The diversion it is creating by giving its members the opportunity to talk about this legislation is nothing more than that. But we will give the government points for trying.

I will talk a little about the regional projects that have already been cut—government projects that had been committed to that are now "de-committed"—and the impact of that from a regional perspective. We have talked quite regularly about the cuts to the community resource centre network, which will be \$10 million over two years. I particularly point to the fact that these community resource centres, in addition to the significant opportunities and services they provide to their local communities, also facilitated direct employment through a traineeship program introduced by the previous Liberal–National government. The traineeship program gave a number of people the opportunity to re-enter the workforce. We were committed through that program—through the funding of the CRC network—to giving people the opportunity to return to the workplace through traineeship in many, many communities across regional Western Australia. It was not just for the younger cohort of people. A number of older people sought to re-enter the workforce—people who were looking for a change or to upskill. Once they had gone through the traineeship program, they could move on to new opportunities, whether it was taking those skills and seeking employment elsewhere in the town or region, or to use those skills in the not-for-profits, community organisations, sporting clubs or groups of a similar ilk to enhance and increase governance skills and improve the ability of those community groups to attract funding and run more profitably. It is very disappointing. Ministers are at odds with each other—we cannot get a straight answer from the Minister for Regional Development and her parliamentary secretary. They do not know whether they are coming or going in the other place. One of them says there will be no cuts and everything will continue, and the other one says, "No, no, we are reviewing it, and there are most likely to be cuts." When we asked the Premier in this house during estimates, he said, "There are too many of them, and clearly we have to look at that because that is a problem." That is the commitment this government has to jobs and our very valuable community resource centre network.

Another project that has been cut that I quickly want to touch on—in opposition to the commitment to jobs—is the Water for Food program. This program had several different aspects, one of which was a commitment of \$11.5 million to increase regional groundwater investigations. That was about increasing the available data for businesses in regional Western Australia and for communities to better plan around potential opportunities for starting businesses and accessing that, whether it was a pastoral industry, agricultural business or a start-up community-based business in a regional community. It was about turbocharging our groundwater investigation program. It has been cut. The government has gone back to the base amount the Department of Water set aside, and that will no doubt be cut in future budgets because this government has no revenue stream to rely on. That will be very disappointing. That is a real loss for regional Western Australian jobs.

I turn to the Myalup–Wellington and southern forests project. I know the government will say it has committed to that and is waiting for federal funding. We missed the opportunity for the first round of the federal funding for these projects because the Minister for Water dragged his heels in providing information to Infrastructure Australia and the commonwealth Minister for Agriculture and Water Resources. As a result, they were unable to clarify some of the questions they had about that project. The state Minister for Water then came barrelling out and said, "You need to talk to your federal colleagues and pull them into line." The information I was given was, "Well, we tried to get that information, and the minister dragged his heels."

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The Minister for Transport regularly stands to crow about this government's ability to partner with the commonwealth. That is clearly because its priority is metropolitan public transport. It has no commitment to the Myalup–Wellington and southern forests project, which could potentially generate 1 500 jobs in regional Western Australia. This government is twiddling its thumbs and focusing on other things in the Perth metro area, where the votes clearly are. It has no interest in aggressively pursuing this. It dragged its feet and put commonwealth funding in jeopardy. Members, we are doing our bit to make sure our colleagues understand the importance of that project, but ultimately it is the state government that needs to do the work. It has quite clearly demonstrated that it is willing to only talk about public transport in the metropolitan area—not agriculture, not a significant project that had the endorsement of that region, the support of the development commission and private sector investment. The government has walked away from that, quite clearly showing that that is not its priority. They committed the funding, and then said, “So be it.” That is very, very disappointing.

I could talk about aged-care projects that have been cut from the budget under royalties for regions funding that was previously provided. Jobs would have been created from the construction of these projects that would have been worth \$40 million across the entirety of the state. They have been pulled and replaced with funding of far smaller amounts, which will be contestable. A big part of this push from the former Liberal–National government around the creation of more age-friendly and age-appropriate housing in regional Western Australia was because it comes with a service industry that creates jobs. The whole push in the aged-care sector is now about making sure that people can stay in their own homes. An industry would have been built to service those additional housing opportunities in regional Western Australia and create jobs in not only construction, but also the service industry. The strategy behind it was developed by the Wheatbelt Development Commission and adopted across the entire state. It was recognised by the commonwealth. This government has come in and said, “No, we don't like your project. It's 'de-committed'. See you later. We've got priorities elsewhere.” That is the context in which we are having this debate on the jobs bill. The actions that members opposite have taken since they came to government have cost jobs in regional Western Australia.

Mr D.J. Kelly: Will you take an interjection?

Ms M.J. DAVIES: No, member; I will not. I have half an hour and I am going to make —

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Minister, the member has indicated that she does not want to take an interjection.

Ms M.J. DAVIES: Thank you, Mr Acting Speaker. Our record in government was —

Mr D.J. Kelly interjected.

Point of Order

Mr S.K. L'ESTRANGE: Mr Acting Speaker, you have made a ruling that the minister not interject. He is continuing to interject. He is on two calls. I suggest that maybe you consider calling him a third time.

Several members interjected.

The ACTING SPEAKER (Mr I.C. Blayney): I do not see that that is a point of order, but I will make it clear to the minister that I am going to start calling him if he keeps interjecting.

Debate Resumed

Ms M.J. DAVIES: Thank you, Mr Acting Speaker; it is just a little bit like a tap that keeps dripping from that side of the house—drip, drip, drip.

Several members interjected.

Ms M.J. DAVIES: It is.

I am not going to be entirely negative, because I am happy to see that our government trading enterprises have been brought under the scope of this bill. The government absolutely has my support for that. One of the projects I worked on as Minister for Water was the farmlands upgrades. We worked with a group within the Water Corporation and provided \$32 million to deal with the quite serious issue of there being a very high incidence of leaks and bursts of water pipes in the wheatbelt, which was causing not only a considerable amount of water to be lost from the system, but also an enormous amount of concern for consumers and people who pay their bills on a regular basis. I worked with the Water Corporation. I said that I would very much like to see us get better at making sure that when we released tenders and set up contracts, we were giving local businesses the maximum opportunity to engage. I did think that in many cases the Water Corporation's tendering process stopped local businesses or smaller contractors from engaging with the Water Corporation. We went out and met with the local chambers of commerce and created an opportunity in which there were longer lead times for those businesses

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to understand the type of works coming up and there was the ability for them to aggregate with other businesses to offer a service. In the Water Corporation tender documents, we highlighted our desire to have local contractors and also to involve those companies owned by or employing a significant number of Aboriginal employees. That provided the opportunity for a number of businesses to be created in that space in the wheatbelt in particular, because that was where the majority of the works were being done and where the incidence was the highest. I would be very interested to see whether the farmlands pipe replacement project to which we committed through the Water Corporation is being continued by the current Minister for Water.

Mr D.J. Kelly: Do you want me to tell you?

Ms M.J. DAVIES: Yes.

Mr D.J. Kelly: Oh, no; you weren't taking interjections, so speak to me later.

Ms M.J. DAVIES: Okay, I will; I absolutely will. I will just put on the record that the minister declined to advise whether he is committed to that \$32 million project to which we committed and which was starting to set up a different and new culture within the Water Corporation. The government has my support in ensuring that the Water Corporation and our GTEs are drawn into this, because any minister who has had a GTE within their portfolio understands that it is a different dynamic from the dynamic with departments. I believe that those organisations should have a mind to the policy of the government of the day. There was clearly a direction from me, as Minister for Water, that greater opportunities for local businesses be prioritised in that process and that opportunities be created locally where works were being conducted in regional Western Australia.

[Member's time extended.]

Ms M.J. DAVIES: People were sick of seeing Perth businesses travelling down Great Eastern Highway and bringing their employees with them, while local businesses that had the capability but required a longer lead time or the opportunity to aggregate to be able to deliver that work were being overlooked. I will follow up with the Minister for Water about whether that \$32 million program has been de-committed or still has been committed to. Given that it is in my electorate, I suspect it is one of the ones that has hit the chopping block. That will be on the minister's head when we see the amount of water lost from those pipes, which were in dire need of repair.

As I have said, we were lucky to have a briefing on this bill, unlike the legislation we debated last week. We will flesh out some things during consideration in detail if we are given that opportunity. There are a number of issues that we would like the government to address, particularly around the participation strategies and the templates that are being developed, and how they will integrate with current government department procurement practices. Obviously, there are departments that already have these policies. Where they exist, which one will take precedence and what existing practices will be phased out, when will they be phased in, and how will that be adopted across government? Our members raised some questions around exemptions. How will a department seek an exemption? There will undoubtedly be situations that have not been anticipated in the drafting of this legislation, so how will that be dealt with, what processes will be applied and how transparent will that be? The most important thing on which we seek clarification is how it will be reported to this place so that this government can prove the claims it is making that this legislation will increase jobs. We understand that it will not be applied to universities and local government, but we were given an indication that that is perhaps the next phase of the debate or conversation. There would be some real interest in that, particularly from the local government sector I imagine, and in how we will manage in applying it to state government first. If other applications are forthcoming and that is the intention of this government, it should rightly indicate that now and put it on the record to allow people to have that discussion with the government before it gets to the point of debating it in the house. The other questions we raised during the briefing and on which we would like some explanation as we move through this process are: Who will audit the participation plans and what will happen when there is noncompliance? Is this simply a toothless tiger that is being set up? Red tape and regulation is being introduced, but will there be any ability to enforce or rectify something when there is noncompliance? That is a real concern. We want to know whether it is going to have any teeth, how it is going to be policed, and who will know whether it has been policed or whether there has been noncompliance. Who will be privy to that information? Will it be the Parliament, will it be only the minister, will it be only the government, or will it be between the organisations? They are the questions we would seek to have answered by the Premier. We were told that the templates for the participation plans were still being worked on. Is that something the government would be willing to provide to us in the interests of being open and transparent? Could we see the draft of that so we can have some information to adequately scrutinise what is being introduced? That is something I would particularly like to see. What are the practical implications of how this will be applied? We would not be doing our job if we did not ask some of these questions. Who was consulted during the consultation phase? We were given a brief overview of some of the sectors that were spoken to. We presume that there has been consultation on this bill. It would be ridiculous to think that there has not been consultation

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with a number of stakeholders on whom this would likely impact, except that we did have the experience of the debacle of last week. Who has the government consulted with? How has the government drafted and brought this bill into this house? Obviously, there are examples of the legislation in other jurisdictions and states, and there was an undertaking from the Premier's staff to provide us with some information on the modelling of the bill's success or otherwise that was done in other states. Obviously, I understand some bold statements have been made by other states that have introduced it to say it is working very successfully. I would like that information to enable us to appropriately ask the right questions and scrutinise the legislation.

I think the real question that everyone will be asking is whether we are satisfied that the government is not increasing or introducing more red tape for businesses or government. Business owners regularly tell us that their biggest challenge is red-tape reduction. A number of members in this place have risen to talk about their business experience, the way that they interacted with government and the way that tenders operate. Will businesses be excluded from this legislation because they simply cannot handle or are not in a position to be able to deal with additional paperwork? What is the government doing to make sure it brings those businesses up so there is not a reduction in their interest or ability? I am not saying that these are valid questions, but they certainly are questions that have been posed to the National Party by those whom we have had the chance to speak to about this bill. Is the government's modelling robust on how many tenders will require a participation plan? We understand that a unit has been created within the department and that it has done modelling on how many participation plans will be required to be created and then obviously policed and managed. What modelling was done? It was obviously done on the previous number of tenders that would be captured within the scope of what the government is proposing, but does that take into account, for instance, the fact that the government has Metronet on its books? Obviously, that will drive a significant number of projects and tenders, even though we know that it cannot afford them, but that will not stop the government from releasing these tenders. I presume that has been taken into account, but we would like some advice on how the government made the decision that it would need X number of staff in the unit and that a number of them would deal with the creation, auditing, policing, reporting and all those things. Is that enough? How much is it? Will the government need more? Will it just add another layer of bureaucracy? I think the government should absolutely provide us with that information about this bill.

In summary, the National Party will absolutely support the Western Australian Jobs Bill 2017 but we expect the rolled gold transparency and accountability that members opposite came to government on. This was a catchcry of the previous opposition members. They rammed home throughout the election that they would be better than the mob who were there before, that they would be open and transparent, and that they would provide information about contracts. As a previous minister, I was asked in particular about the stadium contracts on a regular basis. Now that members opposite are in government, we expect that they will bring that transparency and accountability to everything they do. We want to see that they are not just grandstanding in this place about jobs and that they will deliver on their commitment. It will be good for Western Australia and regional Western Australia if the government does deliver, but we have our doubts. We think it may well be just window-dressing; but we give the government points for trying. The questions we have raised are what we will canvass during the consideration in detail stage or in the other place when it gets to that point. With that, I will allow the debate to continue. From our perspective, the Nationals have some concerns about whether this bill will deliver on the rhetoric we have heard from members opposite on the creation of jobs in Western Australia.

MRS R.M.J. CLARKE (Murray–Wellington) [7.53 pm]: I rise to speak on the Western Australian Jobs Bill 2017. This government has shown that it is committed to creating jobs for West Australians and this bill ensures that local businesses that employ local people are given the opportunity to receive state government contracts with an emphasis on small and medium businesses. This is of particular importance in regional and country WA as the work of even one minor government contract has the ability to cause tremendous changes for a small business in a country area.

This government's plan for jobs will help to build stronger regional communities and diversify our economies. By introducing industry participation plans, local content in the regions will be maximised and strengthening the Buy Local guidelines will help to better support regional businesses that may otherwise be overlooked. This, along with a new focus for regional development commissions on identifying growth opportunities for local businesses, will assist in addressing long-term issues that regional towns face as a result of a lack of employment opportunities.

Unemployment is a major concern in regional Western Australia, and I commend the government for taking steps to create long-term jobs for areas such as the electorate of Murray–Wellington. These steps include the allocation of significant funding to the Peel Business Park in Nambeelup and Kemerton Industrial Park—both major projects located within my electorate. The development of these parks will transform the electorate, creating thousands of long-term jobs for the region. The jobs that these projects will create are not just in the immediate areas of the parks, or even just within the Murray–Wellington electorate. Regional centres such as Mandurah, Bunbury and

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Collie will all benefit from the development of these parks through both direct and indirect employment. Mandurah and Bunbury and their surrounding areas are increasing in size and as they get bigger, more jobs need to be created to support their population and the local economy. The development of these parks will be a vital component of job creation for both centres.

Before this bill has even been legislated, this government has proven that it is dedicated to helping local businesses and their employees. As part of the development of the Peel Business Park, a managed aquifer recharge study is currently underway at the park's site in Nambelup. The contractor chosen to undertake the drilling for this study is a local business—Darling Downs Drilling. This shows that this government is not making claims that it will support local jobs and local businesses, but that it is making sure that if a local business can do a job, it is given that job. This government understands that towns in regional Western Australia cannot rely on a single industry to remain relevant and therefore it has invested in measures that will create diverse jobs for the regions.

One of these measures is the new industries fund, which will assist the development of new and emerging businesses in regional areas. Giving businesses the opportunity to develop in new industries has the potential to create long-term jobs for regional towns in fields where local jobs may previously not have existed. This can make the difference for a family deciding to stay in their town instead of moving to the metropolitan area, or in a young person deciding whether to move back to the town they are from after completing university studies. Importantly, the investments made from this fund will be driven by regional business leaders and innovators, with the Regional Innovation Summit to be held in the south west next month. This will ensure that both government and business are on the same page regarding where funding should be allocated and that the best ideas are put forward to maximise investment.

Another measure that will create new jobs for our regional towns is an increase in funding to showcase regional destinations. Western Australia is such a beautiful state with so much to offer and putting the spotlight on our destinations will create new employment opportunities in tourism and its associated activities, such as hospitality. One investment in particular that will help to generate tourism throughout the Murray–Wellington electorate is the upgrade to the *Australind* rail service. Although the majority of West Australians will drive to the south west for holidays and daytrips, this is not always an option for interstate and overseas visitors. By upgrading the train service and providing disability access at all stations, towns such as Pinjarra, Waroona and Harvey will become more viable options as daytrips for tourists. Jobs in tourism, particularly hospitality jobs, will also be encouraged through cutting the red tape that the industry currently faces. Many unique experiences are available in regional WA, which face accessibility issues due to their remoteness and the lack of surrounding amenities. By making it easier for businesses and people to get into this market, and by promoting a culture that better suits tourists, we will make it easier for tourists to see these parts of the state and for tourism in the regions to grow and develop.

Younger people who want to learn skills that get them into the industry will also be supported with the expansion of the Priority Start policy, maximising the number of apprenticeships and traineeships on state government projects. Along with this, this government is ensuring that TAFE training aligns with jobs growth and that the state priority occupation list is in line with the employment needs of the region. This will make sure that people studying at TAFE have the best possible chance of getting local work once they have completed their studies. For young people in regional areas who are often faced with leaving home to complete higher education or find work, this provides a massive boost to youth employment and to keeping people in regional towns.

By generating ways to build local jobs in regions across diverse industries, we ensure that towns are not reliant on a single industry or company for their entire future. The creation of local jobs also maintains or even increases a town's population, which is becoming more and more important as high percentages of young people leave small towns to study or for employment and never return. What is very important to highlight about these projects and measures is that they are not short-term solutions to a long-term problem. They are not quick fixes that ease unemployment for a short term. They are things that will take time to develop and deliver, but once they have been established, they will create jobs for generations to come. I would also like to acknowledge the fact that Aboriginal-owned businesses will benefit from this government's jobs policy, as there is an aim for three per cent of all contracts to be awarded to Aboriginal businesses by 2020.

I believe that this Western Australian Jobs Bill is essential to creating and securing local jobs and to the future of small businesses across the state. I would like to commend the government for introducing a bill that will generate local jobs and for its commitment to developing long-term solutions to unemployment in the regions.

MR S.A. MILLMAN (Mount Lawley) [8.01 pm]: I rise to make a brief contribution to the debate on this Western Australian Jobs Bill. I would like to preface my comments by placing them in a particular context for the benefit of the house. He is unfortunately not in the chamber, but I would like to thank the member for South Perth for his comments earlier this evening in the course of the debate. He said quite astutely and quite accurately that everyone in this place is in favour of local jobs and in favour of doing what we can to grow local jobs. I thought

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the way he described that was apposite because it captures a view that is shared, I think, by everyone who comes into this chamber. Where there is a difference of opinion, I think, relates to the role that the respective players in the political debate have to say about the role of government and of Parliament. If I may be permitted to refer briefly to my notes, I discussed this very issue during my first speech in this place because jobs were something that came up frequently during the election campaign. I said about Mt Lawley —

We have industry, we have small businesses, and we have a thriving cafe and retail scene along Perth's best-known street, Beaufort Street.

... We on this side of the chamber —

During the course of the election campaign, that is —

advanced a socially progressive and economically responsible agenda—a classic Labor blueprint built around jobs, health, education, and public transport.

...

In Mount Lawley, we put an emphasis on responsible investment back into our community, as well as restoring integrity and discipline to our financial affairs.

Encapsulated there are two important points—on the one hand, doing what we can to grow and develop the economy so that we can generate jobs; on the other hand, introducing that fiscal responsibility necessary to address the structural imbalances that have grown into the state budget so we can restore the state's finances and put ourselves on a proper footing to face the challenges and tackle the difficult future that lies ahead in a globalised economy. I said also —

Parliament has a tremendous role to perform in our society, and it needs to perform that role well. So often, people would tell me that they had been put off politics by the divisiveness, bickering and pettiness of our politicians. They were disappointed by so many broken promises, and by a government that had lost belief in the important role of government in society.

I will come back to that point: “a government that had lost belief in the important role of government in society.”

What is fascinating about the debate we have had tonight is that there is no fundamental difference in the objective the two sides of the political divide are trying to achieve. That is exactly why I earlier referenced the member for South Perth's comments. Let us put aside the divisiveness, bickering and pettiness and instead of calling this, as described earlier in the debate, an exercise in spin, let us call it what it is. This is a genuine attempt by a government that believes that Parliament has an important role to play in introducing legislation that will foster the environment, the confidence and the economic marketplace that will generate greater activity in jobs.

The Premier said earlier that confidence is being restored. We can see the nascent signs of an economic recovery as we look around Western Australia. We need to be incredibly nuanced in how we respond to that. We cannot be too heavy handed; we cannot crush those green shoots of a new economy, but by the same token, we cannot be complacent and let the structural imbalances that have come into the state budget persist. Were we to do the latter, we would condemn future generations to the burden of having to pay down that debt and deficit. In my opening speech to the house, I said the following —

... everyday Western Australians needed stable, well-paying jobs and personal economic security in an economy encouraged by an activist government with a plan for jobs. The small businesses along Beaufort Street desperately need an improving economy and customers who can spend money.

I think those comments capture exactly what I am trying to convey this evening. I suspect that this will be a point I repeat during my parliamentary career. We cannot just take our hands off the steering wheel and let the market have free run. We need to be an activist government sending messages out into the marketplace and into the community that prioritising WA jobs is a laudable and commendable objective. We should direct our attention to achieving that. Again, I invoke in support of that proposition the member for South Perth's comments.

The debate leading up to the last election on the issue of jobs was cast into stark relief not two months, four months or six months out from the election, but 11 months before the March 2017 election when WA Labor revealed its jobs policy. I quote from an article written by Joel Kelly in PerthNow on 10 April 2016, when he said —

WA Labor has unveiled an ambitious job creation plan that will be central to its 2017 election campaign.

Leader Mark McGowan says his party promises to create around 50,000 jobs and described the policy as the “most comprehensive employment plan ever released” in WA.

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Some of the focus of that jobs plan—that 138-page policy document that was released in 2016—included, among other things, precisely this bill that has been brought on for debate in the chamber this evening. Among some of the other attributes of this plan were, as Mr McGowan was quoted as saying —

... the state needed to diversify its economy so it was less vulnerable to boom-and-bust cycles.

“In a state so richly endowed by both natural and human resources, you’d think there’d be a job for everyone willing and able to work, but in Western Australia in 2016, that is not the case,” he said.

“After a boom the Premier —

The then Premier, the member for Cottesloe —

kept describing as the opportunity of a lifetime, there are fewer and fewer opportunities to work.

“We —

Western Australia —

should be doing far better.”

Included in WA Labor’s plan are promises to boost employment in emerging sectors of the economy —

That is an activist government with an eye to the future in seeking new sources of employment, replacing old industries, and moving into the new generation of the new markets —

and ensure greater local content for all large government infrastructure projects.

Mr McGowan said more jobs and training opportunities would arise if there was more local input into large government contracts, and flagged the Metronet transport plan as a project of key significance which would continually supply employment.

Again, we come back to that dichotomy that I mentioned previously. On the one hand, we have taken a promise to the electorate and we have received their endorsement, their mandate, and that is to do with Metronet. Essentially, axiomatically, undeniably, construction of the Metronet public transport infrastructure project will generate thousands of jobs. That is good for jobs. Conversely, those opposite are saying, “Don’t build Metronet. Save the money.” Again, there is a paradox because they are saying we need to be more responsible in how we are managing the economy but they blew a \$400 million hole in the state budget by voting down the increase in the gold royalty rate.

We need to balance these competing interests because that is what responsible government is all about. If we focus on one side and neglect the other side, we end up in a situation in which we have a \$30 billion or \$40 billion debt.

Mr D.T. Redman: And regional Western Australia is the loser.

Mr S.A. MILLMAN: No.

Mr W.R. Marmion: There is a recurrent cost to Metronet as well that you haven’t spoken about.

Mr S.A. MILLMAN: There will be a recurrent cost to Metronet.

Mr S.K. L'Estrange: How much?

Mr S.A. MILLMAN: Frankly, what a ridiculous question. That interjection from the member for Churchlands exposes his ignorance on this. I am happy to take the interjection of the member for Nedlands. I will quote further from the article that I was referring to because one of the philosophical debates that takes place in this environment is: what role does the government have to play? Our view is that government needs to be active, needs to be engaged and needs to be participating in driving the economic growth that will generate these local jobs. What is the response of the member for Nedlands to an activist interventionist government that has a policy for local content? His response was this. In 2000, the Liberal and National Parties introduced a local content policy of their own. That was his government’s response. That is exactly the sort of attitude that should have influenced and informed the way in which members of the opposition tackled this debate. We have taken that idea, we have extrapolated it and given it the strength of legislation.

Let me finish with one more quote from this article —

“Initiatives that give local businesses full, fair and reasonable access to government procurement are critical to the retain the skills and talent that has been attracted to Western Australia by private sector investment in large mining and oil and gas projects over the last 15 years,” ...

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Members, who do you think provided us with that quote? Was it a good staunch member of the ALP? No, it was none other than Deidre Willmott, the chief executive officer of the Chamber of Commerce and Industry of Western Australia. On that note, I conclude my remarks.

MR K.M. O'DONNELL (Kalgoorlie) [8.12 pm]: When I heard that the government was going to introduce the Western Australian Jobs Bill 2017, I thought that was fantastic as this would be something that will be good for all Western Australians. I picked up the bill, along with the explanatory memorandum and read the first sentence of the overview, which stated —

The purpose of this Bill is to use the State Government procurement process to enhance local industry participation in the supply of goods and services to or for agencies or the State, with a particular focus on benefits to small and medium enterprises.

The words “enhance local industry” appealed to me greatly. I then went to the bill to look up the definition of “local industry”. Under part 1, “Preliminary”, “Terms used” on page 3, it states —

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

New Zealand, a local industry—really? Every other state and territory is also regarded as a local industry. I struggled to get my head around the fact that New Zealand and the eastern states are regarded as local industry. I am now aware that Western Australia is a party to the Australia and New Zealand Government Procurement Agreement and the meaning of “local industry” is intended to be consistent with the commitments of the state under that agreement. I understand the need to bring acts or bills into line with the rest of the nation but I do not think so at the detriment of Western Australia.

Clause 5 of the bill, “Western Australian Industry Participation Strategy”, states —

- (1) The Minister must develop and implement a written strategy about the participation by local industry in activities for or in connection with a supply that meets the criteria prescribed for the purposes of this subsection.

It refers to local industry but by definition that could be New Zealand or one of the eastern states. Clause 7, “WAIPS objectives”, states, in part —

... the Minister must have regard to the following objectives —

- (a) promoting the diversification and growth of the Western Australian economy by targeting supply opportunities for local industry;

Local industry is mentioned but, again, that could mean New Zealand. To the layperson, “local industry” means industry within one’s area. Kalgoorlie–Boulder residents would not accept that a Bunbury firm or a Bicton firm is a local industry when they are mentioned on a WAIPS project in Kalgoorlie–Boulder.

Several members interjected.

Mr K.M. O'DONNELL: Yes, she was here earlier. I picked you two purposely.

Kalgoorlie–Boulder has some outstanding engineering firms such as Newland Associates, Regal Engineering, Monadelphous and Downer EDI. They would regard themselves as local industry when vying for projects in the goldfields. The Premier is not here but I was going to say to him that I, like most people, want to see local industry be heavily involved in local projects.

Mr J.E. McGrath: The message will be passed on.

Mr K.M. O'DONNELL: Thank you.

Mr W.R. Marmion: He’s watching on his TV.

Mr K.M. O'DONNELL: Thank you. How can I tell my constituents that this bill guarantees jobs not only in the goldfields, but also greater Western Australia and what part of this bill specifically ensures Western Australians get the work?

Many years ago I started a second job as a lawnmower man, reticulation man and landscaper.

Mr D.A. Templeman: Was that while you were in the police force?

Mr K.M. O'DONNELL: Yes, it was. Times were tough.

Mr D.A. Templeman: Did you seek permission from the police commissioner for that?

Mr K.M. O'DONNELL: Yes, I did; I had to fill out a secondary employment form.

Extract from Hansard

[ASSEMBLY — Tuesday, 17 October 2017]

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Dr Mike Nahan; Dr Tony Buti; Mr John McGrath; Mr Stephen Price; Mr Ian Blayney; Ms Janine Freeman; Ms Libby Mettam; Ms Mia Davies; Mr Sean L'Estrange; Mrs Robyn Clarke; Mr Simon Millman; Mr Kyran O'Donnell

Mr D.A. Templeman: Did you get the contract for the local station?

Mr K.M. O'DONNELL: I always speak honestly, member for Mandurah. Yes. Now, moving along — Several members interjected.

The ACTING SPEAKER: Members!

Mr K.M. O'DONNELL: At times I was approached by much bigger companies based in Perth or interstate to tender on part of a tender that they were submitting in the Kalgoorlie–Boulder area. Sometimes we never hear from them again but other times they got the contract, did the job with their own people and then left.

Mr J.E. McGrath: Shocking!

Mr K.M. O'DONNELL: That is correct. They got the tender or contract based on using local industry. They provided that but they did not employ the local people. I thought this was an isolated incident but over time when I conversed with other electricians and plumbers, they had numerous stories of exactly what happened to me. The inconvenience of spending hours or days or longer on a job, depending on the size of the project, is disgraceful. Hopefully, things like that will no longer occur over time.

I support this bill and I support the implementation of real jobs. I would have liked to have seen a clause that stated that 50 per cent of the project must have Western Australian workers on it unless the minister deemed otherwise.

Whilst we are talking about jobs for Western Australians, if people in Western Australia are unemployed or want a job change, come to Kalgoorlie–Boulder. We have plenty of jobs available. However, malingerers need not apply. That should narrow it down. I am told that people apply for jobs that are well paid, but then they realise they have to work and that becomes an issue. To all Western Australians looking for work, Kalgoorlie–Boulder is open for business. We have Perth-standard housing and very good primary and secondary schools. There are numerous sporting clubs for football, soccer, touch rugby, T-ball, lawn bowls, tennis, equestrian, hockey, darts, eight ball —

Several members interjected.

Mr K.M. O'DONNELL: That is coming.

Several members interjected.

Mr K.M. O'DONNELL: And golf and netball. I am just trying to say we have lots—and cycling. We have two repertory clubs.

Mr P.A. Katsambanis: Do you have a surf club?

Mr K.M. O'DONNELL: No surf club; that is in Geraldton. We have the Goldfields Rep Club and Stage Left if people are keen on acting.

Mr D.A. Templeman: Have you done anything on the boards there? Don't tell me you were moonlighting as the technician?

Mr K.M. O'DONNELL: I always help out.

Mr W.R. Marmion: Do you have a sailing club?

Mr K.M. O'DONNELL: Yes, we have a sailing club even though there is no water there. We have a great arts centre—the Minister for Culture and the Arts always gets one in!—with shows constantly being brought up from Perth.

Mr S.K. L'Estrange: Hopefully, he's not in it.

Mr D.A. Templeman: What's that? I missed that.

Mr K.M. O'DONNELL: He said that, hopefully, the Leader of the House is not in the shows coming up from Perth.

Mr P.A. Katsambanis: Kyran did not say that.

Mr K.M. O'DONNELL: I did not say that.

Several members interjected.

Mr D.A. Templeman: I am happy to attend as a guest.

Mr K.M. O'DONNELL: I would love to take the minister to a show.

The ACTING SPEAKER: Members! This is all very amusing, but will you get back to the subject, please.

Mr K.M. O'DONNELL: We have great shopping facilities and two major food chains. We have Hannan Street and Burt Street in Boulder for old-style shopping whereby we walk along the street instead of being in a shopping mall. That makes our shops unique.

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Mr W.R. Marmion: Burt Street is good.

Mr K.M. O'DONNELL: Burt Street has been redeveloped. We had an earthquake a number of years ago and we got a lot of money to redevelop it, and all the frontages have been redone. It is fantastic.

Ms S.E. Winton: It sounds like an inaugural speech.

Mr K.M. O'DONNELL: Funny the member should mention that. No, it is not; I have just written it. It is about jobs. I want people to come to Kalgoorlie–Boulder. I want them to live in Kalgoorlie–Boulder and put down roots like I did.

Mr W.R. Marmion: How will the bill help this?

Mr K.M. O'DONNELL: The bill will help with jobs. It is better if we can get Western Australian jobs, especially, say, in the goldfields where we are building constantly, and give the work to locals, rather than to people who get in their trucks and come from Perth to Kalgoorlie. It is very annoying.

Mr W.R. Marmion: New Zealanders.

Mr K.M. O'DONNELL: Yes. We also have a lot of community events. We had the Spring Festival last Sunday with over 9 000 people coming to Hammond Park. We had a bucketload of stalls in the park and all the peacocks walking in amongst everybody. Our great council puts on Sunset at the Soundshell at which music groups perform in Centennial Park; they are paid, but it is free of charge for the public. We have in excess of 2 000 people turning up to that event. It is a great evening. We have the Boulder markets once a month with stalls all the way along Burt Street, connecting to Loopline Park, where there are more stalls. Hopefully, I have encouraged people to start applying for jobs in Kalgoorlie–Boulder. If people do, I ask them to please come and see me. We can talk about their and their families' interests and I will steer them in the right direction so that they become involved and enjoy their time in Kalgoorlie–Boulder like my family and I have. I support this bill.

Debate adjourned, on motion by **Mr D.A. Templeman (Leader of the House)**.