

LABOUR RELATIONS

Motion

MRS EDWARDES (Kingsley) [4.10 pm]: I move -

That this House notes with regret the direction that the State Government is going in respect to labour relations and its impact on workers and workplaces, and in particular, the impact on small businesses, with its consequential social and economic costs.

I have previously pointed out in this House the clear difference between the Australian Labor Party and the Liberal Party on labour relations: it is where the power lies. The Labor Party's view is that the power to determine conditions in workplaces and between employers and employees lies with the union movement. The Opposition firmly believes that the choice lies with the employer and the employee. Since the introduction of workplace agreements, in excess of 270 000 people have decided to sit down with their bosses and work out what is good for them and for the business in which they work. Only 15 per cent of the membership of the trade union movement comes from the private sector. That is a huge reduction in the number of union members employed in the private sector. People are voting with their feet and moving away from the union movement. In a little while I will tell members one of the reasons for that.

I will remind members of the position the State was in when the coalition left government. I will cite some important statistics that show how Western Australia moved ahead through creating efficiencies for business. I have chosen figures from the same years, so that I can make a relevant comparison. Some of the indicators relate to unemployment. For 10 years Western Australia had the lowest unemployment rate in Australia. Before the introduction of workplace agreements, the unemployment rate was nine per cent; by September of last year it was 5.9 per cent. We had the best participation rate in Australia and productivity increased by an average of 3.86 per cent a year between 1993 and 1999. The national average between 1990 and 1993 was 0.1 per cent. Real wages were up 2.84 per cent between March 1994 and March 2000; and between March 1987 and March 1993 the figure was 0.4 per cent. The average wage was \$520, which was second only to the Olympics boom State of New South Wales. Strikes were down from an average of 188 working days lost per 1 000 employees between May 1987 and November 1993 to 79 between December 1993 and June 2000. More than 190 000 jobs were created after 1993. Labor will not admit that the Western Australian system of labour relations was the model for other jurisdictions.

I will now refer to the last set of unemployment figures released by the Australian Bureau of Statistics. I do not think that anybody would consider them to be good. Since the Labor Government came to office those figures have slowly deteriorated. The minister blames the goods and services tax. It is amazing how the GST gets blamed for absolutely everything. The minister does not think it has anything to do with the way the Gallop Government talks down labour relations, the effect of its policy on workplace agreements, the abolition of the Building and Construction Industry Taskforce, the shedding of contract workers, including temporary staff, and a general capitulation to the union movement. We must not forget the key example of unions in the building and construction industry that are moving for non-negotiable enterprise bargaining agreements that contain a compulsory union membership clause. One of the first decisions of the Gallop Government was to abolish the Building and Construction Industry Taskforce.

I will now discuss those figures. I have always said that youth would be the greatest loser from the ALP's policies. The youth unemployment rate in Western Australia reached 34.5 per cent in September 1992 under the previous Labor Government. The coalition Government reduced that to its lowest level of 14.7 per cent. I will refer to the unemployment figures. Under the coalition Government the Western Australian figures were always lower than the national average. The national average for June 2001 was 24.7 per cent. Under a Labor Government, Western Australia's unemployment figures were higher than the national average. In the same period last year the Western Australian figure was 13.7 per cent, and the national average was 19.9 per cent. Members will note the dramatic increase in the unemployment rate for Western Australian youth; it increased from 13.7 per cent to 24.9 per cent. Nationally, the increase was from 19.9 per cent to 24.7 per cent. The general unemployment rate during 2001 is 7.7 per cent; the national figure is 6.7 per cent. The national figures indicate that Western Australia is now among the States that have the highest unemployment rates. In June 2000 Western Australia's unemployment rate was 5.4 per cent. We have seen a dramatic increase in the number of unemployed since Labor came to office - the figure has gone from 5.4 per cent to 7.7 per cent. When one compares the national figures between June 2000 and June 2001, the increase was minimal - from six per cent to 6.7 per cent. If the rise in unemployment in Western Australia is GST-related, why is it not happening nationally? Why are the Western Australian figures almost double the differential change in the national figure? It is because of reasons other than the GST. The Government has put its head in the sand and refused to admit the reasons for the increase.

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The Government made other significant decisions when it came to office. We saw the immediate abolition of workplace agreements for the public sector, and I will come back to that. I have referred to its abolition of the Building and Construction Industry Taskforce, which is a major factor. The unions moved quickly onto some of those construction sites. The election was held on 10 February and the unions started to move onto sites within a couple of days of that. The minister says that no ticket, no start signs are not illegal per se. The word from the building sites is that the unions are using intimidation. An EBA has been signed with a compulsory union membership clause. We have seen disturbing signs that dollars are being paid out for industrial peace.

I would like to adjourn the debate, so that I can move to notice of motion No 11, which is important. I have a copy of the Hamburger report, which was the precursor to the Prime Minister's calling the royal commission into the building industry. I am sure members opposite would like a copy of that report. I would like to adjourn the debate to a later stage of this day's sitting, so that we can move to the next order of business.

The ACTING SPEAKER (Mr Edwards): Is the member seeking leave to continue her remarks at a later stage?

Mrs EDWARDES: I seek leave to do so. I refer to the comments made by the Leader of the House earlier. If I had received that report at an earlier stage, I would have advised the Leader of the House. Once I received it, I thought it was important to take the opportunity not only to refer to the report but also to make it available to members. It had only just been tabled out of session in the federal Parliament. Given that it was the precursor to the royal commission, it is important. There does not need to be a lot of debate. I can talk, and members opposite can respond; and we can then go back to the first order of business - if that is convenient.

Mr Kobelke: We will deal with this one first.

The ACTING SPEAKER: Is leave granted? Leave is not granted.

Point of Order

Mr DAY: Mr Acting Speaker, I would like to move that debate on this motion be adjourned until a later stage of the sitting.

For all of the reasons that the member for Kingsley has reasonably explained, the Opposition wishes to deal with notice of motion No 11. It does not wish a long debate to occur on that motion.

The ACTING SPEAKER: Member for Darling Range, I understand that another member is on her feet.

Mrs EDWARDES: I thought I had moved that the debate be adjourned.

The ACTING SPEAKER: Leave was not granted.

Mrs EDWARDES: I moved that the debate be adjourned, and I was then advised that I had to seek leave. May I please have some clarification?

The ACTING SPEAKER: I have been advised that the member cannot seek leave to adjourn the debate while she is on her feet. The member for Kingsley can continue, but, if she sits down, she can no longer speak.

Debate Resumed

Mrs EDWARDES: I will refer to the report and will table a copy for the information of members. I thought that given the reason for the change, the minister would have been accommodating, but obviously he does not want the report to see the light of day. That is okay. I will refer to it.

Mr Kobelke: That is nonsense. The report can be given to whomever you like.

The ACTING SPEAKER: Order, members!

Mrs EDWARDES: The statistics indicate clearly the impact of unemployment on business. The unemployment figures are going up, and the business figures are going down. Subcontractors in the building and construction industry are indicating that they will finish their current job and will then move down to the lower end of the market. That will mean that their businesses will not need such a large work force. Some of those businesses will reduce their number of employees by almost half: if they currently employ 50 people, 25 of those people will lose their jobs and will have to look for work. If the unemployment figures are going up, there will be fewer opportunities for people to find work. A few days ago I heard the Western Australian Council of Social Service say that there were 17 people for every job vacancy that exists in this State. That situation will get worse. Last year, I indicated that our youth would experience the biggest and most galling impact of unemployment under Labor. Our youth need the opportunity to experience work ethic, gain skills and get a good start in life. Ten years ago, there were people aged 20 and 21 who had not had a job since they had left school, and that was such

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a big issue that programs were developed to target and deal with those long-term unemployed. I predict that because of the increase in unemployment that we are now experiencing, we will return to that situation.

In September 2000, when Hon Geoff Gallop, the then Leader of the Opposition, tabled the public sector labour relations directions statement, he indicated clearly that no public servant would lose out as a result of the abolition of workplace agreements. I have said in this House previously that I was contacted by a young person who had applied for a job under a workplace agreement under which he was to receive an extra \$2 500 per annum. However, due to the change of government and the abolition of workplace agreements, he could no longer be employed under that agreement, and he lost that extra money. It is clear that in departments and agencies, there were differences between enterprise bargaining agreements and workplace agreements, and there were some public servants who had chosen to stay on award rates. However, the issue is that those people had chosen the conditions under which they would work. Many workplace agreements offered greater monetary rewards. They also offered trade-offs. For example, in some departments and agencies, the public servants decided that rather than take the extra money, they would prefer to have improved lifestyle conditions, such as maternity or paternity leave.

There were differences in remuneration. However, when we talk about equity, we cannot focus only on remuneration. The minister has said that people on lower wages will be given a 20 per cent increase in wages across the board. However, because the minister has not taken into account the different conditions that have been traded-off, he will create another inequity and be unfair to those public servants who have traded-off conditions. The minister has said that those people will eventually get their conditions back. However, I can tell the minister that he will create more inequities than the ones he is trying to address, and some public servants are very unhappy about that. If the minister were serious about returning to a centralised wages system, he would ensure that everyone's wages and conditions were the same.

One of the first decisions made by this Government was that it would abolish workplace agreements. When the Government made that promise to public servants, it did not realise that it would cost it \$191 million per annum. However, that is beside the point. The Government made that promise last year when in opposition, and it is yet another promise that has been broken; and the Government wonders why public servants are unhappy! If the previous Government had been re-elected, its wages policy would have provided a public sector wage increase of up to six per cent over the two years from 1 July 2001, and that increase would have been fully funded. It would not have been, as the minister said in his media release, unfunded. Our policy made it clear that in order for agencies and departments to get that increase, it had to be fully funded. Some of the agencies were very innovative in making productivity and efficiency gains. That is yet another area in which this Government's public sector employment policy will treat some public servants unfairly.

The Government has yet to develop its legislation, and the web site of the Department of Productivity and Labour Relations has a guide on what we can expect. Workplace agreements will be abolished and will be replaced by employer-employee agreements. As I have indicated in this House, those agreements will not be used and will not be popular; and they are not intended to be popular. Labor Party policy has made it clear that an employee-employer agreement will not be possible if an industrial agreement exists in the workplace. If 10 of 100 employees are on industrial agreements and the other 90 are on workplace agreements and want to convert to EEAs, it will not be possible. Therefore, a minority will determine what the majority wants to do in their workplaces. Apart from the fact that it will require a "no disadvantage" test, which means the test would be applied against any applicable award, it will not work. If there is no applicable award, an award will be designated for the purposes of the "no disadvantage" test. The agreement will also be a public document. Why would the Government want to make it public? If someone wants an EEA and it is a public document, with the way the construction industry has operated with intimidation and the like, opportunities will be open to the union movement to intimidate and harass individuals who want individual agreements. The union movement makes no secret of the fact that it hates individual agreements. They refer in derogatory terms to workers who want to choose their terms of employment. There is no hiding the fact, therefore, that they generally dislike them.

Other significant changes that are highlighted are: the requirement for a secret ballot prior to certain industrial action will be removed; the right of entry and inspection of records requirements of unions will be relaxed; and - this has been tried in New Zealand and does not work - a right to good faith bargaining will be introduced to require all parties to act openly, honestly and genuinely in agreement negotiations. Who will conduct the negotiations? In New Zealand a handful of people, usually the unions, conduct the negotiations. There is no real good faith in that bargaining; it just sounds good. Members may recall that the third wave legislation - the Australian Labor Party claims it wants it removed - ensured union accountability and provided protection to unions, employers and workers regardless of whether workers were members of a union. There was therefore nothing to fear about those legislative changes. However, unions did not want them because they restricted their

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access to do what they had been doing for a number of years. It would not be the first time that a royal commission has been called into the building and construction industry. I shall return to that matter shortly.

I shall refer to another aspect about the changes to minimum conditions of employment, which were published on the Government's web site for about three weeks before submissions closed last Friday. The minimum conditions of employment are of great concern to people in the small business sector. They believe that if there must be minimum conditions of employment, they should be the minimum conditions of employment for businesses with the least capacity to pay. That has not happened. I ask the minister whether a detailed analysis and costing has been undertaken to determine the economic and social impacts of those changes on the small business sector. If so, what is the total cost of that policy? Small businesses regard these minimum conditions as being an anti small business policy.

I shall refer to the recommendations. The Government is implementing changes to working conditions that the unions have been unable to achieve in some instances in agreements or award changes. Is this intended to make life easier for union officials? I suspect it is. Is that fair? I ask the minister to consider extending the time for submissions to the end of August, if he has not already done that, because many organisations want to provide to the minister a submission on the full economic and social cost impact of the proposal. Many businesses believe the minimum conditions policy will impact on jobs. I have already pointed out to the minister the unemployment figures. He cannot make too many more changes without impacting on small businesses.

Before I refer to the reforms, I shall talk about the unions not doing their job. When I was studying equity for women in the workplace I noted many aspects that indicated the unions were not using the provisions available to them under the Industrial Relations Act. In fact, the proposed reforms indicate that the unions themselves have failed to maintain the awards. If those awards and agreements are out of step with WA's modern workplaces, who is to blame? It is the unions. That is an area where the union movement has obviously failed to utilise the opportunities available to it to make a meaningful contribution to the working life of its members and employees. It is no wonder that workers are voting with their feet and moving away from membership of unions. It is no wonder that many people have moved on to workplace agreements and enterprise bargaining agreements. The Opposition regards that as another reason for the ALP's intention to prop up its union mates.

The proposed reforms will increase to 20 per cent the minimum loading for casual employees; amend the capacity of employers and employees to substitute annual leave entitlements for an equivalent benefit from 100 per cent to 50 per cent; reduce the weekly hours divisor for calculating minimum hourly rates of pay and overtime entitlements from 40 to 38; provide employees with a minimum entitlement to five days carers' leave, taken from their existing sick leave entitlements; provide long-term casual employees with access to unpaid parental leave; provide eligible employees with redundancy protection, which includes severance pay and notice requirements consistent with existing federal standards; and establish minimum wage provisions for registered trainees in line with the national training wage award.

Basically, the State Government is saying that a number of awards and agreements already contain some of these conditions; however, a number of other awards and agreements do not contain them. The Labor Government is therefore doing the unions' job, rather than requiring them to seek variations in awards and terms and conditions from the Western Australian Industrial Relations Commission. It is the job of industrial commissions to examine the occupations, industries and capacities to pay and so on. The Labor Government has said to the unions, "You don't have to worry about it, mates. We will do it for you. Sit back, relax, enjoy. Go and do something else about getting increased membership because we will look after this side of the game for you." That is what the Government is doing with this legislation. This matter is important to the Labor Government. Although it wants to conduct a review and amend the minimum conditions of employment, it is bringing in amendments to the legislation in 2001 because it regards them as urgent. Why?

What has been the impact on small business? I will come back to that matter later. The small business sector is angry over this legislation to the point where a small business alliance has been developed. The Opposition did not believe it possible to bring a diverse range of small businesses together under one heading. That has been achieved primarily as a result of this Government's proposed amendments to the labour relations' legislation. When the Government talks about minimum conditions of employment, that really gets the back up of small businesses. This Government has done something that no other Government has been able to achieve; that is, bring together the voice of small business into one alliance. I hope the minister takes seriously the submission of the small business sector because it is concerned about the cost and social impact of the legislation on not only small businesses, but also jobs. I bring the Government back to those unemployment figures. They are not good and the Government cannot blame them on the GST because it does not apply to the national rates. Why is Western Australia worse off than any other State? Why are the figures going up so dramatically in Western Australia? The Government cannot blame the GST for all of that.

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I will talk about the forthcoming royal commission into the building and construction industry. Since Labor came to power on 10 February this year, businesses, contractors, subcontractors and consultants involved in the industry have tried to cope with union harassment on sites. They have had meeting after meeting trying to bring all the builders and subcontractors together to ensure that everybody knows what are the rules and what are the rights of unions. Unions have a legitimate right to protect their members but they sometimes go too far and pressure and harass workers who do not want to join a union and they pressure employers who do not want to enter into a union enterprise agreement. Those businesses have had difficulty surviving and jobs in the industry will be lost if things continue in this way. For those contractors and subcontractors who have, to date, resisted union pressure, there will be industrial peace for the next 18 months as a by-product of the impending royal commission. I seriously doubt whether the union movement will continue its current conduct in the full glare of a royal commission. It has got to the point where all industry associations are preparing information sheets, which is costing them time and money. It is costing individuals time and money as well.

The precursor to the calling of the royal commission was the employment advocate undertaking an investigation throughout Australia into the concerns raised. Jonathan Hamburger is the employment advocate. His report outlines serious allegations of improper conduct in the industry and the increasing links to criminal elements by some Construction, Forestry and Mining Employees Union state divisions. I will bring to the House's attention some of the comments in the report. Some of the things said by members of this House, which have been told to us by members of the building and construction industry - the subcontractors, contractors and the like - are referred to in the report. I know that some members opposite have pooch-pooched the report and have not taken it as seriously as they should. The new unit in the Department of Productivity and Labour Relations has been totally ineffective when compared with the work done by the Building and Construction Industry Taskforce.

Mr Kobelke: How do you measure that?

Mrs EDWARDES: What charges have been laid since 10 February?

Mr Kobelke: Are you comparing six months against eight years?

Mrs EDWARDES: There is no intention. There is not the same level of skills and experience. Nice people have been put in place. They are good public servants, and it is not a question of their commitment and the like, it is a question of the Government's commitment. Public servants very quickly respond to what they see as the direction provided by their employer. They will not go out on a limb against a union in order to satisfy the Opposition. We do not pay their wages and neither do building and construction subcontractors; the Government pays their wages and they very quickly picked up the direction in which this Government wanted them to go, and that was for no action to be taken.

I refer to the report -

In general terms since the commencement of the Office of the Employment Advocate (the OEA) in March 1997, it has received a disproportionate number of complaints of industrial coercion and other improper behaviour from the building and construction industry.

The report contains a chart that measures the past five years. The total number of complaints received concerning freedom of association, coercion in certified agreement making, right of entry for union organisers and strike pay across all industry sectors is 2 542. The number of complaints in those areas relating to the building and construction industry is 1 441. One industry sector has 56 per cent of the total number of complaints. That is despite the relatively small size of the industry. The majority of complaints relate to that one industry. The report continues -

Virtually all allegations of misbehaviour received come from the large commercial sector or (to a lesser extent) the civil construction sector. While the main thrust of those allegations have involved the Construction and General Division of the CFMEU and the BLF (in States where it continues to exist), other trade unions associated with the sectors (such as the Plumbing & Electrical divisions of the CEPU), have been the subject of similar allegations.

The report highlights some of the more significant issues that appear to follow. It refers to the misuse of state occupational safety and health Acts. This brings back memories from my old legal days of the treatment of safety on building and construction sites and the requirement for two people to be on site and safety trained and the need for a safety officer with a special shed. There were allegations about the bloke next door being paid to run the safety on the adjoining site. The problem was that there was never anything next door. The report states -

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OH&S issues are dealt with in the industry at the State rather than Federal level. It is commonly alleged that union organisers/delegates raised non-existent OH&S issues to adversely affect head contractors who refuse to follow particular courses of behaviour.

Building sites are dynamic work environments and that is acknowledged in the report. Hazards can appear quickly and people need to respond quickly to them. The report continues -

It is often alleged that head contractors have been told by unions to hire a recognised union delegate/official to be the site safety and induction officer. Once that occurs all workers on sites must attend the site safety induction and are not permitted to commence work on sites unless they join a union.

The issue is not whether workers need to have a safety induction; it is the fact that they are not permitted to commence work unless they join a union. That is compulsory union membership. To continue -

The delegate is usually provided with their own office (shed) and a phone at the builder's expense.

It is alleged, for example, that a particular CFMEU organiser is the safety officer for a major builder and is responsible for ensuring that any prospective tenderers have appropriate safety action plans.

When one thinks about it, that is quite reasonable if people want to improve safety on building sites.

These plans must be submitted with quotes for work.

Here comes the catch -

The safety plans are rejected unless all workers employed by the company join the CFMEU.

That represents compulsory union membership.

The second area of the report is entitled "No Enterprise Bargaining Agreement (EBA) - No Start". Does that sound familiar to members? The report continues -

In an attempt to avoid industrial disputation on building sites head contractors have reached understandings with building unions to do their utmost to 'encourage' contractors and sub-contractors to make EBAs . . . with the relevant union . . . If contractors and their sub-contractors fail to agree then their tender is unsuccessful. It is standard at the tender evaluation stage for a head contractor to seek information on this subject.

If contractors want to survive, and some of the costs are too horrific not to, they must play the game. To continue -

In this context it is also understood that there are often issues if contractors wish to have Australian workplace agreements (AWAs) on site. It is alleged that they may be excluded from job opportunities or be pressured by head contractors/union officials to have a union agreement.

The third area is entitled "No Ticket - No Start (including through EBAs)". It reads -

Should a contractor agree to sign a union agreement, it is usual practice for the union to in turn 'request' that all employees of the company become members or ensure that employees who are members are financial.

If they are not, the union often refuses to sign the agreement. This pressure usually results in the employer either paying for union membership for their employees or alternatively pressuring the employees to join the union.

In this State, that extends to the subcontractors and the subcontractors' employees. The report continues -

In these circumstances both the employer and the employee . . . will often "strike a deal". Complaints are not made by the employee . . . as such an action would have a commercial repercussion on the employer's business.

That is even if they are disgruntled with being forced to join a union. The report further states -

As you are aware from previous OEA reports the recent change in State government in Western Australia has led to the re-appearance of 'No Ticket - No Start' signs on Perth central business district sites. In addition information that large numbers of union officials and supporters have been purporting to exercise formal rights of entry '*en masse*' have been received . . .

Union fees are frequently paid by the employer directly without the specific knowledge and consent of the worker concerned.

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They have a bundle of union memberships and as people come on the site it is checked out by the union. The main contractor will say, "I have 20 in the top drawer". The employees do not even know about it. It continues -

Market Control through EBAs . . .

The ability of trade unions to influence these companies is considerable. Allegations of close if not improper links between the principals of some labour hire companies (often former union officials) and union pressure applied to contractors to use these 'favoured' labour hire companies is widespread.

Again, they are allegations that have been made in Western Australia. The report then refers to what is known as GST: 'get square time'. It further states -

Since its inception the OEA has received complaints from contractors, sub-contractors and individual employees that they have been subjected to campaigns of harassment by particular organisers or groups of organisers. The campaigns involve organisers contacting head contractors who regularly use particular subcontractors. Threats are made of impending industrial trouble, or disruption of the site with OH&S issues, unless the head contractor no longer engages the "target" subcontractor. On occasions these threats will be linked to a recommendation that another particular company or one of a number of companies should be used.

Improper use/influence on industry funds

One type of activity where trade unions have sought to extend their influence is pressure (sometimes legal and in other cases improper) on employers to contribute to particular superannuation and redundancy trusts. The unions in turn often on representatives on the boards of trustees.

Some of those trusts operate in Western Australia. To continue -

There have been allegations that senior union appointed trustees have sought to influence the investment decisions of at least one of these trusts for political and/or industrial purposes. This would be in breach of the fiduciary duties of the trustee.

In Western Australia, we have a choice of superannuation legislation. The report continues -

Misuse of other union funds

The CFMEU is believed to control other funds . . . It has been claimed the monies are used to provide financial support to particular causes within the ALP.

Bribery and Secret Commissions

. . . allegations from parties in the industry who allege that certain trade union officials have accepted secret commissions in order for industrial disputation to cease or to ensure it does not start.

Earlier this year I indicated to the House that, on one occasion, an allegation was made that the cost of that secret commission had gone up to \$10 000. I would have thought that the Minister for Consumer and Employment Protection would be horrified about that. These types of allegations are made on a regular and consistent basis and what is contained in the report reflects the types of allegations raised not only with me but also, the industry has told me, directly with the minister. People within the industry regard the minister as a very nice person; however, at the end of the day, they know that he is not doing anything about it and that the industry has no confidence in this State Government to support them if they were to attempt to stand up to the union movement. The report continues -

On occasions it is alleged that cash payments are made. It is also alleged that industrial peace can be obtained in the construction of certain large apartment complexes in return for one of those apartments being given to union officials.

It is alleged that a senior official of a building union owns 70% of a hotel while a director of a major construction company owns the other 30%. However, it is alleged that the union official paid 30% of the cost for the hotel and the company director paid the remaining 70%. In return the company enjoys a harmonious industrial relationship with the union on that company's sites.

Allegations have been made that certain officials are prepared to have the union enter into enterprise agreements containing provisions that would not normally be agreed to by the union in return for cash payments to those officials.

It is alleged that those agreements do not see the light of day; they are in the top drawer and are not registered so it does not become known across the industry sector. It continues -

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Since late in 2000, there have been a number of allegations of criminal behaviour within the CFMEU. They have been subject of many reports on television. The report further states -

These allegations appear to have been made public by CFMEU members. The motive for their release, it has been claimed, is due to a "faction fight" . . .

While the motives of the 'whistleblowers' could be suspect, there would seem to be an element of truth in the allegations.

Other criminal conduct

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

It mentions a couple of examples. It continues -

It is claimed that a senior officer of a union has "acquired" a dozen units/holiday apartments. It is alleged that sites in these locations face extensive industrial action relating to false OH&S claims. The subsequent delays place intense pressure on the builder, who may be subject to a large financial penalty if completion of building is delayed. It is claimed that the industrial unrest stops after a "deal" is done with the union official. That deal is that the official will ensure that industrial action ceases on advice that a one-bedroom apartment will be given to the union delegate. The "deal" is said to guarantee industrial peace.

It is alleged that, under threats of the lodging of false OH&S claims, a union organiser regularly requests \$2,000 cash payments from head contractors to "leave sites alone". The OEA is advised that builders pay this amount to avoid the substantial delays and costs that would follow from the false OH&S claims by the union organiser.

Again, often those payments made to the union organiser are far less than what the liquidated damages would be, therefore, from a commercial perspective, it is money they have paid. It further states -

It is alleged that a union organiser, who was involved in an industrial dispute which included the "locking out" of workers from the site, collected money from workers on the basis that the money would be given to workers involved in the "lock out". It is claimed that the money was kept by the union organiser for personal use.

Members opposite should also be equally concerned about the allegations and the concerns that have been raised not only in this report but also to me personally and to the minister and other people. Therefore, they should support the calling of a royal commission to ensure that these matters are fully investigated. Improper practices must be investigated so that improved practices return to the building construction industry. The level of coercive intimidation practices that have been identified in the report and that appear to be widespread are matters of real concern. The report of the employment advocate concludes -

During the conduct of the NSW Royal Commission into the Building Industry ten years ago Commissioner Gyles observed that the culture of the industry was such that all parties "*adopted the law of the jungle - you catch and kill your own.*"

While there were many improvements in NSW following that inquiry, it is an observation that unfortunately still applies to large segments of the industry.

. . . there certainly appears to be a case for a broader investigation of the industry. The allegations made, not only of industrial coercion and intimidation but also of corruption, misuse of funds, abuse of authority, and breaches of company and taxation laws, are of serious concern.

I thought it important to bring forward that report, given everything else that has happened with actions on building sites, particularly the increased level of union activity on sites since the coming into government of the Labor Party. The matter was ongoing even during our time in government. That is one of the reasons we set up the Building and Construction Industry Taskforce. Members opposite have always wanted that task force abolished. In the first instance it was established and run out of the offices of the Minister for Works and the Minister for Labour Relations. When I took over as minister, I looked at all the complaints that had been levelled at the task force. I looked at its work and at its statistics. They indicated that the task force was not involved in a union-bashing exercise. According to the statistics, 60 per cent of the charges laid during its time were against employer bodies, such as main contractors. It could therefore never be regarded as a union-bashing exercise. Obviously it inhibited some of the activities that some members of unions would like to have carried out.

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Unions are a recognised entity. Our legislation has never discriminated against the union movement or people who wanted to become members of unions; although restrictions were placed on them that perhaps they had not had before, such as identifying the types of activities that occurred -

Mr Marlborough: Do you believe this crap you are going on about?

Mrs EDWARDES: One of the concerns of the building and construction industry about the member for Peel heading up the review of the building code of conduct concerns the types of comments he makes. If people do not take seriously the allegations that are being made and the need to investigate them to ensure that the industry is put back onto a secure footing and that there will be continuing investment in the sector -

Mr Marlborough interjected.

The SPEAKER: Member for Peel.

Mr Marlborough interjected.

The SPEAKER: Member for Peel.

Mrs EDWARDES: It is important for this sector and the industry. It is important to ensure that businesses are still able to carry out their functions, and it is important for jobs.

Mr Marlborough interjected.

The SPEAKER: Member for Peel. It is difficult to listen exactly to what the member is saying with interjections across the Chamber.

Mrs EDWARDES: The report outlines serious allegations which need to be investigated.

Mr Marlborough interjected.

The SPEAKER: I call the member for Peel to order for the first time.

Mrs EDWARDES: I am pleased that the minister has indicated by a nod of his head that he believes that a royal commission obviously would have the necessary authority to investigate the allegations. The limited resources of the state and federal enforcement agencies make it impossible for them to deal with the number of allegations that have been made. Obviously the police also determined the level of priority they should give to pursuing the allegations. However, we cannot allow allegations of this nature to continue without being investigated to ensure that proper practices are being followed. I do not know whether the substance of those allegations is endemic to the industry or is the tip of the iceberg; but if the increasing number of allegations are not investigated, there is a real likelihood that there will be a loss of investment in Western Australia and therefore a consequential loss of business and jobs in the State.

The member for Peel will regret his comments; they underline the unprofessional conduct that he has displayed in this House on many occasions. The industry has already expressed grave reservations about his being the chair of the review of the building code of conduct. If anything, the industry believes that the code of conduct needs to be strengthened. It has grave concerns that that is not likely to be the outcome of anything to do with the member for Peel, given his close association with this industry and its union officials. I suggest they make no attempt to hide that association but arrogantly display it. That is one of the reasons the building and construction industry has no confidence that the State Government will support it when dealing with any of the intimidatory practices of unions on site.

The industry welcomes the calling of the royal commission. As I have indicated, one of its by-products will be that while the royal commission is in existence the industry will have peace, particularly for those people who have held out against the union movement. I was talking at the weekend to a number of people in the industry.

Mr Kobelke: Was that on Saturday afternoon at the soccer?

Mrs EDWARDES: No it was not. We did not talk business.

Mr Kobelke: Some of the builders spoke to me about it.

Mrs EDWARDES: We talked in good fun and obviously about children playing soccer.

Members of the industry have expressed relief that there will be a royal commission to investigate the allegations. I am sure that the building and construction industry generally is concerned about some of the conduct of unions. The minister referred to a gentleman to whom we were both speaking on Saturday afternoon. Such people have strongly withstood union intimidation over a number of years. To some extent the companies that do that end up with a level of respect between the union movement and their company because of the line that is not stepped over.

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We suggest the State Government support the calling of the royal commission to inquire into the serious allegations that have been highlighted. I will lay a copy of the report on the table of the House.

[The paper was tabled for the information of members.]

Mrs EDWARDES: I hope the issues that I have raised dealing with freedom of association, unlawful union activity and on-site harassment, cease so that the royal commission has the opportunity of investigating those quite serious allegations.

MR BARNETT (Cottesloe - Leader of the Opposition) [5.09 pm]: Before I comment on the motion before the House, I wish to record in *Hansard* that, in my 10 years in Parliament, and the eight years that I was Leader of the House, I have never seen a Government of the day interfere with and dictate the sequence of private members' business. I am glad you are in the Chair, Mr Speaker, because you have the responsibility and the custodial role for the conduct of this Parliament and this House. What happened today was unacceptable, and certainly unprecedented in this House in my experience: that a Government should take it upon itself to tell private members of this Parliament what they can debate in private members' time and when. That has never happened, and as the Leader of the House knows, on numerous occasions when I was Leader of the House I accommodated changes, alterations and rearrangements for the benefit of the Opposition. In this case there are two motions, both on industrial relations and both involving the members for Kingsley and Nollamara.

Mr McGowan: The Opposition got to debate what it wanted to.

Mr BARNETT: That does not matter, wonder boy, because this Parliament is about respecting the right of every member to represent his or her constituency and to raise and debate issues. What we saw in this Parliament was the Government of the day usurping and limiting the rights of private members of this Parliament to speak out. It may be a minor episode, and the member for Rockingham is right: eventually the member for Kingsley did have her say, but should she have had to go to those lengths to get the point out? Members opposite may scoff and laugh, but this is meant to be a democratic Parliament, where people have the opportunity to speak freely and in an uninhibited manner. What we saw earlier was freedom of speech and the right of members of Parliament to express their views in their allocated time compromised and restricted by the Labor Government. When the Government comes in here with its high and mighty principles, and argues about parliamentary process, it should remember this day, when it interfered with private members' business. That has never before happened in this Parliament. Here is something for you to reflect upon, Mr Speaker. You have a responsibility to all members of Parliament, on any issue, and to every party. Your responsibility is to protect this Parliament, which means protecting the right of people to speak in this Parliament according to the standing orders and the conventions of the Westminster system, and that was compromised this afternoon.

Mr Kobelke: Is the Leader of the Opposition suggesting that the Speaker does not do that?

Mr BARNETT: I am pointing out to the Speaker, who was not in the chair, what happened in his absence, and I am not questioning the rulings of the Acting Speaker at the time. I am questioning the conduct of the Government, because it used its numbers to stop private members' business proceeding according to the Westminster conventions and the standing orders. The Government can bleat and carry on, and the issue might appear to be relatively minor in the scheme of things, because the member for Kingsley did make her points, but I am referring to restrictions on freedom of speech and breaches of the rights of members. That reflects very poorly on the conduct of this Parliament.

I return now to the motion. People value many things in society, but all people, whatever their political persuasion, background, education or field of interest invariably like to have a sense of empowerment, and a sense of being able to make decisions for themselves. It does not matter if it is in the area of work, recreation, social activities or sport, people like to have a sense of making their own decisions. People also like to have the ability to make choices. Two fundamental principles of our society are the ability to be empowered and the ability to make choices. One of the ironies of this is that we cannot escape from making a choice. If an attempt is made to constrain something, a choice will appear somewhere else. Any market, including the labour market, is like a big lump of jelly, and anyone who thinks it can be squeezed at one point without popping out somewhere else, is naive. Measures can be taken, whether in a commercial market or a labour market, to try to restrict normal market activity but there will always be a consequence somewhere else. Anyone going into any market environment always wants the ability to make decisions and exercise choice. The labour market is no different, and this principle is probably more relevant in that market than in any other.

We have to recognise that society today is very different from what it was 20 or 30 years ago. In the workplace now, 42 per cent of all workers are women. That is a very dramatic change. Women, more often than not, are also carers of children. One in five children now lives in a single-parent family. One in five children under the age of three is in formal child care. Major changes have taken place in the way society and families operate;

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these include a growth in the number of women in the work force, an increase in the number of single-parent families and a greater tendency for children to be in formal child care. That is the reality not only of Western Australia today but also of most modern societies. Another dimension of change has taken place in the structure of industry. If asked about the Western Australian economy, most people would say that it was about mining and farming, and indeed they are the big value industries. However, about 70 per cent of people work in the service sector. Most people think of the service sector as public administration, transport, health and education, but the areas that have been growing most rapidly are the hospitality, entertainment, recreation and communications industries. These areas have experienced the greatest technical, social and cultural advances, and they are not nine-to-five industries. The greatest demand for those services is often after hours and on weekends, and the growth of the information technology and communications industries has resulted in Internet operations running 24 hours a day, seven days a week. The world is changing, and it is affecting people's lives, attitudes, sense of empowerment and sense of choice. The labour market cannot be excluded from these changes, nor indeed can any area of activity.

I know the Government does not like workplace agreements, and I accept that they are against Labor Party philosophy. The Government should, however, think about what workplaces are doing. The whole *raison d'être* of workplace agreements is flexibility. It is about allowing people choice, and empowering people to make decisions for themselves. Over the course of the coalition Government 275 000 workplace agreements were established in Western Australia. This means there were 275 000 expressions of choice and empowerment. This is not a minute, right-wing fringe; it stretches across all industry sectors, but it is specific and prominent in the service sector, and significantly, it is very prominent amongst female workers and young workers in casual and part-time employment. That is the reality. Ten or 15 years ago, people bemoaned the loss of full-time employment, as I did, when I was at the Chamber of Commerce, but I recognise that in many areas of growth in the service industries and other new industries, the demand, both by the employer and the employee is often for casual, part-time and flexible working hours. That is the reality. That reflects the change in industrial structure. It is no longer a nine-to-five, one-shift, two-shift type of society. Workplace agreements provide an environment in the workplace that reflect a modern society - a society of different values, choices and industrial structure.

The SPEAKER: Order! Members on my right may not like what the Leader of the Opposition is saying. However, just as in question time we want those who sit on my left to listen to the answers, I ask members to listen to what the Leader of the Opposition says. I do not even suggest members agree with him, but they should listen.

Mr BARNETT: I understand the philosophical objections, and I am not trying to argue that point. I make the observation that society has changed. Women, young people, males, people approaching the end of their careers or looking for different options do not necessarily want to work five days a week. A group of people in the community - we will all have examples among our family and friends - will choose different hours of work in casual and part-time arrangements. That is a reality; that is their choice. That is true for members on that side of the House, just as it is for members on this side. Not everyone has choices. Some people do, and they like to exercise them; 270 000 people in this State did exercise that choice by signing workplace agreements.

Workplace agreements are voluntary. Members opposite might argue coercion has been used in some cases. I know that is a possibility. However, when people voluntarily sign workplace agreements, they are protected under the Minimum Conditions of Employment Act. Workplace agreements must be registered under the Commissioner of Workplace Agreements. In the past few years, members opposite have cited examples of workplace agreements they have described as onerous and unfair. Invariably, they were not in place as the Commissioner of Workplace Agreements had not accepted them.

Mr Kobelke: Yes, they were.

Mr BARNETT: Only a few of them were registered. The Leader of the House brought examples in here of agreements that were not accepted by the Commissioner of Workplace Agreements. He never pointed out which were accepted and which were not. I understand the philosophical objections, so I will move on.

I do not attribute all of the changes in the labour market to workplace agreements; however, they facilitated change. They were part of a transmission mechanism that meant that economic growth was translated into employment growth. During the two terms of the coalition Government there was strong employment growth with the creation of over 200 000 jobs. As the member for Kingsley pointed out, youth unemployment fell from 35 per cent under a Labor Government to 14 per cent under the coalition Government. Young workers benefited most from the flexibility of workplace agreements. Young workers find it hard to get that first job; they might be studying and looking for part-time work to support their studies or whatever else. Young workers were the group, more than any other, who entered the workplace through workplace agreements. I have no doubt about

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that at all. Generally, unemployment fell substantially. When the Labor Party was last in power, the unemployment rate was 11.4 per cent. As at June last year it was down to 5.7 per cent.

Mr Kobelke: You've got your figures wrong again.

Mr BARNETT: The seasonally adjusted unemployment rate for June 2000 was 5.7 per cent; today it is 8.1 per cent. Under the previous Labor Government it was way above double digits.

Mr Kobelke: It was a single digit figure.

Mr BARNETT: It does not matter. The Leader of the House can criticise the figures, but it was in double digits. I am not attributing all the improvements to workplace agreements. Their introduction did coincide with strong employment growth, particularly for young people, a dramatic fall in unemployment generally and a huge fall in the unemployment rate for young people. Young people received a disproportionate benefit from workplace agreements; they were the winners. Workplace agreements provided choice, in particular, for women, for casual, part-time and out-of-hours workers. We also saw strong growth in average weekly earnings at 6.5 per cent a year. All of the evidence suggests that those people who were on workplace agreements received higher incomes than those who were not. I know that some people might dispute that.

Mr Kobelke: What is your source?

Mr BARNETT: I will get that for the Leader of the House. I do not have it in front of me.

Wage levels were higher. Invariably, compared with awards, income levels of people on workplace agreements were above the award. I will give the Leader of the House the simple example of train drivers in the Pilbara. Members can compare the income of a train driver in the Pilbara on a workplace agreement with the income of someone employed under an EBA. The train driver on the workplace agreement is thousands of dollars better off. The Government will have a problem when it tells that train driver in the Pilbara that he can no longer be employed under a workplace agreement. That train driver can expect a salary drop of thousands of dollars. That train driver does not want to know about that.

Under the coalition Government there was employment growth, youth unemployment fell dramatically by a far greater factor and income levels under workplace agreements were higher. Throughout that period we saw choice, flexibility and empowerment for both employer and employee.

It goes beyond that, because the Labor Government intends to make changes. The Labor Government has a philosophical base; it will get rid of workplace agreements and it will change all the rules of the game. We changed them when we were in government, so the Labor Party will change them back. However, I remind members opposite - before they make these changes - to think of a lump of jelly. If they try to squeeze that lump of jelly in one direction, it will pop out somewhere else.

Mr Marlborough interjected.

Mr BARNETT: The member for Peel is well qualified to speak on that topic.

The Labor Government wants to make these changes, but it has forgotten one thing. Members opposite consider that workplace agreements have been unfair to employees. I argue that people have had choice, and the Government wants to remove that choice. The problem - and what members opposite are forgetting - is that another choice exists, and members opposite cannot control or manage that. The employee has a choice under workplace agreements. If members opposite remove workplace agreements and restrict that choice for the employee, sadly the employer will be left with the choice. The employer will always have the choice. If the Government restricts workplace agreements, it will find that employers will exercise their choices. That is already happening. It is no coincidence that since the Labor Government came to power, the unemployment rate has jumped. We always get some blips - some ups and downs - but the unemployment rate is rising. As I said, the seasonally adjusted unemployment rate was 5.7 per cent as at June 2000; today it is 8.1 per cent. That is not a small creep up, but a major jump in the unemployment rate. Employers, particularly small businesses, are exercising their choice.

Mr Marlborough: They are being screwed by the GST, and more money is being taken off them.

Mr BARNETT: It is not the GST. They are exercising their choice, and unemployment is rising in this State. As the member for Kingsley pointed out, if the rise in unemployment were solely as a result of the GST, why did the unemployment rate rise more quickly in Western Australia than in the rest of Australia? The GST applies to small business equally throughout Australia. The Government will be confronted with employers exercising choice.

The member for Kingsley referred to a document signed by the then Minister for Labour Relations, who is now the Minister for Consumer and Employment Protection, in which he refers to the proposed reforms. She took the

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time to read them out. I will pick up on that and add a few comments. One of the proposed reforms is to increase the minimum loading for casual employees to 20 per cent. That is fair enough. The minister thinks that casual employees should get a loading of up to 20 per cent. That is a principle that the minister stands for.

Mr Kobelke: What is it now?

Mr BARNETT: It does not matter. If the Government increases the loading from 15 per cent to 20 per cent, which is a 33.3 per cent increase in the casual loading, that is the bottom line for an employer. Who are the casual employees? They work predominantly in the service industry. They are women and young people. When the casual loading is increased by 33.3 per cent, there will be a reduction in the number of jobs. I am not saying jobs will decrease by 33 per cent. Let us say that through the elasticity of demand - I do not want to be overly technical - an increase in the loading of only one-third, which is conservative, would mean a significant drop in casual employment. That will impact immediately on women and young workers, predominantly those in the service industries. The Government will say that the pay levels for casual employees in the service industries are fairly low. I agree. There is a range of income levels. However, that makes the point even more significant. The people who will lose employment opportunities will be the women and young workers in the service industries, who are among the lowest paid employees in the community. They are the ones who will drop out of the jobs. Again, members opposite should think of the big lump of jelly. They should think it through. The Government can increase the casual rate if it believes that is a good thing to do. However, like it or not, the harsh reality is that that will have the greatest impact on those lowly paid women and young people who work in the service industries. I do not want that to happen, but that is what is happening and will continue to happen in some sections of the marketplace.

The employers who will be the most sensitive to the Government's changes are the employers in the service industries and the small business sector. However, these are also the areas in which labour intensity is the highest. These changes will take place more quickly in the small business sector, which is predominantly in the suburban, regional and rural centres of Western Australia.

Several members interjected.

Mr BARNETT: Government members can argue, but they should sit back and watch it happen. The unemployment rate has already increased from 5.7 per cent to 8.1 per cent, and that will now spread across other sectors and occupational groups in the community. The Government may not be able to see what is happening, but everyone else in the community can. I have many friends who are employers in both small and large businesses, and they are all telling me exactly what is happening. They may not be laying off workers, but they are not re-employing when people move to other jobs or retire, or when the next lot of casual work comes along. That is happening throughout the workforce.

Mr Dean: Are you giving us a lecture on macro economics and aggregate demand and supply?

Mr BARNETT: Can the member for Bunbury define aggregate demand?

Mr Dean: The total demand for goods and services within the economy.

Mr BARNETT: What are the components?

Mr Dean: Government and private expenditure.

Mr BARNETT: No. The components of aggregate demand are consumption, investment, government spending, and exports minus imports. Can the member for Bunbury define aggregate supply? Can he define IS-LM curves? What about the liquidity trap? Would the member for Bunbury like to go through Keynesian economics? What about Friedman monetary economics? We can do the lot! We will get out the whiteboard, and I will give members opposite an economics lesson for the next 10 hours!

Several members interjected.

Mr BARNETT: That is all the member for Bunbury could come up with to define aggregate demand; and he could not even do it by himself! Do members opposite want the whiteboard?

Several members interjected.

Mr BARNETT: I will skip the economics lesson.

The Government is also proposing that the divisor for determining hourly rates be reduced from 40 hours to 38 hours. Okay, I understand that the Government believes in a 35-hour or 38-hour week, or whatever it may be. However, that will immediately increase the hourly rate, and if we then add the increase in the casual rate, the situation will continue to compound. The Government will be accentuating the impact on casual employees, women, young people and small business. That lump of jelly will react. That is where the Government will get

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choice. The Government can restrict choice for employees, and it can restrict choice for employers with regard to contracts of employment; but it cannot restrict choice for employers with regard to the numbers and types of people whom they employ. That is the one thing no Government or minister for labour relations can control. If the Government does not understand that when it makes its social and industrial changes, the consequence will be an increase in the number of unemployed people in the most vulnerable sections of our community: low income, part-time and casual employees; students trying to work their way through university; and young people trying to enter the workforce. That is without doubt a truism. They are the people who will be affected by the Government's actions. The great irony of politics is that if we were to ask the Labor Party who it stands for and who it wants to protect and look after, we would find it is the exact same people. This is not a deliberate action. It is just naive one. The Government's actions will work specifically against the people whom it purports to represent and protect. That is the sad irony of the changes the Government is making.

Several members interjected.

Mr BARNETT: Mr Speaker, I am disappointed that you cannot hear me, because I have the floor. The changes the Government is making are naive. In one sense, they may be well-intended, given the Labor Party's philosophy, but they will hurt the very people whom the Government is purporting to help.

Mr Marlborough: Shocking!

Mr BARNETT: Yes, it is shocking. Employment trends in our society have changed. There is increasing demand for casual and part-time employment. The area of greatest employment growth is in the services sector, particularly the new and expanding areas of entertainment, hospitality, communications and the like. However, these are the very areas upon which the Government's changes will have the greatest impact, and this is the sector in which small business is growing most strongly. When the Parliament resumed at the beginning of this year, I warned the new government members - who were very buoyant, as they naturally would have been after the election - to watch the unemployment figures, because they would rise.

Mr Hyde: We are still buoyant.

Mr BARNETT: Yes; I am sure that is so. I also warned them to watch the participation rate, because, two months later, that would indicate what would happen to the unemployment rate. Those rates do not move through history in the same way. Some government members scoffed and laughed at the time, but it happened even more quickly than I thought it would. The seasonally-adjusted unemployment rate in Western Australia is now 8.1 per cent. That is a very poor position. The Government has created a very uncertain business environment. How high will the unemployment rate have to go?

Mr Whitely: What about the goods and services tax?

Mr BARNETT: The goods and services tax is Australia wide and internationally wide. Yes, the GST was unpopular among small business, but it does not seem to have had the effect elsewhere that it has had in Western Australia. The Government has a severe problem in this State. Government members can laugh and scoff about that, but we will be talking in this Parliament about young workers, female workers, workers who were born overseas and who might have language difficulties and the like, and all those people whom these measures will marginalise from the workforce. The Government's proposals will marginalise part of its natural constituency, and those people will not forget that.

MR KOBELKE (Nollamara - Minister for Consumer and Employment Protection) [5.39 pm]: Before I address the motion before the House, I will address some of the matters raised by the Leader of the Opposition and the member for Kingsley. The member for Kingsley actually addressed the next motion on the Notice Paper, because the motions did not appear in the order that the Opposition had wished; and the Leader of the Opposition made some comments about that. However, the Government did not raise points of order, because we wanted the member for Kingsley to debate whatever matter she wanted, even though she clearly did not address the motion before the House.

Mrs Edwardes interjected.

Mr KOBELKE: The point is that the member for Kingsley went well beyond the motion before the House. However, we let the member do that and did not raise points of order, because we knew that was the Opposition's intention.

The Leader of the Opposition talked about principles and about how the House should work. However, what the Leader of the Opposition needs to understand is that his ego, grumpiness and dictatorial nature do not amount to a principle. Therefore, the Government and the Opposition must try to cooperate in such a way that we facilitate the good running of this House. What the Leader of the Opposition failed to indicate when he made his attack on this Government is that when he was the Leader of the House and I was the manager of opposition business,

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if I had stuffed up, as he did today, by giving him the wrong notice, he would have made me stick to it. I did not have the ego or the numbers to tell the Leader of the Opposition that he had to do what I wanted him to do, regardless of proper process in the House. Proper process means giving the Government notice so that every member of the House is informed about the matters to be debated during private members' business. As with a matter of public interest, at least two hours notice is given. If the Opposition wants to change at the last minute the matters it wants to deal with in private members' time, I suggest it gives us at least two hours notice and we will accommodate it. However, we will not do it with about 15 minutes of private members' time remaining.

Mr Barnett: It is not your choice as to what private members' business is about. It is only by convention that we even told you.

Mr KOBELKE: I take the interjection from the Leader of the Opposition and I will attempt to answer it. We must try to cooperate to get on in this place. If the Leader of the Opposition believes he can dictate the matters to be debated in private members' time with two minutes notice to the Government, I will take the matters in private members' business in the order they appear on the Notice Paper. I will then deal with them in that order, if that is the way the Leader of the Opposition wants to cooperate in this place.

It would be much better for the Government to have notice of these matters, such as the notice I provide in a letter to the Opposition on the Friday preceding a sitting week. That has been the practice for some years - and was the Leader of the Opposition's practice when he was Leader of the House - so that the Opposition knows the Government's business and the business of the House can proceed in an orderly and productive manner. The same principle should apply to private members' time. It is the right of members opposite to have three hours allocated to them to debate the matters they wish to debate. However, it must be done in a way that respects the right of every member of this House, not just the Leader of the Opposition. On that basis, if the Leader of the Opposition is not prepared to give the Government at least two hours notice, he may have difficulty dealing with the matters he wishes to deal with at a time suitable to him.

I move now to members' comments before I return to the substance of the motion. The issue of employment and unemployment causes me great concern, as it does every member who is conscious of growing unemployment in this State. We had a lecture in economics from the Leader of the Opposition, who appears to know a great deal about the textbooks he has devoured but very little about reality and the impact of unemployment on people who are finding it tough under the regime implemented by the last Government. The Leader of the Opposition is generally straightforward and honest on these matters and tends to address issues using his considerable intellectual ability in a fairly honest way. I therefore believed he would have been willing, with his economic expertise, to acknowledge that the economic figures lag behind a range of other indicators in the economy. In other words, any rise or drop in unemployment generally rests on major factors that occurred in the economy six to nine months previously. We cannot be expected to come into government in February, with unemployment figures growing over the previous months, and turn them around in five months. In fact, I would be happy if we had the levers to pull it around in six to 12 months. However, the fact is that State Governments of different complexions have great difficulty doing that because Western Australia's employment figures fall very much into a cycle.

Both the Court Government and the Burke Government commenced office at the same part of the economic cycle. When the Court Government was elected in 1993, Australia was coming out of the 1991 recession very well. When the Burke Government was elected in 1983 Australia was coming out of a large international recession under the Fraser Government. The two State Governments were basically elected at the same point of the economic cycle. What happened in the past seven years? The Court Government had very good job growth rate of the order of 25 per cent. However, during the time of the Burke Government, there was a 29 per cent growth in jobs in almost the same number of years and the same economic cycle. Therefore, although the Burke Government's record looked good in that economic cycle, it was simply par for the course. We are now entering a downturn in employment, which has been significant for 12 months or more. For the past 12 months of the Court Government there was practically no growth in full-time employment. Part-time employment grew but full-time employment did not. The Opposition is right: employment is a problem of great concern; however, it does not take account of the real factors and realities in its analysis of what is happening.

I move now to comments made by the member for Kingsley about other statistics. She referred to wage levels. Yes, we have higher average weekly earnings in Western Australia than in the rest of Australia, and have had for the past 20 years or so. The general view is that is due to the resources sector and the mining industry. However, there is a very important difference. The breakdown of male, female, full-time and part-time wages indicates stark differences in the graph. From 1993-94, when workplace agreements came into place, the wages of women workers in Western Australia, particularly part-time workers, deteriorated markedly compared with the wages paid to women in the rest of Australia. The wages of part-time male workers compared with the same

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group across Australia deteriorated markedly because of the policies of the then Court Government. Yes, we do have wage levels that are on average higher than the rest of Australia, and have had such wage levels for 20 years. However, the growing group of people in part-time employment - the Leader of the Opposition correctly pointed out that there has been a growth in part-time employment - are now behind the rest of Australia because they live and work in Western Australia.

The member for Kingsley correctly pointed out that the industrial disputation rate in the past 10 years has dropped markedly. However, Western Australia has not done any better than the rest of Australia. The drop in the rate of industrial disputation was caused by economic factors across Australia. The Court Government cannot use figures to indicate that it has done any better.

The beauty of the member for Kingsley's contribution to the debate, in her attempt to mislead the House by using facts falsely, was in her claim that building unions are now putting preference clauses into workplace agreements and that it is the Gallop Government's responsibility. The member for Kingsley did not go on to say that the provision for union preference clauses in agreements was as a result of Peter Reith's federal legislation. Unfortunately, the Gallop Government can do nothing about Peter Reith's federal legislation. However, the member for Kingsley blamed this Government for being in cahoots with unions because they can have union preference clauses in their federal enterprise agreements. That is the level of deceit presented in the argument by the member opposite.

The reason the Government was not keen to move away from the original motion is that it is the type of motion I would like to move in the House so that we can put on the record the improvements being made under the Gallop Government against the disastrous labour laws of the Court Government that left us with huge problems to be fixed.

Before referring to the motion in detail, I shall make a couple of other points; first, relating to the no ticket, no start signs. I stated clearly on the record that I do not support no ticket, no start signs. I do not believe they should be permitted on building sites. However, what action can I take? The member for Kingsley, as the previous minister - or her predecessor as I am unsure when the changeover took place - sought advice from the Crown Solicitor about the action that could be taken to have no ticket, no start signs pulled down. The member for Kingsley knows what that advice was - nothing.

Mrs Edwardes: I have not seen the advice. You can give me a copy.

Mr KOBELKE: Hon Graham Kierath may have been the minister at the time. The advice, which I thought the member for Kingsley had seen, stated that there was no power to take action. When I became the minister I sought legal advice on whether that was still the case and a month or two later similar legal advice came back saying that I could take no action. However, the member for Kingsley's good friend Mr Hamburger, the employment advocate, was in Perth a month or two ago visiting building sites and heavying people by telling them that they should take down the no ticket, no start signs or he will throw the federal law at them. Did they take down the signs? Did he have the power at federal law to have the no ticket, no start signs removed? No, he did not. Again the Opposition has clearly misrepresented the legal facts of the case.

There are clearly problems in the building industry. It is not an area in which I have expertise. However, I hear enough stories to be concerned. That has been the case for many years and it has not changed. Issues such as the allegation of extortion at Murrin Murrin happened in the life of the last Government. The minister had two to three years from the time of those allegations to get to the bottom of them and to take action if corruption was involved. Did the minister get any action taken over those allegations?

Mrs Edwardes: Is the minister aware of the people's fear of reprisals? Does the minister know anything about that?

Mr KOBELKE: The member, as the minister, failed to take any action. The then minister, the member for Kingsley, says she was unable to do anything.

Mrs Edwardes: When we left government the matter was with the Director of Public Prosecutions.

Mr KOBELKE: After many years it is still left with the DPP and is making no progress. I am not saying that there may or may not be substance to those allegations. For the Opposition to accuse the Government of somehow being soft on allegations of corruption and of not being willing to pursue them is the same argument that could be levelled against the now Opposition when it was in government. The Opposition was not able to take any effective action on matters, that, if there was any basis to do so, should have been taken to court.

There are problems in the building industry and allegations are made from time to time. As indicated by previous royal commissions, there are difficulties in the industry and a range of activities that one would like to see stamped out. However, that cannot be achieved easily. The Government has indicated to agencies

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controlled by my portfolios that they must cooperate fully and use the full extent of their powers under the law to ensure that all allegations are investigated and that charges are laid where allegations can be substantiated. Matters of corruption, extortion and criminality will be referred to the police and the departments will work cooperatively with the police and other agencies. For example, allegations were referred to the National Crime Authority and it requested records. The records were handed over immediately to assist the investigation. I am not privy to the exact nature of the matter but I indicated that whatever was available was to be given to the proper investigating authorities in any matters concerning corruption or standover tactics.

Members opposite commented on the Minimum Conditions of Employment Act. In Labor's policy paper released last September, we indicated that we would look to improving the minimum standards contained in the Act. We said we would do so after consultation and that we would not simply ram something through. Industrial relations reform legislation currently is being developed and I hope to have it introduced to Parliament in the near future. Improvements to minimum conditions may or may not be part of the package. It depends on the feedback I receive from agencies and, if they need another week or so to get back to me, I am happy for them to have that time.

Mrs Edwardes: It was stated either in the minister's letter or on the Department of Productivity and Labour Relations' website that the minister proposed to bring in the changes in 2001.

Mr KOBELKE: I said that if a good level of consensus was achieved as to the effect they would have, and if people could live with them, we might add them to the legislation. If there is need for more consultation, it will be taken up in the next round.

Mrs Edwardes: Is there to be another review of the Minimum Conditions of Employment Act?

Mr KOBELKE: No. This is a fairly quick one on minimum conditions. I have spoken privately to many people in industry and they do not have a problem with it. I am aware they could have a negative impact on some industry sectors. I have to make a judgment about how extensive the problems are. If one looks honestly at them, one can see they are minimum standards. They already apply to most workers in Western Australia. I am cognisant that they could prove to be a problem in some industry sectors. If that is the case, I will decide to leave them out and the legislation will be brought forward in the near future.

Mrs Edwardes: Then the unions can do their job and take it to the commission and get the awards and agreements amended.

Mr KOBELKE: I will refer to that comment later.

The motion before the House states -

That this House notes with regret the direction that the State Government is going in respect to labour relations and its impact on workers and workplaces, and in particular, the impact on small businesses, with its consequential social and economic costs.

The Government totally rejects that. The Opposition when in government had no understanding of how adversely its policies impacted on so many workers. It is not to say that there were not some winners under its system. For some people, workplace agreements worked well. They worked well for many employers but not all; some employers were critical of them. For many people in low-paid jobs workplace agreements were the method by which they were exploited. The now Opposition has no understanding of that. We heard the Leader of the Opposition talk about a lump of jelly. When he was talking about a lump of jelly I thought he was making some sense, but when he talked about workplace agreements he clearly did not have a clue what he was talking about. The Leader of the Opposition should have stuck to talking about jelly - he knew what he was talking about there. The Leader of the Opposition talked about choice but he does not understand that under current workplace agreements there is no choice for most employees. If people have particular skills, they will have choice in a workplace agreement and can negotiate. It is the case if a person has sought-after skills and the employer is willing to negotiate because he or she wants those skills. Most people on workplace agreements are in low-paid employment and there is no choice. Under the regime laid down by the previous Government, workers either signed a workplace agreement or they did not get a job. There was no choice at all. The Court Government's policy for public sector employees was the same.

Mr Barnett: When I visited Hamersley Iron's operations almost 90 per cent of employees voted for workplace agreements at the time the unions were running a full-blown campaign against them. The workers voted in favour of the agreements.

Mr KOBELKE: The issue being referred to was a particular industrial dispute. For the Leader of the Opposition to generalise and draw implications, which are coloured by his political perceptions, does not reflect the situation

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with the bulk of workers who are on workplace agreements. That is why people have embraced our industrial relations policy. People see it as an opportunity to get out of exploitative situations.

There are several problems with the current regime. The Government inherited a situation where Western Australia had the lowest adult minimum wage of any State in Australia. The adult minimum wage in Western Australia was \$368 a week for 38 hours as opposed to other state and federal awards which had a minimum of \$400.40.

Several members interjected.

The SPEAKER: Order! I know there is great interest in this debate and the primary purpose is to listen to the member on his feet. If members want to speak across the House they should go outside.

Mr KOBELKE: When last in government, the Opposition gave this State the lowest minimum wage of any State in Australia. The Opposition may think that is something of which to be proud, but the Government certainly is not. The Government rejects it totally. Western Australia has led Australia in a range of economic indicators, including growth. Why should this State, which has done so well in many areas, expect its citizens to be the worst off in Australia? The Government rejects that and that is why the Government rejects the motion. This Government has improved the situation. As minister, I was fortunately able, under the Act, to increase the minimum wage to \$400.40 a week. It is the same as the award minimum for a 40-hour week, not a 38-hour week, so workers are still a bit behind; but the nominal wage is the same. The Gallop Government was able to support the ACTU in its living wage case and support the flow-on to state wage levels.

Mrs Edwardes: One of the issues that the Government has failed to understand is that however well-meaning its intentions are, businesses must be given notice. Businesses pay wages on Fridays. If there is to be a sudden change in the minimum wage and minimum conditions, which will have an impact on the businesses' budgets, we will continue to see businesses going under because they cannot plan and budget.

Mr KOBELKE: How many businesses is the member aware of that went under because we increased the minimum award so that it is close to the minimum award?

Mrs Edwardes: If you add on what small businesses are saying; that is, that cost plus the extra \$2.50 per hour - that is what they estimate the minimum employment conditions will cost - you start to put some small businesses out of the ball park.

Mr KOBELKE: The member for Kingsley is on a scaremongering campaign. She is talking about issues on which she has only half the facts, and she is extrapolating to the extreme the impact those conditions will have on small business. When this legislation was before me and I had to make a decision, I dwelt on it for some weeks because I was conscious that people who needed to be looked after were being exploited. However, I did not intend to make a decision that would undermine a reasonable number of businesses and, therefore, create unemployment. That was a very difficult decision, about which I sought advice from a range of people. In my view we had to do that straightaway because we knew that increases were coming through the federal strata wage system. Although I increased it to nominally the same amount, they were still behind on the hourly rate. It seems to me that people at the bottom must be looked after. That was the least that we could do.

The legislation gave businesses notice because, although they had to meet that condition in a short period, we knew that the increase through the award system was only a few weeks away. There are concerns about the legislation, and I share those concerns. However, the member for Kingsley is suggesting that this measure has negatively impacted on small business. The number of people caught out in a negative way must be very small because only one or two people have written to me about that issue.

As I have already indicated, we will consider carefully specific industry sectors in which any increase in the Minimum Conditions of Employment Act may be a problem. If that takes time to deal with, we will take that into account.

Mrs Edwardes: I hope you look closely at the submissions from the small business sector.

Mr KOBELKE: I will look at them very carefully. I refer now to what the Government inherited from the previous Government. The Government's report by Crocket and Preston, two academics from Curtin University, indicated that women had been adversely affected by the industrial relations policies put in place by the Court Government. On average, women employed in Western Australia earned \$20 a week less than the average national wage for women as a result of the industrial relations policies of the previous Government. That was largely because of workplace agreements that are used to exploit people in the low-paid, part-time jobs that are predominantly occupied by women.

Although the system of workplace agreements put in place by the previous Government increased flexibility and was able to be used to the advantage of a number of employers, and, although some employees may have found

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it in their interest, the overall impact has been to enable exploitation in a range of industry sectors. The Masters Cleaners Guild of WA, which is not a strong supporter of Labor and is not happy with all its policies, and the companies involved in the security industry said that the policies that drove down wages were bad for those industries. That is what this Government inherited from the previous Government.

I will not suggest to the House that we can immediately get out of this mess, or that every step we take will have positive consequences; there are problems. When we rearrange things, we may get some of them wrong. Even when we get it right, there may be adverse consequences in some areas. We try to take that on board and adapt the changes put in place to look after everyone to the greatest extent possible. There will be downsides and I expect the Opposition to attack us - as any Opposition would - and to expose areas in which some people will lose. However, people cannot lose sight of the fact that the industrial relations system we inherited was the worst in Australia.

When I was at a dinner with some business people a year or so ago, I sat next to someone who worked for an international information technology company. He had managed billion-dollar projects around the world and he now works from Perth. He said that he had managed projects in southern Africa in which he could not treat his employees as badly as employees had been treated in Western Australia. I was ashamed. That man who had conducted billion-dollar IT contracts said that in southern Africa he could not get away with some of the things that he could get away with here. That is the mess that we must clean up.

This motion must be rejected because the Gallop Government is changing the direction of industrial relations to ensure flexibility and productivity for industry in a way that gives a fair deal to employees of this State. If we do not respect and look after those employees in the competitive international marketplace, we will drive down standards and undermine our competitiveness. We must find the balance between ensuring that competitive industries are staffed by well-paid and well-trained people who are respected and that the minimum standards are raised to the highest possible level. We will respect the needs of industry and small business and set standards that look after the employees, so that we can become a more productive State in a very competitive international arena.

MR McGOWAN (Rockingham - Parliamentary Secretary) [6.05 pm]: I rise to speak to the Opposition about this Bill. At the outset, I will address a point that has been addressed by the Leader of the Opposition about the way this House operates. I have heard him say a number of times that this House and democracy have been treated with contempt by the way in which the Leader of the House runs Parliament. The Leader of the Opposition said that when, with only 15 minutes notice, the Opposition tried to change the order of business that had been agreed between both sides about which private members' notice of motion would be taken at a certain time.

I find it very difficult to accept that argument. If we accepted his argument, it would mean that the Government could, at any time it wanted, bring on any order of the day without any notice to the Opposition. Currently, 14 notices of motion are listed on the Notice Paper. I wonder how members of the Opposition would feel if we were to do that at any time. This Government has not done that. If we were to bring on any order of the day at any time without notice, the Opposition members who were paired and those who might have responsibility for the matter could be attending meetings and the like and those members who were prepared for certain debates might be away. I am sure that the manager of government business would accommodate the members of the Opposition if they wanted to adopt that approach to the management of the House. The Opposition told us what it wanted to debate and we took it at its word.

The other point I address is that the Leader of the Opposition said we have treated the House with contempt and that we have not managed it properly or allowed people to have their say. During the last term of the previous Government I recall the former Leader of the House - the current Leader of the Opposition - moving the guillotine on a number of occasions. He moved the guillotine many times during the last term and the term before. For the benefit of new members, a guillotine motion means that debate is cut off completely, the Bill is passed through the House and goes to the upper House with no further debate. The previous Government referred to it as the sessional order on time management; I remember it well. We constantly heard about this sessional order of time management. The Leader of the Opposition now comes into this place and says, "shock, horror". We are making the Opposition stick to the order of proceedings that it wanted. How outrageous it is for us to do that when the former Leader of the House operated the guillotine more often in his management of the House than did Robespierre. I find it rather amusing.

I point out that when the Leader of the Opposition and a senior opposition spokesperson made a major attack on the Government, the Opposition had only five conservative members of Parliament to support them. That debate was supposedly an enormous issue in Western Australia. At the same time, we had 15 members. I am not the Leader of the Opposition and I am not the Premier; however, I can assure the member for Ningaloo that if the

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Premier were here, he would secure a few more members behind him than the Leader of the Opposition did when he took on the Government.

I suppose that there are important philosophical differences between this side of the House and the other on the issues that were raised. The opposition spokesman defended the industrial relations regime that was put in place with the Minimum Conditions of Employment Act 1993 and the Workplace Agreements Act 1993. One of those Acts set out a structure for individual agreements between employees and employers, while the other established, by way of ministerial decree, a minimum rate of pay for workers. It was only one minimum rate of pay. Those Bills were opposed by the then Labor Opposition, which said that the legislation would not apply to people at the bottom of the pile who had only their labour to sell, who were without enormous skills and who were most in need. That did take place. Those people missed out under the regime that the former coalition Government put in place. The poorest and weakest - the ones who had the least to offer and least ability to bargain - missed out. Shop assistants, cleaners and labourers missed out most under that regime. It is this Government's view that those people deserve the most protection. The Labor Party will never give up on that principle, which is why it took a new industrial relations policy to the election.

That policy was supported by the vast majority of Western Australians. The innovative policy was put together by the Minister for Consumer and Employment Protection. The policy allowed the continuation of individual agreements - called employee-employer agreements - which would be underpinned by an award, with a "no-disadvantage" test. Some people who live in my electorate, and I suspect in the electorates of the members for Burrup, Eyre and Kalgoorlie, are involved in industries that offer greater bargaining power. Those people would be able to negotiate agreements and secure above-award payments. However, the policy said that those people with the least bargaining power would be underpinned by a basic standard, which is an award. An award system has been in place in Australia for 100 years. The Labor Party said that it would not desert those people. Despite the stirring of the former Government, the issue failed to ignite media interest or catch on across Western Australia, because most people realised that it was not a threat, would not cause too much disruption and would not be an economic problem for the State. The only people who did not realise that were members of the former Government. I spoke to a range of people in the media at that time and they said that there was no issue because the Labor Party had not proposed anything that would cause many problems across Western Australia. It is to the credit of the Minister for Consumer and Employment Protection that he put that policy together and threaded it through the Labor Party and through to the people of Western Australia. The Labor Party was elected on that policy and it will carry it through later this year. It has a mandate for that.

I have heard the Leader of the Opposition and the former industrial relations minister say that the Labor Party is an economic wrecker because of its policy to try to make sure that cleaners, labourers and shop assistants are paid properly for their work. That is some sort of economic wrecking.

Mr Omodei: Like those timber workers in Pemberton. They lose everything. They are big losers. Do you remember a guy called John Curtin back in the Timber Workers' Union in Victoria?

Mr McGOWAN: I will interrupt the member for Warren-Blackwood. I like and respect him a lot, but I have only 12 minutes in which to speak. I am sure that the member can raise that issue as a substantive motion when he is ready.

The thing that supports this community, whether it be Perth or regional and rural Western Australia, is the State's trading position and the amount it exports. It is often said that this State has only 10 per cent of the nation's population, but produces 25 per cent of the nation's exports.

Mr Barnett: Who first used that quote?

Mr McGOWAN: Pardon?

Mr Barnett: I offered a bottle of good wine about a year ago to anybody who could identify which speaker first made that statement. The Governor General is obviously excluded.

Mr McGOWAN: I suspect the Leader of the Opposition is saying that he said it. In any event -

Mr Barnett: No, it was not me.

Mr McGOWAN: Who was it?

Mr Barnett: The bottle of wine is still there. No-one has been able to find it yet.

Mr McGOWAN: That is the most good-natured interjection I have heard from the Leader of the Opposition since the last election. Things are looking up.

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The State's trading position is the most important factor for the economy. The issue about cleaners and so forth getting better pay is not really relevant. What is relevant is where Western Australia stands in relation to the world. Six of Western Australia's top 10 export markets are Asian countries - Japan, Korea, Singapore, China, Taiwan and Indonesia. The biggest export market is Japan followed by Korea. Singapore runs in fourth and China fifth. Western Australia has an export surplus with Japan of \$5 billion. This State exports \$6.5 billion worth of products such as alumina, liquefied natural gas, wheat, oil and iron ore to Japan, while it imports about \$1 billion worth of product from Japan. Exports to Asia support our economy. European countries and America rank down the list vis-a-vis those countries in Asia with which Western Australia deals.

I have heard the Opposition on numerous occasions say that the Labor Party is an economic wrecker because of these sensible industrial relations policies that it has proposed. Threats to this State's international trading position have the greatest potential to wreck our economy. I recently visited Japan and spoke to a range of prominent people in that country. In my view, the party that poses the greatest amount of worry to our international trading position is One Nation. That party has the potential to wreck our economy. It is anti-trade and anti-Asia. The party has come up with ideas such as printing more money to boost government spending and it opposes engagement or ongoing dialogue with Asian countries. Other policies include provision for automatic weapons in every household and race policies that are unacceptable throughout the world, and particularly in the region in which we live. One Nation has the greatest potential to threaten this State's economic position and volume of trade. The Premier recently returned from a visit to China. He said that One Nation's position in Australia was widely commented upon. China was interested in it.

Mr Barnett: What did he say in response?

Mr McGOWAN: I am pleased that the Leader of the Opposition has raised that point, because he has led with his chin. The Leader of the Opposition has done a deal with the devil. He was the economic guru of the last Government; he always had answers for the mining industry, he often went overseas to deal with these countries, he carried on the tradition of Sir Charles Court with iron ore contracts and so forth, and pushed the LNG and oil industries in Asia. The deal has been done with One Nation. I have a range of quotations from the Leader of the Opposition. He said that One Nation is not as bad as it once was, so he softened his position. He said that One Nation is not racist, so he softened his position again.

Mr Barnett: Can you tell me when I have ever said that One Nation is not racist?

Mr McGOWAN: He has asked me a question, Madam Acting Speaker.

Mr Hyde: They are racist and the Liberal Party is going into coalition with them.

The ACTING SPEAKER (Mrs Hodson-Thomas): Member for Perth.

Several members interjected.

The ACTING SPEAKER: Order! I have allowed quite a bit of latitude. The parliamentary secretary appears to be looking through his notes for that quotation. I am pleased for him to provide that information, if he is going to provide it to the Leader of the Opposition. I ask that the other dialogue across the Chamber discontinue.

Mr McGOWAN: The Leader of the Opposition has said a range of things. He has said things such as, "We will go out of our way not to antagonise or aggravate or annoy and irritate One Nation supporters." I suppose by that he means people like Hon Frank Hough, Hon John Fischer, David Oldfield, Mr Pasquarelli, Pauline Hanson or their great Senator Len Hall. Those are the sorts of One Nation supporters the Leader of the Opposition is going out of his way not to antagonise and to whom he will suck up with back-flip No 10 since he has been Leader of the Opposition.

Mr Day: Did John Halden meet with One Nation before the election?

Mr McGOWAN: I do not follow Mr Halden's diary. I do know one thing: that is, in January of this year, last year and the year before, members opposite and the Leader of the Opposition were saying all sorts of things about how they would never do deals with One Nation and that the Liberal Party would stand up to One Nation. How times change. The Leader of the Opposition is diminishing his reputation, his party's reputation and our country's reputation with all the countries with which we trade. He knows that is true. Instead of doing the honourable thing and saying he will not put up with it any more and resigning or standing up to them -

Several members interjected.

The ACTING SPEAKER: I suggest that the parliamentary secretary direct his comments to the Chair, and that members on my left discontinue their interjecting.

Mr McGOWAN: Thank you, Madam Acting Speaker.

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Instead of standing up to them and the people in his party, such as Senator Lightfoot and those people who run the party and who say that Aborigines are the lowest colour on the racial spectrum, instead of saying that he will not have any truck with them, instead of living on his feet instead of his knees, the Leader of the Opposition has done a deal with them. He has diminished our State and his party. His party has a long history. It has had some very good people in it. I am sure that if we had a chat in a bar, we would only have to scratch the surface to know that deep down the Leader of the Opposition knows that it is absolutely wrong; it is economic insanity; a complete mistake which diminishes all sorts of people throughout our State. It sends all the wrong messages to all of our trading partners - the six countries that employ hundreds of thousands of Western Australians. To satisfy Hon Frank Hough, Hon John Fischer, Hon Paddy Embry, and Mrs Hanson, he has done this to our State, yet he comes in here and attacks us for trying to pay cleaners and shop assistants more. How pathetic!

Mr Barnett: You have no integrity. You have made up the quote. You do not have the integrity to apologise and withdraw it.

Mr McGOWAN: I will not withdraw anything. I have quoted from a transcript.

Mr Barnett: You made it up on the spot and it is not true.

Mr McGOWAN: The Leader of the Opposition knows it is all true.

Mr Barnett: Have the decency to apologise. There is no quote. You cannot produce anything because I never said it.

Mr McGOWAN: May I ask the Leader of the Opposition a question?

Mr Barnett: No.

Mr McGOWAN: He gets to interject on me so I get to ask him a question. Did any Liberal Party members do a deal with One Nation?

Mr Barnett: You have said that I endorse racist policy. I would never do that.

Mr McGOWAN: The Leader of the Opposition is endorsing what Senator Lightfoot said and all of the things that Pauline Hanson said.

Mr Barnett: No.

Mr McGOWAN: The Leader of the Opposition is diminishing our State and his party. He will pay the price for that because it is a huge mistake. Members on this side will not do the deals that the Opposition has done. We will not do the back-flips that the Opposition has done. I am sure that next week we could come into this place during question time and quote them all on such subjects as one-vote-one-value, of which the Leader of the Opposition was a great supporter but was suddenly opposed to it after an overnight transformation.

Mr Barnett: I have never supported it. I have said that I can't argue with the principle, but its application in this State would prove dysfunctional.

Mr McGOWAN: The Leader of the Opposition is now a complete supporter of deals with One Nation. He has no principle. He has no right to any economic credibility, and his little economic lectures mean nothing in the light of all of this.

MR SWEETMAN (Ningaloo) [6.25 pm]: I congratulate the member for Kingsley for bringing this item on during private members' business. One could say that on 10 February a line was drawn in the sand. Subsequent to that, it is appropriate that motions such as this come to the Parliament so that we can track the course of this Government and any problems that will be visited upon the community of Western Australia as a consequence of decisions this Government makes.

The title "Minister for Employment and Training" is a contradiction. I am sure that a time will come when the minister will preside over figures that he will not be happy with but for which he will be responsible. My concern is that Labor members' constant interjections and contributions to date are clearly one-sided. I do not have a problem with them defending their constituency, which they believe is their exclusive domain, which comprises the workers of Western Australia. I believe that I represent the workers as adequately as any Labor member. However, I also represent the rest of the community, which includes many employers in both small and large businesses.

The Labor Party's position on workplace agreements and individual contracts is like Canute trying to hold back the tide. It will not be able to do it. Sooner or later it will be overwhelmed. It may take two, three or four years or, God forbid, maybe two terms of flat-earth socialism before we get back to 34 per cent youth unemployment or, perhaps even worse, a general unemployment figure in excess of 10 per cent. I want to look at this from the

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businessperson's point of view for five minutes. Today businesses have more incentive than ever to give it away.

Mr McRae: The goods and services tax.

Mr SWEETMAN: The GST is probably one aspect, but sooner or later business will get used to the GST. I think most businesses are starting to adjust to it fairly well. However, it is interesting to look at capital gains tax. I have had chats in the past year with previous ministers about some of the problems of business. Whether on our policy, this Government's policy or a policy that this Government is developing, I have made the point that once the Howard Government knocked back capital gains tax from 48 cents in the dollar to 24 cents in the dollar, why would people put themselves through the pain of staying in business? People can afford to take losses to get out of businesses these days. If enough people do that, an enormous number of jobs will be shed. They can simply invest their money, because whatever the return on their investment, they will pay fewer cents in the dollar in tax on it. There is not the same compulsion for people to be in business. That is a worrying trend. If the Government changes federally, I am sure that Mr Beazley will do something about that and capital gains tax will be back to 48 cents in the dollar before we know it, and foreign investment that we are sucking into this country, which is vital to creating jobs, will dry up as well.

Mr McRae: The member for Ningaloo should perhaps go and discuss that with One Nation.

Mr SWEETMAN: It is interesting that the member for Riverton should mention One Nation. Was the Labor Party in bed with One Nation when it formulated its position on workplace agreements? I find it quite curious that, during the election, some of the policies that One Nation was espousing actually supported the Labor Party on workplace agreements. A circular was distributed in my electorate. Was that something they negotiated with Halden over a quiet dinner? Perhaps it was discussed directly with the minister.

Mr Logan: One Nation had the same position as the Australian Labor Party on trade, as well.

Mr SWEETMAN: That would be right - knock the barriers down to get the product out, but put them up to get it in! That works for about five minutes, and then all of a sudden everyone is out of a job, and the buyers are sourcing their product from another country. The world does not need us like the Government believes it does.

I will cite some examples of businesses in my electorate. I had a meeting with the owner of a Carnarvon bakery during the short time I was back there on the weekend. It is an exciting business. This man had bought the existing bakery, and now it is expanding rapidly. The owner was proud to tell me that his business now had 22 employees, and was working almost 24 hours a day.

Mr McRae: Is it a franchise business, or independent?

Mr SWEETMAN: It is called Countrywide Bakeries, if that means anything. The business is doing a fantastic job. The owner has invested a lot of money upgrading the facilities, and employing many people on a permanent basis. They are trucking their product to Exmouth and on to Karratha, and they have just won contracts in Port Hedland and Broome, and in the mining towns of Tom Price and Paraburdoo. The firm is aggressively expanding. However, the proprietor received a letter in the mail, like a lot of other businesses, telling him that the world was to be turned on its head. The proprietor said he has now to put in place management procedures to accommodate that change. Already he is saying that the firm is looking at putting its Carnarvon operation on hold, because it may be more appropriate, with the change in policy, to relocate some of its business further north. That is fine for the business, and, if the same number of jobs stay in place after the change, that will be a good thing. However, he was clearly indicating that with the way things were to be re-jigged, particularly in relation to staff, he was going to try to keep his unit costs the same, because everything is about unit costs. If it costs more, he sells less, and can afford to employ fewer people. I have had a call from the large private supermarket in Carnarvon, which is equally concerned. That business employs a lot of juniors, but also a number of seniors, who enjoy doing weekend work. They enjoy going to work to earn their base amount of money. However, they have been told that once they go off the arrangement they are now on, they will be penalised, because they will no longer be able to be employed. Problems exist across many different workplaces. The fish processing works in Carnarvon already have nightmares trying to recruit and hold people.

Mr McRae: Does it pay adequate wages?

Mr SWEETMAN: It pays above award rates, and cannot hold people. The expectation is that more problems will be created in recruiting people. Many of the plantations and fish processing works are totally dependent on backpackers. It is illegal to do what some of them have to do. The sooner the federal Government wakes up to it the better. One of the local members of Parliament issued a press release saying how great the Government was in stamping out all the illegal work, but many of the economies in north western and northern Australia exist on backpackers, because they are the only labour available.

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I wonder whether anyone in the Government is prepared to concede the revolution that has taken place in workplaces, particularly in the iron ore towns. Would any government member, in his heart of hearts, be prepared to concede that, if some of the work practices had not changed, not many of those workplaces would be in existence today? Members opposite will say that some of the mining towns have halved their population. That may be so but it is better than their shutting down, which would have been inevitable with the old work practices and the way those companies were structured.

Mr McRae: Is the member for Ningaloo saying that was a result of wage rates?

Mr SWEETMAN: No, I am referring to an across-the-board revolution that introduced flexibility into the work force.

Mr McRae: Who introduced that?

Mr SWEETMAN: The union went along kicking and screaming. The member for Riverton should not come in here and tell me the union can take credit for the improvement.

Mr McRae: Which government established the first Department of Productivity and Labour Relations in Australia?

Mr SWEETMAN: I think the member for Riverton is straining it a bit now. The Robe River dispute caused considerable trauma and calamity. I wish it had never happened, but it was a watershed, because without those disputes Newman would probably not now exist, and I am sure Paraburdoo would not even exist in its present limited capacity.

Mr McRae: The member for Ningaloo asked if, in our heart of hearts, members of the Government would be prepared to concede that those changes were necessary or inevitable. I say they were. The workplace practices needed to change. However, my question to the member for Ningaloo is where did that discussion start, and in what framework of workplace relations did it occur?

Mr SWEETMAN: The union movement has been an interested onlooker for so long that it has lost its place in the hearts of most worker. Members should look at one of the towns in my electorate. It will not have escaped the notice of the Government, when it analyses the election result, that one of the curious aspects of the result in my electorate was another increase in my vote in Newman, which still is a workers' town. Most people in the town work for BHP and just over 50 per cent of the work force are on individual contracts. The amount of intimidation and fear among the workers and their families was great. Few people realise that when contention exists on a mine site, it reverberates out from there. The people who were resisting the movement to individual contracts were harassing -

Mr Logan: They are still resisting now.

Mr SWEETMAN: I know, and now by virtue of the result on 10 February, they are in a much stronger position. Many people in Newman feared that. That is why my vote increased by five per cent in that town. Those people saw the Liberal Party as their only opportunity to retain the freedom they now enjoy in the workplace.

Mr McRae: Or it may have been because of the porkies that were spread about the Labor Party policies.

Mr SWEETMAN: The Labor Party was simply advocating a fairer work place, and could have said more to my electorate. I simply asked what "fair" meant. Does it mean that we return to the bad old days, when the work force was intimidated, regulated and controlled by the union? There is a place for unions. This is not about union bashing; it is about telling them to stand up for their responsibilities, being advocates for workers while also understanding where the jobs come from, and that the businesses that employ the workers have to make money as well.

In conclusion, I again exhort the minister to heed the figures. I am reassured just a little by the fact that he is having pangs of conscience about some aspects of the policy adjustments that are being made, or at least he has some concern about what his new policy may do. Will it wind back the clock to a day that we would far sooner forget? It is the minister's responsibility; he represents the Government. This is an opportunity for the Opposition to establish a reference point, which it can hark back to. As has been said in the debate today, the fact that youth unemployment has already gone up by a couple of per cent indicates difficult times ahead for this State. I will be impartial and objective enough to say that there are problems that are beyond any government's power to control. The drought is one of these. I am sure that when things start to go as bad as the Opposition believes they will, all the blame will be laid on the drought, because the goods and services tax will be old news by the time the results of the Government's policy are manifest.

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The building industry is not out of its pain, which is why builders are urging the Government to keep in place the \$14 000 first homebuyers' rebate. The goods and services tax created problems for the building industry. I knew it would happen; I was not surprised at the way it happened. All the workload was brought forward, so of course there had to be a hiatus; there had to be a period when nothing happened. Instead of living through that, we artificially stimulated the building environment. Sooner or later the chooks must come home to roost. We must do some hard yards, and it will be felt in this State. Some generic issues will affect the figures, but I do not think any of them will affect the building industry in the way the Government's policy will. I hope that when that starts to happen, the minister is impartial and objective enough and is prepared to do what is necessary to get people back into employment and also to give them the freedom they want. They do not necessarily want to come back into the work force under some sort of union arrangement or bondage. We have moved on from there. I hope the minister understands and realises that, if not today then certainly in the months to come.

MR LOGAN (Cockburn - Parliamentary Secretary) [6.40 pm]: I will not address the issue of One Nation; I will address the motion before the House.

Several members interjected.

The ACTING SPEAKER (Mrs Hodson-Thomas): Order, members! The member had hardly begun to address this place before other members were interjecting across the Chamber. I ask members to allow the speaker to address the Chair with little interjection, unless he invites it.

Mr LOGAN: I have been in this Parliament such a short time that I did not realise I was so popular. Led by the Leader of the Opposition, who, unfortunately, is my local member, opposition backbenchers are harping on about where my family lives. I will not deal with that issue, because obviously I will get away from the subject at hand and I will end up talking about where everybody lives; for example, who lives in Rockingham and everywhere else. I will not go down that path; I will deal with the motion before the House. I remind members that the motion before the House says in part that this House notes with regret the direction that the State Government is going in respect of labour relations and its impact on workers. I will deal with small business in a moment. I do not understand why this House must approve a resolution regretting where the State Government is going, given where we have been for the past eight years with the previous Government. We as a Government will not regret moving down a path that reintroduces fairness and equity into the labour relations system. We will never apologise for that. We will celebrate, just as the union and non-union workers in Western Australia celebrated the Labor victory on 10 February. The champagne corks were popping in Swanbourne, Cockburn, Rockingham, Albany and Geraldton; they were popping all over the State. The labour relations system to which Western Australians had been subjected by the previous Government was over.

Several members interjected.

Mr LOGAN: We saw the tyranny of the previous Government and the Acts it introduced. People knew that at last a Government would reverse the heinous legislation under which the previous Government forced the workers in Western Australia to work.

During my maiden speech I made no reference to my background at all. I dealt with the issue with which the Leader of the Opposition dealt today; that is, the very serious issue of unemployment in Cockburn. The figures are much higher than those cited by the Leader of the Opposition. The Leader of the Opposition should read my maiden speech and find out the real figures in Cockburn. I will deal with my background now, because I have not put it on the record. I have a little experience in industrial relations. Prior to becoming a full-time employee as an organiser of the Australian Manufacturing Workers Union, the favourite organisation of the Opposition -

Mr Barnett: What do you organise - a bit of chardonnay out on the front steps?

The ACTING SPEAKER: Order, members! I am finding the debate very entertaining, but my major concern is that the Hansard reporter may find it difficult to hear the speaker. I ask members to tone it down. The parliamentary secretary is inviting interjection and inflaming the debate.

Mr LOGAN: Madam Acting Speaker, are you suggesting that I am enjoying this?

The ACTING SPEAKER: Absolutely.

Mr LOGAN: I will continue with my illustrious career. It has just begun, so members should be patient. Prior to joining the Australian Manufacturing Workers Union in 1986, and spending the time since then as a full-time organiser and industrial officer for the union, I spent 14 years on the shop floor as a worker-activist.

Mr Barnett: Did you do any work or did you just activate?

Mr LOGAN: I will be the first to admit that there were occasions when I was probably doing a bit more activating than work. I will not tell members which companies it was for, but it was with good intention. The

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intention was to represent the workers to get better wages and conditions, and that is why I did it. I spent those 14 years on the shop floor in both the United Kingdom and Australia. In Sydney I worked in both the large-scale engineering industry and very small business. In Western Australia I worked in the iron ore industry, the goldfields, small business and the engineering industry. I have worked in both union and non-union workplaces. My depth of knowledge about the impact of legislation on workers in the workplace is fairly significant. Not only have I experienced it, but also I have had to deal with the effects of Acts that apply to workers on the shop floor.

Mr Johnson interjected.

Mr LOGAN: Exactly.

Mr Johnson: I know a bit about you.

Mr Sweetman: And it has nothing to do with work.

Mr LOGAN: In my role as a union organiser and industrial officer for the AMWU, I represented the union in national negotiations dealing with multinational corporations and extremely large Australian companies. I also dealt with domestic negotiations with small to mid-sized companies in Western Australia. I have conducted site-by-site negotiations with small and large companies in federal and state jurisdictions. This experience -

Mr Johnson interjected.

Mr LOGAN: I will deal with Croydon another day.

Mrs Edwardes: Some of your members were telling us about Croydon before you were.

Mr LOGAN: I have four years to deal with Croydon, so members should bear with me. This experience has given me an insight into the effect on workers in the workplace when people in Parliament pass laws, regardless of whether people are driven by the free market or by socialist policies. I have experienced the impact on workers as a worker and as a person who must deal with the effects of those laws. I have seen industrial relations in all States. When I was working in the national office of the AMWU, my job was to fly to all States of Australia to deal with both large and small companies.

Mr Barnett: Business class or economy?

Mr LOGAN: Economy. The Amalgamated Metal Workers Union is run primarily by Scottish people, who are not very generous when it comes to either wages or allowances. I can assure the Leader of the Opposition that if there were a class of seat lower than economy class, I would have been in it.

The past eight years in Western Australia have been the lowest point of my life in my experience of any industrial relations jurisdiction either federal or State. The motion invites members to cast their minds back - because it notes with regret where the current Government is going - and compare this Government with the previous Government. I ask the House to recall the first wave of industrial relations reform - as it was called by the now Opposition - and the response by workers to that. Massive demonstrations were held outside Parliament House. That in itself caused industrial mayhem. Employers knew that it had nothing to do with them, because they did not introduce the law. Nevertheless, it created mayhem in industrial relations in Western Australia

Mr Johnson: Because union bosses threatened all the workers if they did not come out to the rally.

Mr LOGAN: I will deal with that interjection later.

I refer to changes in the occupational safety and health system that resulted in chaos on the workshop floor. Do members opposite remember the changes to the workers compensation legislation?

Mr Barnett: Did you demonstrate out front?

Mr LOGAN: Absolutely; I was out there all the time.

What is the result of those changes in the workers compensation system? It is absolute mayhem. If members opposite want to talk about small business, they should ask small business what it thinks about workers compensation. They should ask small business what the coalition Government's reforms have done for it. It has created mayhem not only for the employers but also for the people who have been injured at work through no fault of their own. It has created chaos in people's lives. Some people could not cope any longer as a result of the delays in the system; people have committed suicide and families have split up. Employers have got nothing out of the changes either - apart from an increase in their insurance premiums. That is what members opposite created in the past eight years in this State. They should not walk away from what they did. Let us remember what they did.

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There would be no worse change in occupational safety and health practices outside of the former Soviet Union. One of the key changes made by the previous Government to the Mining Act and the Occupational Safety and Health Act was to remove the word "union". Suddenly the word "union" became verboten. It became a non-word, which is the type of thing that occurred in the Soviet Union.

Mrs Edwardes: Give me some evidence.

Mr LOGAN: I do not have to give the member for Kingsley evidence. The word "union" is no longer in the Occupational Safety and Health Act and the Mining Act. The Government removed any involvement of unions in fixing the problems in occupational safety and health issues at the workplace. That is what happened under the previous Government.

We should remember the third wave of the coalition's industrial relations legislation. The biggest demonstration ever seen in Western Australia terminated outside the front doors of Parliament House. *The West Australian* estimated that 40 000 people marched up St Georges Terrace. The marchers filled the grounds of Parliament House and stretched all the way down St Georges Terrace. There were so many people that they could not all get through the bottleneck on the freeway overpass. That was the strength of the demonstration against the previous Government's legislation. This motion asks us to regret changing that. Members opposite are asking us to express some form of regret about moving away from a system that was unfair - a system in which anybody who fronted up for a job had no choice but to sign an individual workplace contract.

The Gallop Labor Government will make changes. Members opposite should ask the workers of Western Australia how they feel. They will be celebrating all the way from Swanbourne to Albany.

Government members: Hear, hear!

MR JOHNSON (Hillarys) [6.57 pm]: It has been entertaining listening to the man from Croydon. I know a little bit about his background. I think he left the UK when Maggie Thatcher got into power. He could not hack it over there, because he knew unions would not get their own way. The interesting thing is that the Premier's good friend, mentor and university colleague has not rolled back any of the industrial legislation that Maggie brought in. He knows that he cannot, because it is working. The union movement in the United Kingdom does not have the power that the union movement has in Western Australia.

Mr Kobelke: That is nonsense. He brought in a minimum wage and a whole lot of industrial changes.

Mr JOHNSON: No, it is not nonsense. If the minister's good friend Kim Beazley ever gets into government federally, he has promised a roll back on the goods and services tax. If that ever happens, and he does that, it will cost the taxpayers in Western Australia hundreds of million dollars.

Mr Kobelke: What has that got to do with industrial relations in Britain?

Mr JOHNSON: It will cost taxpayers hundreds of million dollars in direct taxation. A federal Labor Government will impose a burden on pay-as-you-earn wage earners and on companies; and will tax small businesses even more than previous Labor Governments. That is Labor's federal position on a roll back of the GST. The Labor Government in Western Australia wants a roll back on workplace agreements, which have worked really well. Many people come into my office. One young lady who is involved in the health service came into my office the week after members opposite won the election - or we lost the election. She was concerned. She wanted to renew her workplace agreement because it suited her - the hours, the rate of pay, everything. She was empowered to receive what she wanted and that agreement was due to go to the Commissioner for Workplace Agreements. However, it was a government department and members opposite must have got the axe in straightaway, and she was told there would be no workplace agreements. This young lady really wanted a workplace agreement, and the department was ready to sign it. However, a few days after Labor came into office, the department refused to sign the agreement.

Debate adjourned, pursuant to Standing Orders.

House adjourned at 7.00 pm
