

STATE GOVERNMENT CONTRACTS - ELIGIBILITY OF COMPANIES

348. Mr P.D. OMODEI to the Premier:

I refer to the absurd proposal from UnionsWA to ban companies that legally employ workers on Australian workplace agreements from winning state government contracts and to reports in today's *The West Australian* that the Minister for Employment Protection has refused to rule out the proposal.

- (1) Is it the position of the government that political ideology should determine which private companies are eligible to win government contracts?
- (2) Will the Premier concede that distorting the government tender process in this manner has the potential to significantly increase the cost of tenders for projects, including schools and hospitals?
- (3) Does the Premier support Kim Beazley's plan to scrap AWAs and is he aware that this would do serious damage to Western Australia \$39 billion resource sector?

Mr A.J. CARPENTER replied:

- (1)-(3) This is a very interesting area. The government has absolutely no intention of distorting the tender process. We do not put ideology ahead of proper practice. We do not do that, and we would not be expected to. However, Australia is in a very interesting situation at the moment, Western Australia in particular. We are on the point of doing something that we might regret, and it is not what the Leader of the Opposition is talking about. We are already seeing an employer bringing into the country fairly large numbers of migrant workers to carry out work that, it is asserted, can just as easily be done by Australian workers. I am talking about the building industry. That is where a lot of this angst is coming from. We do not want a situation to develop in Western Australia in which identified groups of overseas workers on inferior pay and conditions seem to be replacing Australian workers. That is a very volatile mixture, and it should be avoided. If we get into that situation, we will regret it.

John Howard's Australian workplace agreements do not provide for minimum standards and conditions. That is the great difficulty with them. If we start heading down the path of replacing the Australian work force with workers from other identifiable parts of the world, on very inferior pay and conditions, all sorts of social issues will be unleashed in the community, and that should be avoided at all costs. If members think it is not possible, they should look at the imagery on television now about the federal government's Pacific solution and cast their minds back to what happened in Sydney last Christmas. Out of nowhere came what appeared to be racial violence. On the beaches of Sydney, of all the places in the world, there was an eruption of what appeared to be racial violence.

Mr P.D. Omodei: What does that have to do with AWAs?

Mr A.J. CARPENTER: Potentially, everything.

Mr C.J. Barnett: Were the Cronulla riots caused by AWAs?

Mr A.J. CARPENTER: I am not saying that at all. The member should put two and two together and see where we can end up by going down this pathway. If identifiable groups of workers come from other parts of the world and work for pay and conditions that are seen to be inferior to those of the Australian workers whom they are seen to be replacing, we will regret it.

The Western Australian government will act properly, but we also want a system in which the pay and conditions of ordinary men and women are protected. We will not countenance the introduction of a system under which they are not protected. At the moment there is competition for labour because, thanks to the government's great economic management, there is record low unemployment in Western Australia. There is competition for labour so, in general, the pressure on wages is upward. If, in such circumstances, a structure is put in place that allows downward pressure on wages and under which there is no bottom, when the economic cycle turns and the competition is not for labour but for jobs, there will be a completely different scenario.