

Mr John McGrath; Acting Speaker; Dr Janet Woollard; Mr Bob Kucera; Ms Sue Walker; Mr Martin Whitely; Mr Ben Wyatt; Ms Katie Hodson-Thomas; Mr Terry Redman; Mr John Quigley; Mr Trevor Sprigg; Mr Terry Waldron; Mr Max Trenorden; Mr Troy Buswell; Mr Mick Murray; Mr Brendon Grylls; Deputy Speaker

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**LIQUOR AND GAMING LEGISLATION AMENDMENT BILL 2006**

*Second Reading*

Resumed from 20 September.

**MR J.E. McGRATH (South Perth)** [4.30 pm]: I announce that, after a long meeting in the party room today, the opposition has decided to support this bill.

Several members interjected.

**Mr J.E. McGRATH:** The difference between the opposition and the government is that our members actually get a say in our party room.

Several members interjected.

**The ACTING SPEAKER (Mrs J. Hughes):** Order, members!

**Mr J.E. McGRATH:** All the stooges over there on the government side have to sit down and do as they are told. They do not get a say. We in the Liberal Party do get a say.

**Mr P.B. Watson** interjected.

**Mr B.S. Wyatt** interjected.

**Ms A.J.G. MacTiernan** interjected.

**The ACTING SPEAKER:** Order, members for Albany and Victoria Park! I appreciate that members like to engage in a bit of banter across the chamber, but the member for South Perth is on his feet and I ask members to please refrain and let him speak.

**Mr J.E. McGRATH:** I thank you, Madam Acting Speaker, for your protection from the member for Albany and the Minister for Planning and Infrastructure, who we are still hoping will build our railway station in South Perth before 2010.

**Ms A.J.G. MacTiernan:** 2010 is my pledge.

**Mr J.E. McGRATH:** Yes, but we want it before 2010.

**Ms A.J.G. MacTiernan:** I always live up to my promises.

**Mr J.E. McGRATH:** In all sincerity this bill has been very difficult legislation for our party to consider because of its wide-ranging implications to sections of the liquor industry. The liquor industry has been heavily regulated for many years, probably for more than 150 years, and this legislation represents a massive change to the industry. The dilemma for many Liberal Party members is that because their electorates contain hotels, taverns and bottle shops, they have been approached by the licensees of these facilities who all want to get the best out of this package of legislation. I must say at this stage that our leader, the member for Warren-Blackwood, has shown some very bold leadership on this matter. We had some problems in the party room two weeks ago when many diverse opinions were aired. Those problems were very difficult to deal with because the Liberal Party does not use the Australian Labor Party sledgehammer approach to come up with an answer. However, the member for Warren-Blackwood, our leader, encouraged us as members of the opposition to support this legislation. He and I have listened to the feedback from the community. The community is telling us that it wants to go forward. Some Western Australian licensing laws are quite draconian, and I will speak about them later as we go through the bill, but I am sure I will get support from the minister on this because he is very happy that we have finally agreed to support his legislation.

**Mr D.T. Redman** interjected.

**Mr J.E. McGRATH:** The National Party can say we rolled over, but it will be interesting to hear later what the Nats, the new coalition, have to say about this legislation, bearing in mind that some of them have an interest in the liquor industry.

There are four planks to the legislation that our leader wants us to support. A lot of work has been put into this legislation since the Freemantle report was commissioned. It is extensive and very important legislation and it will change the industry through amendments to the act that controls it. However, there are four main points that the public is concerned about and interested in. The first is the move to replace the public needs test with a public interest test. The second is to give restaurants with a special permit the capacity to serve alcohol without a meal to 100 per cent of their patrons. The third is a change that implements a new category of licence; that is, a small bar licence. That issue was not addressed in the Freemantle report but is an amendment that the minister

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is making to the act and one that the opposition is supporting. The fourth and possibly most contentious point is the amendment that gives permission for all liquor stores in the metropolitan area to trade on Sundays.

I will refer to the four planks of the legislation one at a time and will start with the replacement of the public needs test with a public interest test. The Freemantle report considered the public needs test, which is a test that hoteliers and licensees have used for many years to keep potential rivals out of the industry. The Freemantle report stated -

The current “needs test” under section 38 of the Act is seen as being contrary to the principles of the National Competition Policy, as it constitutes an unjustifiable barrier to entering the liquor industry. Not surprisingly, some sectional industry groups support retaining the existing provisions because it effectively protects their industry sector from potential new entrants into the market place.

Further it said -

The committee is of the firm view that the decision to grant or refuse an application for a new licence should not be based on an artificial barrier to protect some sections of the industry from competition, irrespective of National Competition Policy considerations. Applications should be determined solely on their social, community and health implications.

That is why the opposition supports a change to the public needs test. It has been considered for many years to be unfair and anticompetitive. Many people wanting to enter the industry were simply blocked because a licensee down the road from where they wanted to establish an outlet could prove that he was adequately servicing the needs of the people in that district. Whether or not people wanted another venue, the application would be blocked. People had to go through a very costly and time-consuming process, and generally they would not succeed in their application. Most people who want to enter the liquor industry will be very happy about this change.

Another reason, which was also contentious, for the opposition’s support for this legislation is the capacity for restaurants to serve alcohol without a meal to 100 per cent of their patrons. I must admit that at first I had reservations about this amendment. Under the existing law, a licensed restaurant can get an extended trading permit to serve alcohol without a meal to up to 20 per cent of its patrons. Generally only one in 10 restaurants applies for such a permit because it is messy and they are allowed to serve only 20 per cent of their patrons. There can therefore be the ridiculous situation of a group of people having a meal in a restaurant that does not have an ETP to serve 20 per cent of its patrons, and a friend who did not join the group for lunch arrives at three or four o’clock in the afternoon. If the owner of the restaurant were to serve that person a drink without a proper meal, the owner would break the law. I believe this actually happened to former Premier Richard Court when he attended a family function on his way to the airport to go away on government business. He had told the family friend that he would drop in, have a glass of champagne and then head off to the airport, which he did. As he was standing or sitting at the end of the table, he was told by the restaurateur that he was actually breaking the law by serving him a drink. What age are we living in when we have a draconian law like that? This bill will address that law. We have some concerns that restaurateurs might take a bit of licence with this law.

We were very happy to see that the minister’s second reading speech included some very strong restrictions on restaurants that want to obtain a special permit to serve drinks without a meal. The restrictions include a requirement that a restaurant must have a chef available at all times when it is serving alcohol without a meal being ordered. A restaurant must have its full menu available to anyone who visits the restaurant at any given time. That is a huge impost for a restaurant. I have been to a few restaurants in my time as a journalist. My colleagues and I used to get around a bit. We would often get to a restaurant at three o’clock in the afternoon and we would be told that the kitchen was closed, the chef had gone home and we could not get a meal. Restaurants like to have their chefs take a few hours off between the lunch shift and the dinner shift. However, under these requirements, a chef must be available at all times that a person may walk in off the street, as they do in other cities, and ask for a glass of wine or beer without ordering a substantial meal.

Restaurants will be able to serve up to 100 per cent of their patrons with alcohol without them ordering a meal. However, we do not expect that a restaurant, at any time, would have 100 per cent of its patrons drinking without ordering food. If it did, it would become a quasi-bar. We do not think that will happen. We believe that people will still go to restaurants to eat. However, if at any time a restaurant breaks the spirit of the law, I am sure that the local pub or licensed house will do it in. The department will then demand to see the restaurant’s books. The restaurant has to prove that no more than 40 per cent of its turnover has been derived from alcohol sales. With most restaurants the ratio of sales is 35 per cent for alcohol and 65 per cent for food. That is about the right mix. Some people were concerned that some restaurants might cheat on that ratio. If someone ordered a beer, it might be recorded as garlic bread. We trust that restaurateurs would not do that. If restaurateurs do that and they

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want to turn their establishments into bars, we would encourage the department to look into the matter and take away the special permit. I talked to officers of the Queensland department in Brisbane last week, which is the equivalent of our Department of Racing, Gaming and Liquor. They told me that they had only a couple of complaints about restaurants. Some restaurateurs had said to them that they had looked at their books and the percentages of alcohol sales were getting a bit high. They said that they were up to about 50 or 60 per cent, and they asked what they should do. The department arranged for different licences and permits to be taken out. If the figures are getting that high, the establishment is no longer a restaurant. It has to obtain some sort of a bar licence.

The opposition was also concerned that if a pub closed at 10 o'clock, the restaurant owner across the road might be fairly entrepreneurial and entice people to come over and have a Crown Lager at the restaurant. However, that concern has been attended to in the legislation because restaurants will not be able to sell alcohol without a meal after hotel closing times. The hours for serving a drink without a meal will have to fit in with hotel trading hours.

Restaurants will also be required to have patrons seated before they can be served a drink. Most blokes who want to have a drink after work would probably prefer to go to a bar. Women would probably prefer to go to a cafe or restaurant. If a person is going to have only a drink, he is more likely to go somewhere with a bar atmosphere. As such, we do not think that it will be a huge issue. In addition, patrons in a restaurant will have to be served by staff. Patrons will not be able to leave their table and go to the bar to get half a dozen Crown Lagers - if that is their drink of choice - and take them back to the table. The minister has done well with this. However, I do not know whether he brought in these restrictions after hearing of our concerns. He probably did not. Nevertheless, these issues have been well looked at.

Restaurants will not be able to move their tables and chairs to make a dance floor or a special entertainment area.

**Mr R.C. Kucera:** Dancing on the tables!

**Mr J.E. McGRATH:** Dancing on the tables, as the member for Yokine said. As such, restaurants will be restaurants. The hotels should be pretty happy with that because it keeps restaurants to the true spirit of the legislation.

The next plank that the opposition looked at was the new category of licence. It caused some concern in our party room. I am referring to the category of a small bar. This was not looked at by the Freemantle review. I do not know whether the minister saw a small bar somewhere in his travels around the world. Maybe he went to somewhere like Soho and thought that it was a good idea. Anyway, the minister has come up with the idea of small bars with a capacity of no more than 120 people. Some Liberal members feel that the number is too high; they would prefer the number to be limited to 80. Other members raised the fact in the party room that, under the act, a small bar licence can be obtained as a form of tavern licence. I spoke to the Director of Liquor Licensing about this and he said that the main reason the new category will be put in place with a limit of 120 persons is that, if a tavern licence is issued for a small bar area for 120 people, in two years the business may be going very well and the shop next door may not be doing very well. As such, the shop may be leased and a wall may be knocked out so that an application can be made for the small bar's tavern licence to be increased to 200 or 250 people. The director mentioned the new public interest test that replaces the needs test. He said that he would probably find it very difficult to knock back the request. However, under the small bar category that enshrines a limit of 120 people, he can do nothing about it. It would require a change to an act of Parliament to give such a facility a bigger capacity. That is another measure of control in this area. Concerning small bars, under the Health Act premises cannot have more than one person for every 0.85 square metres. If there is only a small area and an owner has taken over a small shopfront that he wants to convert into a small bar, he is limited to the number of patrons he can admit. I envisage - the minister might enlighten us on this because it is a question asked by fellow members - that a lot of small bars will be smaller than the capacity of 120 patrons. Some could be as small as 40 people. I believe there is one in Margaret River that has a special facility licence. It has a capacity of only 40 people.

The opposition believes that these provisions will liven up the city, particularly areas where people want to be entertained. At first we thought that small bars should be introduced through a phase-in process in Northbridge, the city and Fremantle. Members of the public have told us that they did not want to necessarily travel to the city or Northbridge to visit a small bar. People living in Scarborough, Mt Lawley or South Perth, for example, want small bars in their areas. We support the idea of small bars being allowed in any part of Western Australia. We also understand that applications for small bars will have to go through local government. Local government requirements are fairly strict on these sorts of things. In my electorate of South Perth, a person could not get a small bar licence wherever he wanted one. For instance, we had a situation with the Metro Hotel on Canning,

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which is quite a big hotel on Canning Highway. It already has a hotel licence. It has a bar, which is inside the building, and it is a bit run down. Over the road, the Hurlingham Hotel, which was very well known - the member for Murdoch had probably been there many times - had been knocked down, so the residents lost their local pub. The people from the Metro Hotel on Canning put in an application to the local council to move the bar out onto the street front, so that it would have a nice alfresco-style restaurant with a modern bar. The residents of the street made such a vocal complaint against it that it was knocked back by the City of South Perth, which in some respects was a bit of a pity because some residents said to me that they would have liked to have a bar in that area. However, the residents of the street said no, they did not want it. It would mean that there would be more traffic in their street, and they wanted to know where people would park. All those issues were raised, and in the end the City of South Perth did not want to take on the residents over that issue. I believe this will happen in a lot of areas that want small bars. Obviously, in areas that are entertainment precincts or shopping strips where there are not many residents, people will probably have more opportunities to obtain such a licence.

Many Western Australians went to the Australian Football League grand final in Melbourne a couple of weeks ago. I guarantee that many of them did not go to a pub. I know that I was there for a few days, and I do not think I went to a pub. Most people went to restaurants and small bars. It is a very cosmopolitan place. This is what people are telling us. They are saying that the times when everyone used to go to a pub have changed. People want to have some choice in where they go, and they want some different venues available to them. I am still convinced that a lot of people will support hotels. I believe good hotels will always be there. For instance, my daughter meets her friends at hotels, and that is how they spend their social time. I doubt that she would worry about going to a small bar. Hotels appeal to certain people. When the big sporting events are being held and they can be shown on the big screen, hotels are packed. That is fantastic. They are great venues where the community can gather. If people want to play pool at their local pub, they can still do that. Pubs are becoming more innovative by the day. Some pub restaurants are now better than a lot of normal restaurants to which people go.

We believe that this legislation and this change to the liquor licensing laws will present a good challenge for hoteliers to change their *modus operandi*, and maybe even become involved in small bars. If hoteliers saw an opportunity, why would they not open up a small bar in an area in which they thought there was a market? Who better in the community would there be to run a liquor outlet than a hotelier? Rather than stifle hotels and put them out of business, we believe that it will be a challenge for hotels to lift the benchmark a bit and improve their product. We believe that they will continue to survive.

The fourth and easily the most contentious matter, as members on this side of the house will confirm following our very long meeting today, was the decision to allow liquor stores in the metropolitan area to trade on Sundays. This is another matter that I have had mixed feelings about from time to time. I have often been of the view that because only independent grocers are allowed to trade on Sundays under the current Retail Trading Hours Act, the situation should not be any different for liquor. However, the more I speak to people in the community and the more I look into the issue, the more I am beginning to realise that it is very difficult to differentiate between the big duopoly, Coles and Woolies, and independents when it comes to liquor. I have no doubt that one day our retail trading laws will be remodelled. I believe we will have Sunday trading.

I lived in Melbourne for five years from 1997 to 2002. It had seven-day trading and 24-hour trading. People I meet in Victoria ask me how I can live in Perth when it does not have that facility; it is so convenient for people. These days, both partners work and have busy lives. Weekends are busy. Sometimes I would go to a Coles supermarket in Richmond, which was a favourite of mine. I would see blokes there wearing suits - business executives - and wheeling a trolley at eight o'clock at night doing the shopping on the way home. Melbourne is a big, vibrant city. Some people have complained to me that, in Perth, if they are running late when they go home from work at night, the big shops are shut, and they must go to another shop that might not have the same amount of choice.

**Mr R.C. Kucera:** And pay through the nose.

**Mr J.E. McGRATH:** It is all about choice. I think the public is taking us there. It is telling us what it wants, and it is leading us in that direction. We support the independents and small business. However, protectionism may not necessarily be the answer.

I will refer again to the Freemantle report on Sunday trading, as it made some interesting observations. It states -

It is the view of the committee that there is a clear distinction between the convenience of obtaining packaged liquor on Sunday and a general extension of retail trading hours as proposed by the referendum.

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Therefore, the committee said that the referendum was not linked to trading hours for liquor. I do not believe it was. I know that when the referendum took place, the Liquor Stores Association of WA wanted to be involved in that referendum, and it was disappointed that it was not included, because it wanted to gauge whether there was enough community support for liquor stores to trade on Sunday. The Freemantle report went on to say -

Sunday is a day when many people socialise with their family and friends (i.e. BBQ's, picnics and family gatherings) and participate in and attend sporting events and therefore there is a stronger argument for the convenience of the public to access liquor from liquor stores.

Therefore, the report is saying that because of the things we do on Sundays in our relaxation times and our social times, we might need to buy something at the local bottle shop. People might not do their actual shopping in a retail shop on a Sunday, but, as part of their leisure hours, they might need to buy a bottle of wine at the local shop. The report is saying that there is a need for Sunday trading. It continues -

The committee does not support the argument presented by the AHA that simply because the viability of some hotels may be jeopardised, the public of Western Australia should be denied the convenience and advantages of obtaining packaged liquor from liquor stores on Sundays, a right enjoyed by the public in other states. To continue to prop-up uneconomical businesses by denying the public the convenience of Sunday trading is both unreasonable and not in the long term best interests of the community or the hotel industry. The AHA also proposed that compensation should be paid to hotels if Sunday trading for liquor stores was introduced. The committee does not support the payment of compensation. Sunday trading for liquor stores has been mooted for over ten years (it was recommended in the 1994 Mattingley review) and any business operator must assess the existing and potential risks associated with their business. The Act is also required to be reviewed every five years, which is a clear indication that the industry must be adaptive to change.

The Freemantle report recognised that there is a need for liquor stores to be open on Sunday. I guess the report authors were saying the following: why should people have to go past liquor stores that have their doors shut to find a pub that has a bottle shop, and why should they be told that if they want to buy packaged liquor, they must go to that pub? The public does not want to be told that if it wants to have a night out, it must go to the pub. It wants choice. This legislation will introduce choice. I still think that people will buy packaged liquor at hotels. However, I have no doubt that it will have an impact on hotels, because Sunday is the day on which they make the cream. Of course they do; it is a day on which they have a monopoly. If hoteliers cannot make a dollar on a day on which they have no competition, they are not running very good businesses. Having said that, I believe that some hotel bottle shops will still trade well on Sundays. People are creatures of habit. I understand that people are saying that if there are specials at Coles and Woolies, people will drive there to buy the specials. I am not convinced that people will do that on Sundays. I think that people will do that during the week when they are in shopping mode. When they head out to a friend's place for a barbecue on a Sunday and they need a bottle of wine or a few beers, they might drive through the hotel bottle shop. It is much more convenient. They can pop the boot, put the wine or the beers in the boot and keep driving; they are on their way. I think a lot of people will do that.

**Mr D.T. Redman:** Do you support Sunday trading for the regions?

**Mr J.E. McGRATH:** I am just about to get to that. The Freemantle report did not support Sunday trading for the regions. It stated that local governments can make that decision, as they do now with retail shopping. The Freemantle report recommendation is that if local governments feel that their communities want liquor stores to trade on Sundays, they can have some sort of a referendum. The government has not taken up that recommendation of the Freemantle report. I gather that that was a result of the heavy pressure placed on the Minister for Racing and Gaming by such brutes as the member for Albany and the member for Collie-Wellington and other Labor Party heavyweights from country seats. Talk about backflips; the minister bent over for that one!

**Mr M. McGowan:** Backwards or forwards?

**Mr J.E. McGRATH:** He acceded to the wishes of Country Labor, but I have no problem with that. We must support country hotels. Country areas are different from the city. There is a massive population in the city. We must protect local businesses in small towns more so than anywhere else because they do not have the passing trade.

**Mr P.B. Watson** interjected.

**Mr J.E. McGRATH:** That is good. However, I do have a problem with big cities such as Bunbury, which does not have Sunday trading. Bunbury is the second biggest city in Western Australia.

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**Mr M. McGowan:** Mandurah.

**Mr J.E. McGRATH:** Mandurah is part of the metropolitan area.

**Mr M. McGowan:** No, it isn't.

**Mr J.E. McGRATH:** I know Mandurah is a country town, but I do not regard it as country. The member for Bunbury tells me to leave Bunbury out of it; he wants the status quo to remain. Freddy Lemmone and all the publicans in Bunbury are getting very nervous.

I also refer to the Allen report. This report was commissioned by the minister because he was a bit concerned that, although the Freemantle report was a good report, it did not have a lot of the financial details that the government was looking for before it put this legislation together. The conclusion of the Allen report, "Assessment of the Impacts of Liquor Licensing Reforms", on the impact of Sunday trading in Western Australia states -

... Sunday trading is well entrenched, accepted and supported in most jurisdictions. No substantive concerns or problems with Sunday trading were revealed by liaison with licensing authorities and no adverse impacts on the hotel industry were found.

*Statistical data* - there is no evidence to suggest that permitting liquor stores to trade on Sundays would impact on the ways in which the community purchases liquor.

*Tasmanian case study* - the introduction of Sunday trading is thought to have been one of the contributing factors to a sharp increase in the number of liquor stores operating in the State. To date, there has been no corresponding decrease in hotel licences in operation.

It states that allowing liquor stores to trade on Sundays did not result in a much greater consumption of alcohol or an increase in purchases of packaged liquor. The Allen report did not have a lot of concern in that regard.

Another concern that has been raised with the Liberal Party about Sunday trading is the monopoly held by Coles and Woolworths. This issue was debated at length in our party room today. Many members are concerned at the anticompetitive practices that Coles and Woolworths can and have been known to adopt. The member for Leschenault has recommended that we introduce some sort of state-based antitrust laws. The advice that our leader has received is that it would be difficult to do so because antitrust laws come under the Australian Competition and Consumer Commission; they are a commonwealth jurisdiction. Nevertheless, the member for Warren-Blackwood, our leader, has written a letter to the federal Treasurer, Peter Costello, reminding him of this legislation and asking him to keep an eye on the situation in Western Australia.

**Mr M.W. Trenorden:** In the United States the same process applies; antitrust laws are a federal process. However, many states have their own antitrust laws. The federal act takes precedence, but sections of a state act can work, even in Australia.

**Mr J.E. McGRATH:** That issue has been raised, and, as I have said, it was discussed today with the member for Leschenault. In our party room, members encouraged the member for Leschenault to continue with his push for these antitrust laws. Who knows, it might be able to be done. Our advice indicates that it would be very difficult. In the meantime, we could not withhold our support for this legislation while that process is put in place. The member for Warren-Blackwood, our leader, has written to Hon Peter Costello. He mentioned in his letter to the Australian Treasurer - the world's best Treasurer - that the most vigorously debated aspect of the bill relates to the deregulation of Sunday trading by metropolitan liquor stores, and that although the retail liquor association, which represents many of the independently owned liquor stores, has come out in support of that part of the bill, there continues to be ongoing concern in some sections of the community about the possible effects of Sunday trading. He also stated that, subsequently, it would be highly desirable that a thorough review of the market be undertaken to assess whether there have been instances of anticompetitive behaviour and that a watching brief should also be maintained for a reasonable period to ensure that a fair and competitive environment is maintained. We are asking the federal Treasurer to look at predatory pricing; exclusive dealing, including both full-line forcing and third-line forcing; price fixing; unconscionable conduct; and cartelisation. These are some of the measures that the opposition wants to look at. We want businesses to be on a level playing field but, unfortunately, banning Coles and Woolworths from competing in the market on Sundays will not achieve that. At the moment, independent liquor stores trade against Coles and Woolies-owned liquor stores. Hotels trade against Coles and Woolies-owned liquor stores. Hotels trade against Coles and Woolies-owned hotels. Thirteen hotels are now owned by Coles and Woolies. If we banned Coles and Woolies from trading in the market on Sundays, what would they do? They would buy more hotels. We will not keep them out of the market. A lot of Australians have shares in, and shop at, Coles and Woolies. All we can do is make sure that proper control measures are put in place. There might be instances when Coles and Woolies overstep the mark

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and are anticompetitive, and that has happened in the eastern states, but they have faced some hefty fines for being anticompetitive in the liquor market and in other markets. We would encourage the undertaking of those prosecutions, because the one thing we want is a level playing field.

The Liberal Party supports this legislation despite some very strong lobbying from the Australian Hotels Association. I will probably be offside with a lot of my mates who own pubs throughout Western Australia as a result of what happened in our party room today. However, we must make decisions based on what we believe is our best judgment. I firmly believe that pubs will not go broke as a result of this legislation. If a pub is struggling to such an extent that it must rely on Sunday trading just to survive, it is in trouble. Perhaps the operator should look at changing the pub's direction or taking on another business. It is a fact of life that in business the strong get stronger and the weak sometimes do not survive. However, that happens in all fields of endeavour.

**Mr R.C. Kucera:** Was any discussion had by your party with regard to joining with the state ministers for small business to push the issue of antitrust legislation at the federal level? That is the real answer. It is not a matter of trying to use contrivances such as Sunday trading and that type of thing to protect the small operator against Coles and Woolworths. The real issue is the national antitrust legislation.

**Mr J.E. McGRATH:** Many people say that the Australian Competition and Consumer Commission is a toothless tiger.

**Mr R.C. Kucera:** It is out of balance. You have the ACCC on the one hand but no antitrust legislation on the other.

**Mr D.F. Barron-Sullivan:** You cannot have effective antitrust legislation at the federal level. That is why in America virtually every state has either legislation that draws down on and improves the powers of the federal acts or, alternatively, they provide for specific state-based measures. That is why the most effective antitrust measures are those that are implemented at a state level that are not inconsistent with federal legislation.

**Mr R.C. Kucera:** As the member knows, it cannot happen if the federal legislation is not there to support it in the first place.

**Mr D.F. Barron-Sullivan:** It can happen. It cannot happen only if the federal legislation is not in accordance with section 109 of the Constitution.

**Mr J.E. McGRATH:** I am sure that the member for Leschenault will make a contribution later.

**Mr R.C. Kucera:** I commend the member for South Perth for his courage.

**Mr J.E. McGRATH:** As I said earlier, before we made this decision, we took on board what the community was saying. We have made a few demands on the government. We will insist that whatever the outcome, all players must be on a level playing field. That is the one point that I have heard from all hoteliers who have contacted me. They have told me that they can accept change but that they want to be kept on a level playing field. They do not want anyone to have an advantage over them. The hoteliers have paid a lot of money for their licences. Hotel and tavern licences are hard to get. Hoteliers must provide one parking bay for every three square metres of space. The running of a pub involves a lot of overheads; it is a highly regulated business.

I have made several demands of the government, which I hope it will consider. I have discussed some of the proposals with the government. We believe that two or three years from the day the legislation commences the government should require an independent regulatory impact study into the hotel industry. We will also demand that the government appoint more compliance officers to deal with the liquor industry. Apparently only four compliance officers deal specifically with liquor in Western Australia. I think that in all there are 18 or 19 of them, but many of them are tied up with other work involving Burswood Casino and others are located in country areas. If we introduce this legislation and more outlets begin to supply liquor, we will need more compliance officers. I am sure that the minister will consider the matter and provide some assurances to the opposition during the debate.

We understand that the government is not keen to extend trading hours on Sundays and that that has something to do with the health lobby. People in the health sector inform us that the busiest time in metropolitan emergency wards is Monday morning. It is the end of the weekend and people end up there for all sorts of reasons. People from the health sector are strongly opposed to giving hotels carte blanche to close at midnight on Sundays. However, hotels can get extended trading permits to extend trading until midnight or beyond, although the hoteliers have told us that it is hard for them to get an ETP. I have spoken to the minister about this matter and told him that hotels should be able to trade until midnight on Sundays, particularly on long weekends, when many people do not work on the following Monday.

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We talk about Perth being dullsville. People who arrive in Perth from Melbourne or Sydney at nine o'clock on a Sunday night throw their bags into the hotel room and want to go out on the town but find that the pubs are shut by 10 o'clock. They must think that they have arrived in a country town. Hotels should be able to open until midnight on some Sundays. The Australian Hotels Association has concerns about some of the requirements placed on hotels and it wonders whether the same requirements will be placed on other licensed venues. Section 99 of the Liquor Licensing Act requires licensed venues to ensure that their premises are thoroughly cleaned and are in a hygienic condition. The hotels are examined by inspectors. Therefore, the hoteliers must make sure that the toilets are clean and are maintained in a suitable condition. I have been to some toilets in several restaurants in Northbridge and can inform members that some of them would put members off going back to the restaurant for another meal. I urge the minister to ensure that if a restaurant is granted an ETP to serve people alcohol without a meal, it must be made to comply with the same conditions that hotels must comply with. Restaurants must be required to meet the same level of cleanliness that is expected of hotels.

Restaurants that are seeking an ETP to serve liquor without having to serve a meal to 100 per cent of patrons should be required to advertise that fact. I have spoken with the Director of Liquor Licensing about this matter and he agrees with me that if there is a possibility that the granting of an ETP could impact on the public, the restaurant should be made to advertise. Somebody in a residential area could be granted a restaurant licence - they are easy to get - and the residents might not have a problem with that. However, the restaurant could become a place that is frequented by people who do not have a meal and it could become busier and resemble a bar. A restaurant should have to advertise its intention to seek an ETP so that the local residents can have a say in the matter.

There is a funny requirement on hotels and taverns whereby a bottle shop cannot be opened unless at least one bar is open. That is because the primary reason for being granted a hotel or tavern licence is so that the premises are run as a hotel or tavern and not as a bottle shop. Therefore, the hotel or tavern must serve alcohol to anyone who walks in off the street. However, most hotel bars would be empty at 10 o'clock on a Sunday morning, yet the hotelier is required to keep a bar open to sell packaged liquor. That is unreasonable and the requirement should be removed to make it easier for some of the small, battling hotels to survive. They would be saved from having to put on staff during those times. I have spoken to the minister about this matter and he is amenable to it.

In many areas hotels are not allowed to serve patrons a drink without also serving them a meal. That is a local government regulation. We believe that the same requirement should apply to a restaurant. If a restaurant up the road from a hotel had an alfresco area and could set up tables on the pavement and serve patrons without having to serve them a meal, it would be unfair on the people down the road at the hotel who were not allowed to take their drinks outside. The local government has banned the Paddington Ale House from doing that. It is owned by Neil Randall, and he is unhappy with the situation. That is an issue that local government should look at. If it is a local government requirement, it should be made to apply across the board.

We want to work with the minister on the question of whether he is amenable to a phase-in period. I have spoken to the minister about this, and I guess we will look at this question as we consider this legislation. I know that some members are very keen on it, including the member for Murdoch. I believe that restaurants do not need a phase-in period because they already have the capacity to serve alcohol without a meal to 20 per cent of their customers. The legislation will be slightly extending that capacity, so I do not believe it will have a great impact. Restaurants should be able to do that straightaway.

Small bars will take a while to be established. If people want to establish a small bar, they must first get premises and then the approval of local government. If most local governments are like the ones I know, such approvals will take a long time to obtain. They must then obtain a licence from the Department of Racing, Gaming and Liquor. I believe that 1 July 2007 would be a reasonable phase-in date for bars, and probably not many would be up and running by then anyway. However, we will discuss that during consideration in detail of this bill when I am sure other members will mention it. The legislation covering liquor stores is expected to have the biggest impact on hotels of any of the four planks of the legislation. The date of 1 January 2008 would give hotels 12 months in which to prepare for the time when they lose their monopoly on Sunday trading and when Sunday trading for liquor stores kicks in throughout the metropolitan area. We will talk to the minister about those aspects of the legislation.

I have found it challenging to work through this legislation. I am learning the meaning of the word "lobbying". I believe that a couple of people in Perth went to the school of world-class lobbying. The hotel industry seems to generate passionate debate. I have heard from various sources that our hoteliers are regarded as the best in Australia. They do not get the backup of support from poker machines. Neither the government nor the opposition supports poker machines. Queensland has no independent liquor stores. When people obtain a hotel licence in Queensland, they have the ability to have a package liquor outlet on their property and three other



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package liquor outlets within a five or 10 kilometre radius of their hotel, plus they can have poker machines. It would therefore be a great investment to have a hotel licence in Queensland. Of course, hotels in Queensland cost many more millions of dollars to buy than is the case with hotels in Perth.

Our hoteliers face a challenge, which I do not think is insurmountable. Some opposition members are more concerned than I am. Knowing the wiliness of Bradley Woods and his staff at the Australian Hoteliers Association, they will meet this challenge and they will be looking at many ways of doing it, such as collective buying. I am sure they will have to become more innovative. Some of them might have to downsize. If they have a pub that is really struggling, they may be better off opting for a small bar and using the other part of the premises for something else.

**Mr T.R. Sprigg:** They can't.

**Mr J.E. McGRATH:** There is no such thing as "can't"; the member for Murdoch is sometimes very negative when it comes to liquor.

Several members interjected.

**The ACTING SPEAKER (Dr S.C. Thomas):** Order!

**Mr J.E. McGRATH:** The opposition believes that this could present an opportunity for hoteliers to take up the challenge, to expand into different areas and maybe to take up small-bar licences, because there is no reason that hoteliers should not take up small-bar licences. Having said that, the opposition will be supporting the legislation. I look forward to the input from some of the other members on this side of the chamber.

**DR J.M. WOOLLARD (Alfred Cove) [5.27 pm]:** The explanatory memorandum to the Liquor and Gaming Legislation Amendment Bill 2006 states -

The amendments made by the Bill support the Government's commitment to stimulating more innovation and choice for consumers, while at the same time promoting lower risk drinking environments and addressing alcohol-related anti-social behaviour.

I think that is a bit of a joke. This bill almost opens up the doors completely; if people want to sell alcohol, they can sell alcohol. I cannot see how opening up the doors for anyone to sell alcohol will promote lower risk drinking environments and address alcohol-related antisocial behaviour. The memorandum also states that one of the aims of the bill is for metropolitan liquor stores to be able to trade from 10.00 am to 10.00 pm on a Sunday. A referendum was conducted before the Retail Shops and Fair Trading Legislation Amendment Bill 2005 was passed by this Parliament. The referendum referred to Sunday shopping and asked people whether they believed that the Western Australian community would benefit if trading hours in the Perth metropolitan area were extended to allow general retail shops to trade for six hours on a Sunday. Although retail shops and liquor stores have been separate historically, many people see a liquor store as falling within that category. The referendum was conducted within the community. Some 60 per cent of people said that they did not think there would be a benefit if trading hours for retail shops in the Perth metropolitan area were extended to six hours on a Sunday. It is absolutely disgraceful that this government is not taking heed of the response to that referendum. The referendum set a precedent for trading hours. If the minister wishes to make a change to licensed trading hours, the government should conduct another referendum setting out the extra allowances for people selling alcohol that this government is introducing with this bill, because we know the problems caused by the consumption of alcohol. The member for Perth talked about problems arising from intoxicated people being admitted to accident and emergency departments. It is not just a question of the immediate effects of intoxication but its long-term effects. This bill is all about increasing alcohol consumption. I can understand that in light of the drinking records of some of the members of this house, but we are not here to push our own bandwagons. We are here as members of Parliament to support what the community has requested. The community overwhelmingly said no; 60 per cent said no. What will happen with the introduction of 12-hour trading? At the moment the total market capacity for independent retail traders for Sunday trading is up to 35 per cent.

**Ms S.E. Walker** interjected.

**Dr J.M. WOOLLARD:** Member for Nedlands, I do not listen to the garbage coming from that side of the house, particularly about a bill that comes from this minister, who is dishonest.

*Withdrawal of Remark*

**Mr R.C. KUCERA:** I think that remark was unparliamentary. The member said the minister was dishonest.

**Dr J.M. WOOLLARD:** Mr Acting Speaker, I do not believe a word that comes out of his mouth after what he has said in the past in this house.

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**The ACTING SPEAKER:** I ask the member for Alfred Cove to withdraw the statement and perhaps put it in other terms.

**Dr J.M. WOOLLARD:** I will withdraw the statement.

*Debate Resumed*

**Dr J.M. WOOLLARD:** I put on record that I do not believe a word that this minister says. I think that some of his own backbenchers should listen to what he is saying to them in the party room and ask him for statistics, for facts, and then they would not believe a word he was saying either.

**Mr J.R. Quigley:** I will tell you what happens in the party room: he speaks and we clap.

**The ACTING SPEAKER:** Member for Mindarie!

**Dr J.M. WOOLLARD:** Let us ignore the rabble over there. I think they have probably been outside having a few drinks already.

Several members interjected.

**The ACTING SPEAKER:** Members, we will have some quiet, please.

**Dr J.M. WOOLLARD:** Currently the total market capacity for independent retail traders is up to 35 per cent on a Sunday. I think if a referendum were held to establish whether the community would support an increase in trading hours for independent liquor outlets, the community might accept that. I am thinking of the situation under the Retail Trading Hours Act, which says there must be so many shareholders and so many employees in a small business. If it were a bona fide small business with four or six shareholders and up to 10 employees, and maybe three businesses in the state, the community might accept the proposition. This bill does not do that. This bill will allow the big guys on the block, the Coles and Woolworths, to increase their share of the market. I believe the big stores currently have 55 per cent of the liquor market and 67 per cent of the grocery market.

What will happen to the smaller stores when this bill goes through? What will happen to the small businesses that have independent liquor stores? We know what will happen. Just as the big stores hand out petrol vouchers at the moment, they will offer some kind of dividend to people to buy alcohol at their outlets on a Sunday. Alcohol prices may well come down. How many years will it take for the big stores to reduce costs and get rid of independent liquor stores? Many people see this legislation as the thin end of the wedge. What will it be next? It is liquor stores now, but we know the big stores want to have an outlet for pharmacy goods. Will it be pharmacies next? Will we see the demise of lots of local pharmacies? This is a foot in the door. This is the big guys taking over more. Small business people will lose as a result of this bill. I have been told by a fairly reliable source that some research done by the independent liquor stores shows that 65 per cent of independent liquor store operators said they did not want this legislation. So, where is this government's accountability? It is sadly missing. We had a referendum on retail shopping hours. This is a way of completely ignoring that referendum. It is liquor stores now and pharmacies next. Who will it be after that?

When one looks at the memorandum accompanying this bill, one sees a number of interesting matters, such as the creation of the public interest test to replace the needs test. I am sure, Mr Acting Speaker (Dr Thomas), you will have been lobbied by liquor store owners who are very concerned that the public interest test will replace the needs test. When one looks more closely at the explanatory memorandum, one sees that it talks about percentages. Clause 50 of the bill will remove the current 20 per cent restriction that applies to permits that allow consumption of liquor without a meal; it will enable the licensing authority to grant a permit allowing up to 100 per cent of the available seating capacity of a restaurant to be used for the consumption of liquor without a meal. Many people would like to see the current statistics relating to this because restaurants can apply for a licence now. Many people would like to know how many restaurants are applying and being refused. Perhaps something can be done about the number of places allowed a licence rather than giving carte blanche to everyone to sell alcohol for 100 per cent of a restaurant's seating capacity.

Again, this bill gets back to costs. This government is not meeting the community's needs created by the current health crisis. This bill, like many other bills, will result in only short-term gains. I am not quite sure who the big guys are handing money over to for this legislation, but I am sure some money is passing hands to get this bill through the Parliament.

**Mr M.P. Whitely** interjected.

*Withdrawal of Remark*

**Mr R.C. KUCERA:** The member for Alfred Cove made a clear imputation against the minister. It is in fact an imputation against all members of this house, including opposition members, who have clearly indicated they

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will vote for this bill. It is all right for members to have some poetic licence when they are debating legislation, but that was clearly an unacceptable imputation.

**Ms S.E. WALKER:** The member for Bassendean referred to the member for Alfred Cove as “clearly mad”. That is unparliamentary and against the code of conduct that was brought into this Parliament by the member’s own side.

**The ACTING SPEAKER (Dr S.C. Thomas):** On the first point of order, the statement made by the member for Alfred Cove was of a very broad nature and not specifically directed at an individual member of Parliament. It therefore cannot be taken as a point of order. On the second point of order, I did not hear what the member for Bassendean said, but if he did say that the member was mad, I direct him to withdraw.

**Mr M.P. WHITELEY:** I withdraw.

*Debate Resumed*

**Dr J.M. WOOLLARD:** I am just voicing what a lot of people in the community are asking. They are asking why this is happening. They are asking whether getting this bill through Parliament is money talking, bearing in mind that in the referendum 60 per cent of people said no to Sunday trading. Why has this bill been brought to the table and who will benefit from it? Many people are concerned about who will be next. They have seen smaller petrol station proprietors go out of business. This bill will put some liquor store owners out of business. Who will be targeted next? Will it be pharmacists? Who will be next? One need only recall the debate on trading hours in this house when it was stated that when the issue was debated over east, some of the bigger businesses said it would make no difference to the smaller guys; however, the bigger businesses put their prices down for a year or two and the small businesses went out of business. That is what will happen with this legislation.

I supported the small businesses in my electorate prior to the last election, and I will be supporting them again on this bill. I do not support the notion of open slather for liquor stores to trade from 10.00 am to 10.00 pm on Sunday because I know that will put out of business some smaller liquor store owners in my electorate and the electorates of many other members of this house.

Several members interjected.

**The ACTING SPEAKER:** Order, members!

**Dr J.M. WOOLLARD:** Mr Acting Speaker, garbage comes from government members when I am speaking! I like to think that I am accountable to the members of my community. I am very disappointed that the government has completely disregarded the community’s wishes and slipped this bill to increase trading hours through the back door. However, some other aspects of this bill are a bit of a joke. I will finish soon as I know that the member for Nedlands wants to say a few words before dinner. I was looking at the definition of “drunk” in the bill.

**Ms S.E. Walker:** Don’t mention any member’s name.

**Dr J.M. WOOLLARD:** No. Proposed section 3A of the bill states -

- (1) A person is “**drunk**” for the purposes of this Act if -
  - (a) the person is on licensed premises or regulated premises; and
  - (b) the person’s speech, balance, co-ordination or behaviour appears to be noticeably impaired; . . .

Will this be another double standard for this house, like smoking? We apply one rule to workplaces and the community and another rule to Parliament. People puff away outside in the courtyard in front of schoolchildren, and sometimes members have to take a breath walking out of this chamber to get through a haze of cigarette smoke.

[Member’s time extended.]

**Dr J.M. WOOLLARD:** How will this definition of “drunk” be applied? Who will know what a person’s speech, balance, coordination or behaviour was beforehand to make that judgment? There are some people who, under this definition, would be considered drunk all the time. I will be interested to hear where this definition came from. I believe it is a ridiculous definition. The definition of “drunk” should be related to a measure for evaluating a person’s intoxication. Because the member for Nedlands wants to speak -

**Ms S.E. Walker:** No.

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**Dr J.M. WOOLLARD:** That is all right; I will return to the chamber and address some issues in the bill during the consideration in detail stage.

We know that the minister's statement in his second reading speech about taking into account the interests of community health and safety was garbage. Where is the minister? He is at the back of the chamber. We know what the minister said was garbage. The bill does not take the interests of community health and safety into account. This bill is similar to the cannabis legislation: there will be more ill-health. The cannabis legislation led people from cannabis to hard drugs, and resulted in an increase in mental health issues. This legislation will result in an increase in not only mental health issues, but also all the diseases related to alcohol consumption. This government has already said that it is okay for people to smoke pot, and now it is saying that it is okay for people to drink alcohol whenever and wherever they like. That is very sad and it is not in the community's interests.

**MR B.S. WYATT (Victoria Park)** [5.49 pm]: I rise this evening to speak in support of the Liquor and Gaming Legislation Amendment Bill 2006. It is worth noting that the Freemantle review of the Liquor Licensing Act concluded that our liquor laws need to provide greater stability to meet the needs of consumers and tourists while promoting the consumption of liquor in low-risk drinking environments.

During my time at university I had the pleasure of working in a bottle shop. It was the Carlisle Liquor Barons, to be precise. When I commenced articles I did so under Dan Mossenson, who is known as somewhat of an expert in liquor licensing law. It is an area of which I have some experience. It is certainly an area that I am delighted that the member for South Perth has been able to inform the house today of the Liberal Party's position. It is clear that the current law as it stands is complex, contradictory and expensive. The one thing it has done is to promote a burgeoning liquor law industry. I am confident that the changes supported by the vast majority of members of this house will go a long way towards addressing that.

This debate has been interesting. This bill has been somewhat of a cathartic experience for the Liberal Party in getting from one position to another. I am delighted that the Liberal Party is supporting this bill. Although I have never been a member of the Liberal Party, I have had carried out some theoretical studies and had discussions with people who call themselves Liberals. That great Englishman, Mr Menzies, who started the Liberal Party, was very proud of its focus on the individual: freedom of choice and the encouragement of private initiative. I was gobsmacked that the Liberal opposition would oppose what seemed to me quite clearly to be a Liberal philosophy.

**Mr T.R. Sprigg:** We did not do that at all.

**Mr B.S. WYATT:** I have quite a good speech to make. If the member for Murdoch listens, he might learn something about his party. I have done some research on what the Liberal Party stands for. I was unsure; I thought I knew until there was opposition to this bill. I looked up the Western Australian Liberal Party web site. It contained a question and answer -

What does the Liberal Party stand for?

...

**We believe** in the inalienable rights and freedoms of all peoples; and we work towards a lean government that minimises interference in our daily lives; and maximises individual and private sector initiative.

That accounts for my initial surprise that the Liberals would oppose such an initiative of the minister and the Carpenter government.

That takes me to Alfred Deakin. For the benefit of the member for Murdoch, he was Australia's second Prime Minister. I think he went on to become the fifth and possibly the seventh. Certainly, for the first 10 years of Federation Mr Deakin was a prominent figure on the Australian political scene. When he commenced his political career he was a free trader. Subsequently, he became a protectionist.

I am delighted that the member for Leschenault is back in the house. One of the side issues that has been discussed is the idea of state antitrust legislation. The member for Leschenault threw up the example of the United States of America and that its states draw down from its federal legislation. An interesting point to note is that Australia and the United States have very different Constitutions. The Americans are very proud that their Constitution is very forthright and very strong on state rights. The Australian Constitution initially sought to preserve state rights. Since the Second World War that position has changed fundamentally. We have only to refer to the Engineers' Case and section 109 to establish the fact that the Constitution - for the benefit of the member for Leschenault - shows that the idea of state-based antitrusts will not be compatible under the current

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Australian Constitution and, in particular, the way in which the High Court interprets the Constitution. I use the member's word by using "antitrust". It is a very American term; I am surprised that he did not refer to it as the Sherman Antitrust Act. In the event that this bill gets through, the member for Leschenault will have to negotiate his way through the Supreme Court and the High Court. As we know, the High Court is very favourable to state rights at the moment. He also has the problem of what exactly he is going to do. What is he intending to set up to support this state-based Sherman Antitrust Act? We will call it the Sullivan act, which is more relevant. One of the main arguments run by the Australian Hotels Association is that this bill will increase costs on licence holders exponentially - costs will increase by huge amounts. That position is no longer argued. However, setting up a state-based commission that the member for Leschenault is proposing to enforce the spurious antitrust sections of the act will make the glass of chardonnay he hopes to have at the wine bar in his electorate a fair bit more expensive.

I want to refer to the points I was making earlier about the Deakin Settlement. I do not know whether the member for Leschenault has had the good fortune of reading *The End of Certainty* by Paul Kelly. The member for Leschenault is ignoring me. It is a book that he should read. He should pay particular attention to what Paul Kelly says about the Deakin Settlement, or the Australian Settlement, as it was then in the years immediately after Federation. I will quote Kelly briefly -

The ideas which constitute the Australian Settlement, though devoid of formal definition, may be summarised under five headings - White Australia, Industry Protection, Wage Arbitration, State Paternalism, and Imperial Benevolence . . . This framework - introspective, defensive, dependent - is undergoing an irresistible demolition.

The position taken by the member for Leschenault and the theoretical basis upon which he will move amendments during consideration in detail have been irresistibly destroyed. This is something that Deakin and the Deakin Settlement proposed in the early 1900s. The member is trying to reinvigorate it in a way that Professor Craven has said is legally illegitimate. There is no legal base that the member for Leschenault has for his ridiculous, and what the High Court will find to be incompetent, changes.

I conclude by saying that the people of the electorate of Victoria Park to whom I have spoken are very excited about these changes. We all support small business; there is no question about that. The one way in which we do not support small businesses is by mollycoddling them. We should not say that they cannot have any form of competition whatsoever. That is ridiculous. I am sure that the member for Leschenault is considering his future with the Liberal Party. He is probably pondering his run as an Independent some time in the future. However, once the member speaks to a lawyer - the lawyer does not have to be competent; if he speaks to the member for Nedlands, she will probably tell him - he will be told that his idea has no legal base. I look forward to consideration in detail, during which the member will no doubt move some fancy Shermanesque amendments. The member is entertaining. I am sure he will entertain us all during consideration in detail of this bill. I am looking forward to it. However, the doyen of Dullsville - as the minister referred to the member for Leschenault - understands that he has taken a political position to perhaps support a future run as an Independent. In my electorate this legislation will create a dynamic, exciting and innovative liquor industry, which we have not had in Western Australia for many years. This legislation will not defeat the pubs; the pubs will survive as well as they always have because they will also respond. They will respond to these changes as they have to change over centuries. I conclude by saying that I throw what weight I have behind this bill.

*Sitting suspended from 6.00 to 7.00 pm*

**MS S.E. WALKER (Nedlands)** [7.00 pm]: I support the Liquor and Gaming Legislation Amendment Bill 2006. The last time this legislation was discussed in my party room, I was not present; I was in Sydney. Therefore, I did not have the opportunity to listen to the party room debate. However, I did today. In any event, I wish to discuss three areas. The first is small bars. I believe that small bars are a good idea for Perth. The reason I say that is that a few years ago I was in Melbourne with my daughter. I think we were in Toorak actually. We went shopping, and we came across a small bar. We sat down and had a drink. It was very civilised, and it was quiet. We just had our drink, had a conversation - it was not raucous - and then moved on. It is a good idea because it gives people choice about where they can go to have a drink.

I will deal with restaurants. I remember the first time I sat in a restaurant and was told that we must have something to eat. This was quite a few years ago - I do not know the history of the legislation - and I cannot remember whom I was with. However, we sat down, and we thought that we would just have a glass of wine, have a chat and then move on. We were told that we could not have a drink because we had to have a meal. I remember thinking at the time how outrageous that was. Therefore, I am pleased to be able to support this legislation today.

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In fact, I have received quite a few e-mails from my constituents about this legislation, including people in the young professional group, and I have had representations from older people. I cannot read out the names of all those people. We tried to get in contact with them to ask them whether I could read the e-mails in the Assembly. However, as an example, a mature-age woman from Peppermint Grove whom I know and who is single came into my office and said that she had lived in Victoria, where the system worked very well. She does not want to have to go to a pub every time she wants to have a drink. She believes that it limits social opportunity instead of protecting society, and to not vote for it would be draconian. She said that it forces people to participate in certain eating and drinking practices, rather than having a choice of the food-drink venue. I agree with that. I do not agree that there will necessarily be more people drinking alcohol. In my view, the same number of people will be drinking alcohol, but they will be drinking it at different places. I received these e-mails very early on in this process. More recently, and particularly in the past five days, I have had representations from hoteliers. They have valid viewpoints also, but I will come back to them.

A constituent wrote to me and said -

I refer to the package of proposed reforms to liquor laws in WA announced by the government in March this year. I note to date no such proposed legislation has been introduced to parliament and am concerned at the lack of progress on this front as I consider it very important for this state.

That person supports the government's legislation. I received an e-mail from Ric and Louise Denny of 12a Riley Road, Claremont. I know they are Liberal voters. They wrote to me and said that they agree with this bill. The e-mail concludes by stating -

Everyone I speak to agrees with my stance.

Louise Denny

She said that I could read that in the Assembly. Another person from whom I received an e-mail states -

The entertainment scene in Perth is dominated by a small number of very large and loud hotels that cater for 100s (even 1000s) of patrons. I have very little interest in frequenting such establishments. There are very few places where I can enjoy a quiet civilised drink and a chat with friends this is the kind of service that the small venue licence and restaurant licence changes would provide. . . .

One of the key reasons why professional 20-somethings flee Perth is the utter lack of civilised venues at which to socialise. I believe that the kind of people who will frequent the venues encouraged by the proposed reforms are the young professionals . . .

A lady who came to see me in my office - she is an older, mature woman - lives in Peppermint Grove. She said that she and her friend met. They were celebrating something, and they decided they wanted to have a glass of champagne. However, they had to go Ogden's Grill at the hotel. There is nothing wrong with that. I have often been there and had a meal. However, they wanted to go to a place where they felt there would be just a few people and they could have a drink. This legislation will give people choice, and I am very much in favour of that.

I promised some hoteliers who rang me that I would raise their concerns about this legislation. I want to make very clear, and put on record for my electorate, that my support for Sunday trading for liquor outlets does not mean that I will support Sunday trading for retail outlets generally. Before the referendum was held at the last election, quite early in the piece I was visited by people from my local supermarkets. They asked me whether I would support them in opposing retail trading on Sundays, and I said that I would. I immediately put on my web site that I would oppose it, and I said why. At the weekend, someone for whom I have a great deal of respect said to me that the trouble with politicians is that they vote for all the wrong reasons; they vote for the votes. I do not think many people, including businesspeople, understand that our job is about keeping our seats and representing the community. I believe that this issue is different from the issue concerning independent grocers. I say that because when the independent grocers' issue was ongoing, I remember having wheeled into my office on a trolley about 1 800 letters to me asking me to not support the government's legislation, I think. Did the government have legislation at the time?

**Mr M. McGowan:** We had legislation to increase the trading hours on weeknights, and then we brought forward the referendum proposal.

**Ms S.E. WALKER:** Okay. I know that at the time Labor backbenchers were having the same sorts of things wheeled into their electorate offices, and that is why the government said that it would go to the people. This time I have not had that. As I said, I have received e-mails - I will not read them all out - from people who are in my electorate and who like the legislation. Those people are in all age groups. More recently, there has been a

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concerted telephone campaign about this legislation from hoteliers. I will read out some of their comments, because they are valid also. The difference for me this time is that I have not had the overwhelming response from people in the electorate that I had on the independent grocers' issue and the referendum.

People who were not members of Parliament at the time do not understand what happened to Legislative Assembly members, in particular, when that last issue was ongoing. The independent grocers work very much at the grassroots level. They support many of the community groups. That is why a lot of people signed petitions at the checkout as they were leaving those stores, and that is why the independent grocers caused a problem. They were a thorn in the side of the Labor government. That is why the government had to get out of it through the referendum. I have not had that response this time. However, some hoteliers, most of whom do not have hotels in my electorate but who tell me they live in my electorate, have raised concerns. I will read out the concerns of one hotelier. I will not say where the owner is located, because I do not want to identify him; I do not think I have his permission to do so. He states -

I am the owner of a pub . . . which we bought 2 years ago, just before the goalposts were shifted. I am also a resident of Nedlands which is why I am writing to you.

With regard to the proposed liquor reforms and the oppositions apparent change in views, I have the following points to make;

1. We are a traditional Australian pub . . .

The minister may be able to address this e-mail in consideration in detail -

with three bars and a bottleshop, reasonably successful with a turnover in the order of \$50000 a week.  
...

We would not have 120 people in our pub on any day of the year. The average number of customers we would have is around 15, and even in the busy after work hours it would be around 25 to 30.

Presumably the new small bar provisions are to encourage bars smaller than existing pubs. If this is the case then calling a bar for 120 'small' is ludicrous. A limit of 120 is no limit at all. Furthermore, the new 'small' bars will need to generate the same sort of trade as us if they are to survive. In short, they will be effectively operating under the same conditions and constraints as us and will be direct competitors.

2. Given that the new rash of bars need trade to survive, is the intention of supporters of these reforms that this trade comes from either 1) a general increase in drinking or 2) by taking custom from existing establishments?

It has to be one or the other.

If it is the first answer, that is not a very laudable aim and not one I have seen promoted. If it is the second, then leaving aside any issues of fairness to people who have paid a lot for their licences only to have them picked up for nothing by their competitors, that is likely to result in a lot of bars with not enough trade to go round to cover costs.

I am nearly finished, Madam Deputy Speaker. I would like to make this point on behalf of hoteliers. The e-mail continues -

3. The intent of these reforms is clearly to loosen up our laws to enable say someone sitting outside a café having a beer watching the world go by, as is allowed in most civilised countries. I am in complete support of this as a general principle.

Are you aware however that even if this bill to allow restaurants to serve alcohol without meals goes through, then the scenario above will still be prevented by local council regulations. Fremantle Council for example themselves impose a condition that alcohol may only be served with a meal on any alfresco dining area on the footpath.

We may soon have the ludicrous scenario where people are allowed to drink (and smoke) without eating in the courtyard of the restaurant 50 metres from us, yet they are not allowed to do so outside our pub. The restaurant will turn into a bar and the pub will have to turn into a restaurant. This also has the delightful effect of forcing the smokers to share the very same space as diners. If these reforms are to go ahead I urge you to go the whole way by ensuring the restrictions on drinking outside must also be lifted by councils.

I have been asked to meet with the owner of this pub but I have not had the opportunity to do so. I ask the minister to respond to the concerns raised in that e-mail.

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I do not believe this legislation will lead to ill-health. It may. It has gone through my mind that it may lead to increased alcohol consumption but that would not be as a result of small bars and restaurants serving alcohol without meals. Maybe some people would be more prone to purchasing alcohol on a Sunday because those outlets are open whereas if they are closed, they drive past.

If anyone thinks that as the member for Nedlands I am taking a different stance to the one I took on the referendum on retail trading hours for independent grocers, they will be sorely mistaken. I see this as different because of the response I have had from the electorate. My role as member for Nedlands when dealing with legislation is to firstly consider the views of my electorate. My general feeling from the response my office has received is that consumers want this legislation, and I think they have a point. If I had any doubt about this legislation, it would be about Sunday trading. In the end, I support this legislation as a package. During consideration in detail I will raise a few different issues that have been raised with me.

**MS K. HODSON-THOMAS (Carine)** [7.15 pm]: I rise to comment on the government's liquor reform package. While I support aspects of the government's proposals, I wish to raise a number of issues on the proposed reform. I acknowledge that community attitudes and community expectations about the variety of venues people wish to frequent have changed. The community clearly has a desire to frequent alternative environments to participate in social and entertainment settings. The reform will provide the legislative framework for that participation to take place. It is appropriate that we acknowledge the highly regulated environment that currently exists and in which the hotel industry has operated for a long period and the high cost invested by hoteliers for licences. Little has been said about this during this debate. I will discuss that further in due course.

In the first instance, I wish to discuss the notion of boutique bars. The proposed reform for new operators who are interested to come into the marketplace and open boutique bars has been exploited during the "Dullsville" campaign. It is regretful that people tag Perth as being dull and that the minister responsible for the legislation would take advantage of that campaign to further debate the changes before us. That is very disappointing. He should know better. We should be promoting our state; we should not be talking it down. I believe these boutique bars should be in entertainment centres where there is already an acceptance of social activity and nightlife within those precincts.

When the opposition was first briefed on the liquor reform package, I was puzzled by the suggestion that obtaining a bar licence was not possible or, at the very least, difficult to come by. I understand that the existing legislation provides an avenue to obtain a bar licence under the category of a tavern licence. It is possible to obtain a licence under the existing regime. Three such tavern licences that come to my mind are Black Tom's in West Perth - I am sure lots of members in this place have been there - the Must Winebar in Mt Lawley and Nine Mary's in Hay Street, Perth. I notice that the member for Cottesloe has not been to Black Tom's. He might find it an enlightening experience. Again, I point out that there are avenues for bar licences to be applied for under the existing legislation. Nevertheless, the government intends to create a new bar licence category. The points I wish to make about this new category are as follows. Firstly, what the government is proposing goes further than I believe is necessary or reasonably acceptable. I reiterate the comments I made previously. There are changing community expectations about alternative venues. I support the intent but the detail needs further examination. The new category allows for a bar licence to be obtained for up to 120 patrons. It is important to put that number into perspective. One hundred and twenty is not an insignificant number. When I have discussed the notion of boutique bars with my constituents, the general view is that this arbitrary figure is too large. I cite an example that occurred some years ago that is relevant to the debate. I raise it for, and on behalf of, my constituents in my electorate of Carine. The former Castle Hotel was located on the corner of Flora Terrace and Castle Street in North Beach. Not long after that area went through a revitalisation and redevelopment program, the licence holder of the Castle Hotel wished to reinstate his licence. He embarked on obtaining a tavern in the vicinity. The community was deeply concerned about the proposal and took significant steps to campaign against the proposal for a small tavern in the area. Members of the community raised significant funds and engaged lawyers to fight against the proposal. They highlighted many of their concerns, such as the prospect of further anti-social activity in the area, noise issues, car parking and traffic problems not being realised. Subsequently they won and the tavern did not progress any further.

Again, I restate that the number of patrons needs to be carefully examined, and checks and balances must be put in place to allow those residential communities that simply do not want bars opening in their local streets to be involved in the approval process. My constituents tell me that they do not want a bar opening on the corner of every local residential street. It is my hope that the public interest test, which will replace the needs test, will provide communities with an opportunity to be heard when there is fair and reasonable opposition to a proposal.



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I wish to highlight some of the concerns that have been raised with me by many members of the hotel industry. Although I am sure that many people would suggest that the industry opposes all aspects of this legislation because of self-interest, I wish to place on record that the discussions that I have held with many of them have been reasoned, and there is a general acceptance by them of some reform, because they know full well that they have operated in a highly regulated environment. It is important to acknowledge and recognise that hoteliers have paid significant funds for their licences and have invested extensively in their establishments in a highly regulated industry. They say that their concerns lie, in the main, with the pace at which the changes will be progressed. They also highlight the process and management of the recent changes to the regulations on smoking in public places, which allowed the industry and consumers to prepare for those changes and move forward in a positive way. The hotel industry acknowledges and recognises that liquor licensing reform is inevitable, but just as the smoking regulations were introduced and progressed in a logical manner, this reform should be progressed in a similar fashion. A number of hotel establishments have undergone enormous revitalisation, and there has been a large investment of funds in that revitalisation. For example, the proprietors of The Carine hotel in my electorate have endeavoured to meet the changing expectations of the local community with the opening of its restaurant and function centre. It is a fantastic restaurant and a great function centre, and a lot of activity takes place there. The hotel has worked tirelessly to build a thriving family-friendly entertainment centre. There are, of course, the odd occasions when problems arise from antisocial behaviour, and I concede that alcohol plays a role in that. I wish to place on the record that the proprietors have done their very best to minimise unacceptable behaviour, and they have a cooperative working relationship with the local police. Another hotel that comes to mind is the Subiaco Hotel, which also expanded and revitalised its operations, again recognising the changing community expectations. The hotel has a restaurant, a lounge bar and a traditional front bar. The lounge bar setting accommodates 40 patrons and provides an intimate and relaxed social environment. The front bar, or the public bar, can accommodate 120 patrons, which is the figure that has been suggested by the minister for the small bar licence.

I certainly indicate my support for restaurants providing patrons with an alcoholic beverage without a meal. Most thinking people would agree that it is an outdated practice to prevent patrons from having a drink without a meal. Having said that, to date not many restaurants have taken up the extended trading permit to do just that. The figures that my research officer provided me with about two weeks ago indicate that only about 11 per cent of restaurants have taken up these permits; that is, about 80 restaurants out of 780. I suspect that that is because most restaurants do not want to be quasi-bars; their core business is food and no doubt they want their patrons to come in and sample their food.

The issue that I have a huge problem with is Sunday trading. It is the sticking point for me in the legislation. I have a long-held position on the matter. The issue has been discussed and aired in the community and was the subject of a referendum at the last state election. I respect the fact that the community indicated its clear opposition to the proposed changes to further deregulate trading hours. As a member of Parliament, it is important to acknowledge and respect the wishes and views of the people of this state. Sixty-four per cent of my electorate voted no to any further deregulation of trading hours on Sunday. With both my long-held position and the vote expressed by my electorate at the last state election, it is my view that if we are to extend trading hours for bottle shops or liquor stores, they should be extended only for independent liquor stores, which would bring those independent traders in line with independent grocers. That is the sticking point for me in this legislation. I have indicated to my party colleagues that I will not support that provision and I state that in this chamber. I say to those constituents who know that I have had held this position on the issue for a long time that I do not change my position.

Much of the debate has centred on tourism.

**Mr M.P. Murray** interjected.

**Ms K. HODSON-THOMAS:** Yes, that is the difference between us and those guys opposite - we are allowed to be freethinking.

Much of this debate has centred on tourism, and the relaxation of liquor laws will complement the tourism industry and will make our capital city and state more competitive on the world stage. There is no doubt that the tourism industry is suffering from a decline in both international and domestic tourism numbers. That being said, the issue of tourism and visitor numbers is not just about the relaxation of our liquor laws; it is more about the strategies that this government has engaged in to market our unique state. There is no doubt that more needs to be done to reverse this trend. Domestic tourism, which comprises about 55 per cent of the Western Australian tourism market, was down by about nine per cent last year. Furthermore, of our top international markets, there has been a 1.4 per cent decline in visitor numbers from the United Kingdom; a 1.6 per cent decline from New Zealand; a 13.2 per cent decline from Japan, and there is an interesting article in *The Bulletin* about the Japanese

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market; a 6.4 per cent decline from Malaysia; a 16.3 per cent decline from South Africa; a 0.5 per cent decline from Indonesia; and a 2.27 per cent decline from Ireland. The most recent figures released by the Australian Bureau of Statistics suggest that things are even worse this year. In fact, the Western Australian tourism market share has fallen every year since the Labor Party came to government. Even with the large amount of business tourism brought in by the resources sector, we still seem to be losing market share to other states. I can only imagine what our figures would be like if there were not a resources boom. If this government has a real commitment to tourism, it should have a good, hard look at itself, its current marketing strategies, its lack of real consultation with the industry and the bureaucratic processes that have inhibited the progressive development that would enhance our city centre and this wonderful state. I urge government members not to talk down this state. We should be actively promoting Western Australia. It is a beautiful place in which to live and to visit.

**MR D.T. REDMAN (Stirling)** [7.28 pm]: The member for Mindarie will have to be a tad faster! Before I begin my contribution to the second reading debate, I would like to declare an interest. Under standing order 128, "Pecuniary interest", I declare that I will not vote on any division that occurs on this legislation. My wife and I own a liquor store and, therefore, I have a personal interest in the legislation. As I develop the argument in my second reading contribution, members will see that in all cases my personal interests probably will not be met by the position that I will take on behalf of the National Party and on behalf of the people I represent.

This legislation has been on the cards for some time and it has been a point of discussion for many years. I know that there have been some attempts in this house in the past to introduce some liquor licensing reforms. The National Party looked at a number of key principles, and I will go through them to highlight how we assessed the legislation and subsequently came up with outcomes. The first principle is that we will not support any legislation that will increase the market share of the major supermarket chains. We strongly support small business. That is one of the tenors of National Party policy. We have some sympathy for the social environment that hotels provide in regional towns, including a level of heritage value. We will support any changes to the liquor legislation that will better meet the contemporary drinking habits of the community. If I understand the minister's second reading speech correctly, that also seems to be the main tenor of this bill. I am sure it goes without saying that all members of the house believe that the principle of harm minimisation must be fundamental to any reform of the liquor legislation.

A number of other states have made attempts to reform their liquor legislation. Victoria applies a public interest test. That test is similar to what is proposed in this bill. That may well be a test that we can use to measure this legislation against. New South Wales applies a social impact test to all new entrants. That change is relatively recent. That change has totally stymied new entrants to the marketplace. I argue that is not a good move either. As the member for South Perth has mentioned, in Queensland only hotel licences are issued, and each hotel is allowed to have up to three satellite liquor stores within a certain distance of its premises. The environment in Queensland is highly regulated. South Australia applies a needs test for new entrants to the marketplace. In South Australia the big liquor chains are dominant; there are only a handful of independent liquor stores.

One of the reasons the states have been considering liquor law reform is the national competition policy and the moves to free up the marketplace by removing competition as a reason for not allowing a new liquor outlet. I am sure that has also been a motivator for Western Australia. On Wednesday, 29 March the member for Kingsley asked the Minister for Racing and Gaming a dorothea dixer about liquor reform. The minister responded as follows -

I thank the member for Kingsley for the question. I will put the question in context. Jeff Kennett was the Victorian Premier for eight years during the 1990s. In many ways he was controversial, but he had a capacity for dominating and getting things done. One good thing that he did as Premier of Victoria was reform the liquor laws of that state, and Victoria is now reaping the benefits of that reform.

It concerns me that Victoria is being used as the template for these reforms. It concerns me particularly that Victoria is being used as an example of the good work that the minister is doing in putting together this bill. It is interesting that Victoria uses a public interest test. One document that is worth reading is a report by Marsden Jacob Associates. The report was prepared for the National Competition Council in June 2005 and is titled "Identifying a framework for regulation in packaged liquor retailing". The report refers to the Victorian scenario and the public interest considerations. It states that harm minimisation and amenity impact are two principles that must be considered in determining whether to grant new liquor licences. In Victoria in the past five years and nine months there has been a 72 per cent increase in the number of liquor outlets and a 40 per cent increase in the number of packaged liquor outlets. There is significant domination, particularly in the packaged liquor area, by the major retail chains. It concerns me that Victoria and the public interest test are being used as the template for this legislation. In some of the briefings we have had there has been talk about how the issue of new liquor licences may impact on the amenity of an area. It concerns me that this will lead to a proliferation of

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liquor outlets. The only reference that I have seen to the need to keep some control over the proliferation of liquor outlets is the statement in the minister's second reading speech that -

It should be noted, however, that the government does not consider proliferation of liquor outlets to be in the public interest and proliferation is not an outcome that will be supported by the public interest test.

However, that is certainly not what has happened in Victoria under its public interest test, hence the reason for my concern.

I turn now to the more contemporary issues facing Western Australia with regard to liquor legislation. There is no doubt that we need to regulate alcohol. Alcohol is a drug.

**Mr P.B. Watson:** Does that mean you are selling drugs?

**Mr D.T. REDMAN:** I am selling drugs, and am licensed to do so. We need to regulate the supply of liquor for the important reason that we need to protect public health. However, we also need to provide for the needs of the public. That is reflected in the objects of this bill. There is no doubt that the use of alcohol in indigenous communities is of significant concern. It is also of significant concern that young people are binge drinking. We have heard some horrific stories about how people are becoming involved in alcohol abuse at a young age and the impact that is having on the community. I do not think anyone in this house would doubt that we need to have some regulation. It is a case of finding a balance between the need to apply some level of regulation, and the need to meet the contemporary needs of the public. I say this in the context of our support for the tenor of the bill. We believe the principles of the bill are quite sound. However, we will be proposing a number of amendments to the bill. We will not be supporting the bill unless we gain support for our amendments.

We have heard the public debate about Sunday trading. We have also heard about small bar licences and about how restaurants with an extended trading permit will be allowed to serve alcohol to 100 per cent of their floor space. However, we have not heard a great deal about the public interest test. It is important to put on record that one of the most significant changes that is proposed in this bill is the move from a needs test to a public interest test. We need to assess very carefully what outcome that will achieve in making alcohol more readily available in the public domain. I am very surprised that there is no reference in the second reading speech to the need to consider the density of liquor outlets when making a judgment about whether a new liquor licence should be issued. The minister may refer to that in his response to the second reading debate. The Marsden report draws a direct relationship between the density of packaged liquor outlets and the level of consumption of alcohol in that locality. There is some dispute about the finer points of the relationship - that is, whether it is a straight line or a curve, or some different description - but in essence there is a direct relationship. That means that the greater the number of packaged liquor outlets in a particular area, the stronger is the likelihood that the level of consumption within that location will increase.

**Mr J.R. Quigley:** Is that what you are promoting?

**Mr D.T. REDMAN:** No, we are not.

**Mr J.R. Quigley:** Your liquor store is increasing the consumption in your area! That is what you are telling us!

**Mr D.T. REDMAN:** We are making the point that if we lower the bar, we can expect that there will be more liquor outlets. I say that cautiously, because there are certainly areas in which the public interest test would strengthen the ability to keep some level of control on the number of liquor outlets, such as in indigenous communities. That needs to be acknowledged by both sides of the house. Therefore, I was surprised that there was no reference in the assessment of public interest to the density of the outlets. The Marsden report refers on page 36 to some research around the world on best practice regulatory options for liquor licensing. It states that the most recent and authoritative international study was a study sponsored by the World Health Organisation. That study lists six intervention options in a regulatory package to reduce the cause of chronic and acute harms. One of those six options is outlet density restriction. The report states that that intervention option has also been endorsed by the commonwealth government as one of the key principles of best practice regulatory options to restrict harm resulting from alcohol. I am very surprised that that is not also one of the principles endorsed by the minister. I hope that will come through in the regulations and in the application of the public interest test.

I will now move on from the discussion on the need for the regulatory control of alcohol, which must be balanced against the public need. There is no doubt that we must move on to reflect the more modern style of how we consume alcohol. The minister has referred specifically to the small bar licence, and also to restaurants being able to get an extended trading permit to serve alcohol without a meal. We would support that; it is sound in principle, and a step in the right direction in meeting the contemporary needs of the public. I will comment more on that later.

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At the start of my speech I referred to the dominance of supermarket chains and the need to maintain a strong independent sector. We have had a number of debates about that issue in this house. I recall one very vividly last year when Woolworths was looking at taking over a number of Action stores in Western Australia. Both sides of the house argued strongly for a measure of control over that. We all argued that the Trade Practices Act had no teeth to deal with the issue of controlling creeping acquisitions of the supermarket chains in Western Australia. Therefore, the only assumption that can be made is that whenever an opportunity arises to apply a level of control on that area in a positive way, it should be taken up. I have been watching very carefully the legislation that passes through this house to see what we can use as a tool to maintain a level of control on market dominance in Western Australia, because we cannot rely on federal legislation for that. One issue that we dealt with recently was the trading hours legislation. We now have another opportunity with this liquor reform legislation to apply a level of control on the supermarket chains. I do not see myself as a protectionist who wants to put a huge restriction on market behaviour in Western Australia; however, this is an opportunity to look at using state legislation to put some sort of control over it if we feel that that is the right thing to do. Certainly, the tenor of how members respond in this house is such that they do not want to see a high level of market dominance. We need to take steps, when possible, to restrict such dominance in Western Australia.

Another event that gives us a measure of the community feeling on extended trading is the recent referendum, which was referred to by the member for Carine and in which a very clear statement was made about how the community feels about extended trading hours for the big supermarket chains. The community was happy to give a measure of support to small business so that it could maintain its strength in the marketplace and, hence, maintain a strong independent sector.

I will now move on to some of the more key regional concerns we have with this legislation. We obviously represent the regional areas, and we feel most strongly about them. One of the core issues of the bigger regional centres is market dominance. I will not harp on that because I have made a fair bit of reference to it. We must support the small independent businesses in the small towns and communities of regional Western Australia to enable them to maintain the services that they provide. If their businesses can continue to be viable, it will allow them to continue to send their kids to the local schools and to support their local communities in many other ways.

Liquor stores, hotels and taverns are large investments. They are not just large investments in the city; they are also large investments in the regions. People have invested many hundreds of thousands of dollars in these businesses, which have a relatively limited marketplace, particularly in the regions. It is quite different from the city environment. It is important that we acknowledge that. We need to be cognisant of the impact that this legislation will potentially have on the viability of those businesses, and on the community, if another outlet sets up in competition with them. We have proposed an amendment that will require that that argument and public interest is taken into consideration when determining whether a new licence for a regional centre should be granted.

As the member for South Perth mentioned, this bill contains about four key elements. The most significant is the move from the public needs test to the public interest test, and it is the one that has been most underrated in the media and in public discussions. I made the point a little earlier that it is important to consider outlet density in the context of that, because that has some relevance to the level of alcohol consumption in a particular catchment.

Sunday trading is also a real sticking point for the National Party. I say up-front that we do not support Sunday trading of liquor stores across the board. We see that as the thin edge of the wedge for the total deregulation of trading hours. The Premier has made statements about deregulating trading hours. We know the position that the Liberal Party took when the trading hours legislation went through this place recently. Even the member for South Perth, in his contribution to the second reading debate, mentioned that it is only a matter of time before that happens. I do not think it is a matter of time if the will of this house is that we do not want it. I see this as the thin edge of the wedge, and it is not a path the Nationals want to go down. We will oppose Sunday trading across the board because we know the impact that it will potentially have in enabling the big chains to gather some market share.

As well as opposing Sunday trading, we will also move an amendment to strengthen the public interest test, or the issues that need to be considered in applying the public interest test to a proposed new outlet, particularly for the country regions. It is interesting that under this legislation, the government supports Sunday trading for metropolitan areas but not country areas. Although we take the strong position that we do not support Sunday trading for liquor stores, we find it interesting that both sides of the house support Sunday trading in the city but not in the country, because they see the country as being different from the city.

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[Member's time extended.]

**Mr D.T. REDMAN:** I have seen no reference in either argument to the actual test that must be applied to allow new entrants into the marketplace. It is all well and good to say that we do not support Sunday trading for liquor stores in country areas; however, no reference has been made to the test for a new licence for a particular regional town or centre. We think that we are doing the right thing by stopping Sunday trading for liquor stores, but we forget that a new licence could be granted for a country town because the bar in the test has been lowered.

We support the small bar licence and extended trading permits available to restaurants, which will allow them to serve liquor across 100 per cent of their floor space without the need to also serve a substantial meal. Again, these are two new licence types, and the discussion on both sides of the house is to the new licence type. Members have said that they support small bars and the fact that restaurants should be able to sell liquor without a meal. However, again no reference has been made to the test that is needed to get those outlets in place. I can even understand the argument of the Australian Hotels Association that it does not support small bars as a particular licence type. However, it has not made any reference in the public domain to the fact that it is easier to get, for example, a tavern licence. It does not have to be a small bar; a tavern could be set up down the road. That is something that has been missed in the public debate.

The other thing the minister referred to in his second reading speech was the ease with which the small bar and restaurant licences can be obtained. The bill refers to the application of a public interest test when the two licences are sought; however, he states -

The licensing authority will be able to apply a lesser threshold test to those licences that potentially have less adverse impact on the community, such as small bars and restaurants.

He is very clearly saying that, although a public interest test will apply, a licence for one of those two licence types will face a lesser threshold. That should be noted, particularly in relation to the regional areas where the impact of those licence types could be significant in a very contained marketplace and where existing licences are delivering a service to the community. Their viability could well be put in jeopardy as a result of the new licence. I believe that two aspects of this legislation are somewhat hypocritical. The first aspect relates to Sunday trading. When the Premier responded to a dorothy dix question last year or early this year, he indicated that the absence of Sunday trading for liquor stores in the regions was a win for Country Labor (WA). He made the point that he was supporting country hotels. It was the basis of the member for Collie-Wellington's argument and no doubt that of the member for Albany and other country members of the Labor Party. However, he overlooked the fact that the public interest does not currently apply. The public interest test is an entirely different measure for new entrants to the liquor market. At present, liquor stores cannot trade on Sundays; therefore, the hotel industry is protected on Sundays. However, as indicated in the minister's second reading speech, it will be much easier for a small bar up the road or some other liquor outlet to obtain a licence based on the public interest, which is nowhere near as high a bar as the needs test. Both sides of politics have said that they are seeking the change because the needs test is prohibitive to new entrants to the marketplace. We know that new outlets will be established. This move will supposedly support country pubs but the government has forgotten that a whole new outlet can trade for the other six days of the week, and it will be in competition with the people already there. I find that hypocritical. I expect that the people who are concerned about that will support one of our amendments to alleviate the regional concerns about the impact on the people currently in the marketplace who are providing a service to the communities.

I asked a question in a briefing about another scenario. I refer to Manjimup, Narrogin and Northam, which are three fairly big regional centres. Either Coles or Woolworths operates in those towns, and liquor stores do not operate from those supermarkets. The minute this legislation is assented to, applications will be made by Coles or Woolworths for a liquor store licence to operate in each of those three regional centres. I do not believe that the public interest test will be a sufficient criterion to prevent liquor licences being granted to those stores to operate in those towns. In addition to the issue of market dominance in those communities where supermarket chains are increasingly capturing the market is the inability of liquor stores to trade on Sundays. The capacity for the existing liquor store to meet the burden of proof to obtain a licence to trade on Sundays is higher than it is for Coles to obtain a licence to establish a whole new liquor store to trade six days a week. That is an anomaly. The argument that the restriction of Sunday trading for country stores is based on supporting country pubs is not a strong argument. I say that in the context of the Nationals not supporting Sunday trading in country or city centres, and that really bothers me. It remains to be seen what will happen in Manjimup, Narrogin and Northam. It is my bet that the minute this legislation is passed, applications will be made for a liquor store to operate in each town. If licences are granted, those liquor stores will operate in direct competition with the local hotel and existing liquor stores, which provide a great service to those three communities

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I reiterate the National's position on this issue. We cannot support Sunday trading across the board and will move to amend the legislation to ensure that neither metropolitan nor country outlets can trade on Sundays.

**Mr J.E. McGrath:** They cannot trade on Sundays now.

**Mr D.T. REDMAN:** I know they cannot. The member for South Perth is quite right, but I make the point that the Nationals do not support Sunday trading across the board.

**Mr J.E. McGrath:** You live in the country. Leave the city to us.

**Mr D.T. REDMAN:** I understand that but the Nationals' concern is that deregulation of trading hours is the thin end of the wedge, which will provide a strong lever for the supermarket chains. That is the Nationals' strong position. It is interesting that concessions are made now for liquor stores in areas in which a tourist need can be demonstrated. For example, my liquor store is granted extended permits to trade on 20 Sundays a year in light of the tourist need.

**Mr J.E. McGrath:** They tell me it's a very good liquor store.

**Mr D.T. REDMAN:** It is a beauty. The needs of the community and of tourists are reflected in those extended trading permits now. However, across the board the Nationals are concerned that this legislation will provide the thin end of the wedge for Coles and Woolworths. In some of the smaller regional centres the impact could be significant. The Nationals' amendments have been circulated, one of which will seek to add one more paragraph to proposed new section 38(4) to strengthen the assessment that will apply to a new licence in a regional centre. The amendment will seek only that consideration be given to the potential negative impact on existing independent liquor outlets when an application is made in regional centres of the state. We do not think that is unreasonable. In his response to this amendment, the minister will say that the public interest test must have consideration for the impact of the amenity of the locality. He will argue that if an operator is granted a new licence in a small regional town and it causes the local pub to close and five people to lose their jobs and the loss to the community of the culture of the pub, that is a loss of amenity. I would like that criterion to be strengthened. I am not happy for the word "amenity" by definition to dictate the outcome. I would like both sides of the house to support strengthening the "test of public interest" in regional centres and for consideration to be given to the positive and negative impacts of a new licence operating in a town. Arguably, the impacts could be negative. If competition pressure is put on some of the hotel or liquor store licences in the smaller regional centres, they will become unviable. They do not have the opportunity to respond to the market by changing the appearance of their store; they have only 200 to 400 people in their catchment compared with thousands of people in Perth. The smaller regional community is a different marketplace that needs specific reference in this legislation.

**MR J.R. QUIGLEY (Mindarie) [7.58 pm]:** I will first address the member for Stirling's penultimate comment when he asked what effect this legislation will have on existing businesses and vested interests. Of course that reflects much of the objection of some members on the other side of the house; that is, how will we preserve the existing businesses? I do not buy that argument at all for reasons I will set out. I am also very suspicious of both judges and politicians when they resort to arguments of public interest.

**Mr T.K. Waldron:** That is why you have a public interest test.

**Mr J.R. QUIGLEY:** When politicians talk about the public interest, it is invariably a search for a long rein to leave logic behind and to start talking about the public interest of their particular community.

I will talk about the place I grew up in; a place I was born into. I call it old Perth. I was born in 1948, just after the war. I was raised next door to the Adelphi Hotel, in a place called the Mayfair Apartments, before my family moved to Nedlands. My parents were not wealthy but they bought a War Service home in Nedlands and the closest pub was the Captain Stirling Hotel. There was the Conti down on the river, the Highway and a few others around. Old Perth was a lovely place. In old Perth we had a quarter-acre lot and as a young fellow my job every morning was to turn on the four sprinklers that were around the house to make sure the garden was lush. I would leave them on until I went to school. I did not once hear my parents complain about a water bill in old Perth. It was not an issue. Four sprinklers were turned on and for me they became the sound of Nedlands on a summer's morning. It was a very comfortable sound. My old man used to drink with a school of men, including Labor member Arthur Bickerton, in the front bar of the Captain Stirling in old Perth. I would pedal down to the "Captain S" after work and whistle to my old man so that he would come home for tea with mum. He would be doing there what we do not do when we go to a hotel in this quaint town of old Perth; that is, shouting rounds. I have not shouted a round for ages.

Several members interjected.

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**Mr J.R. QUIGLEY:** It is not because my arms are too short for my pockets. A different thing has happened. I cannot remember the last time I stood in a big school. I have stood in a big school many times in my life, but it is a long while since I have done so. We had massive schools at the police canteen, which was near the Causeway, and we could end up buying for 20. By the time we stood our rounds we had had 20 drinks and we would drive home and there was not a problem. Old Perth was a lovely place and I have explained this to my wife, because she was born in 1981 and she is living her adult life in new Perth - I will come to the switch over to new Perth soon. I have tried to explain to my wife the drinking habits of old Perth. It really was a gas and I enjoyed it. There was no Sunday trading in the metropolitan hotels in old Perth, but there were Sunday sessions in the outer metropolitan hotels. The member for Murdoch, who has a grin on his face, the member for Cottesloe and others will remember those days with affection. The great sessions were at the Waikiki in Warnbro Sound, the Parkerville and the Mundaring. We would go to the Waikiki, which had a huge outside area. I cannot remember buying jugs, but I remember drinking out of jugs and the band playing *Running Bear*, to which all the people would stamp their feet.

**Mr J.E. McGrath:** And *Gloria*.

**Mr J.R. QUIGLEY:** Yes, and totally tanked we would find our way to the car park. There used to be a burger bar near what was known as the Rose Gardens in Stirling Highway. That was a rendezvous point after we were fully liquored. It was not Bernie's, but we would head off to the burger bar near the Rose Gardens. A couple of people may have had a crash or rolled the car and we would laugh about it the next day. However, that was old Perth and in old Perth another fantastic thing occurred. When the controversy hit and the Sunday sessions were to be cancelled in the outer metropolitan area and brought into the Perth metropolitan area, there was a terrible outcry because they were going to allow metropolitan hotels to compete with churches on Sundays. Metropolitan hotels would be able to open and people would not go to mass or services on Sundays because they would be waiting to get to the pub that would have two sessions a day. That was another fantastic time in old Perth because with that came the beer barns. When I refer to beer barns I am talking about the Shents, North Perth and the Nookenburra. They all had fantastic rock and roll bands which sustained the rock and roll industry in Perth.

**Mr T.R. Sprigg:** Did you do any good?

**Mr J.R. QUIGLEY:** I will have a word to the member outside about how good I did there. I did not do too badly. I like to think of recent times - I have done very well taking Michelle to the altar.

However, old Perth sustained the rock and roll bands. Something happened and, in the end, the beer barns were no longer acceptable and it went out of fashion for everyone to want to go on a Sunday at 4.30 pm and drink like the devil until 6.30 pm and listen to rock and roll. It was fun while it lasted, but it could not go on. Tastes changed and we moved on. It is very hard when living in a society to put one's finger on exactly when things turn. There are certain times in the history of Western Australia when it has turned. Obviously I was not there and neither was my father, but his father was and he tells me Perth changed in the 1890s. It happened again after the Depression with certain buildings and the suburbs spreading out further than Mt Lawley. I can remember the Minister for Racing and Gaming in the John Tonkin Labor government. Although I did not have the pleasure of meeting the man, I think I nearly saved his life one day on Bluff Knoll because he nearly had a heart attack while climbing it. I refer to a man named Herb Graham. He set his face against the beer barns and in the mid-1970s he said that we would become sophisticated by introducing tavern licences. There was a hell of an outcry from the vested interests. In each of these times the vested interests resisted change. In old Perth in the old days - I think of people who have passed on, such as Bonnie Sweetapple and Rod Evans and other publicans - to have a pub licence was a licence to print money. The member for Murdoch is nodding. To have a pub licence was a concession to print money, in the same way as the Packers now have the concession with the casinos to breed money. Vested interests resisted all those changes along the way. At each one of these social turns, including when it became permissible to sell beer in metropolitan hotels on Sunday, someone said that it would destroy social life and it would destroy churches. I bet the member for Cottesloe can remember the gallon licence.

**Mr C.J. Barnett:** I do not know why you refer to me all the time. Just because you gave Nedlands a bad name is no reason to implicate me.

**Mr J.R. QUIGLEY:** We share common experiences. Near the member for Cottesloe's house and the Claremont Football Club there was a famous gallon licence that we frequented.

**Mr T.R. Sprigg:** Mathesons.

**Mr J.R. QUIGLEY:** I thank the member for Murdoch. It was Mathesons gallon licence and on a Sunday people had to buy their beer by the gallon. They were not allowed to sell anyone less than a gallon. I recall that

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a gallon was six long-neck bottles. In those days the long necks came in wooden crates - five dozen to a crate - and people could guarantee that they had a gallon to take home. That changed and Mathesons and those people resisted those changes.

As I grow a little older, I hope slowly, the more I go around the course I find that the more things change the more it seems the same. I am sure that if we read the *Hansard* of this Parliament for each time a change to liquor laws occurred, we would find that the vested interests resisted the change. If members have not seen the Waikiki Hotel during a session, they have not seen people drink beer like they can for two hours.

**Mr M.P. Murray:** Or fight.

**Mr J.R. QUIGLEY:** That is right. It was a good afternoon with a bit of rock and roll. However, they had to go and they did. When I explained all this to Michelle, my wife, as we drove around Perth, she said that old Perth must have been a quaint old place. There is no doubt that in 2006 we are living in new Perth. I know that because many of the backyards have been subdivided and sold as separate blocks. Almost the whole of my old electorate of Innaloo has been rebuilt, as many of the very large yards where people used to put their sprinklers on have now been chopped in half and there are two houses on the block. It is a huge social change, and it is happening all over Perth at the moment. When did this change happen? Only the historians will be able to tell us when we went from old Perth to new Perth, but it has happened. I sense that this change happened at about the turn of the century. People in 2025 will look back to the turn of this century and say that there was a social movement in Perth. Gay people were no longer criminals who had to be jailed. Even the conservative parties, who initially resisted that trend, now embrace it. They will never go back to old Perth values.

What else has happened in new Perth? We no longer have the level of enmity towards our indigenous brothers and sisters that existed in old Perth. We value and highly regard members of our indigenous community. When did that change? I worked on the Royal Commission into Aboriginal Deaths in Custody for three years. I travelled with the police all over the state and saw the level of enmity that existed. When did that change from old Perth to new Perth, where we value our indigenous brothers and sisters, who are an important part of our society? This is not party political, but when there was a switch in power in 2000 or 2001, the new government swept in with new values, and things changed. It does not matter what government is elected in the future; it will not be able to take us back to old Perth. It will not be able to turn back the clock to the time when I could turn on the sprinklers and magpies would disappear off the lawn at six o'clock in the morning. We will never go back to those days.

However, people should not despair; we now have better days. We have better days because the government has a thoroughly modern minister for new Perth, a minister who is facilitating the development of new values. I look at my colleagues on the other side of the house, particularly those on the backbench, and even my friend from Cottesloe in the front row, and I see people of about my age who value the old things in Perth.

Several members interjected.

**Mr J.R. QUIGLEY:** Okay, so I am the oldest member in the house! We will get that out of the way!

I see people here in the chamber who would have followed the Western Australian Football League clubs with passion. These days, it is hard to get a thousand spectators to a game. I used to follow South Fremantle with a passion. We used to go along to the Foundation Day derbies. The member for Murdoch would remember this. On Foundation Day derbies people would be sitting on the limestone wall behind the fig trees trying to get a look.

**Mr T.R. Sprigg:** They were all in jail!

**Mr J.R. QUIGLEY:** Regrettably, they were my mistakes! However, we all went down to the Foundation Day derby. It has all changed, but better days are ahead. We are living in better days than in those days. We look back with great affection and nostalgia; I certainly do. I do not say this flippantly, but I have a baby due in February and she will be very much a part of the new Perth. Yes, it will be a girl!

Several members interjected.

**Mr J.R. QUIGLEY:** I cannot tell members her name, because then I would have to kill them all, and that would be an unsightly thing in the Assembly! She will be part of new Perth, as my wife is part of new Perth, and as I am embracing it too. It is not just her I am embracing, it is this whole concept of new Perth, in this modern era. The first time I went into one of these new hotels I thought that the builder had gone broke. It was the Queens. I thought the builder had walked out before plastering the walls. There was plaster missing from the walls, and all that sort of stuff. It shocked me, but it turned out to be a great hotel. I went to the Mindarie festival on Sunday, and I saw an old bar there, which was old Perth. It had been a beer bar, and people did not



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like to go there, and they did not go in. However, these people have embraced the new concept, so they have torn all the fittings off the walls. When they tore them off, a bit of plaster came down. They tore the carpet off the concrete pillars, but the glue is still there. They have put in stainless steel. I must have switched over, because it is really modern and it is really fantastic. It is all new and it is all modern.

[Member's time extended.]

Several members interjected.

**Mr J.R. QUIGLEY:** They are trying to move a motion against me, Mr Acting Speaker, about my extension.

**The ACTING SPEAKER (Mr P.B. Watson):** Member, you are from my era, so I am enjoying every moment of your speech!

**Mr J.R. QUIGLEY:** They wanted to hear a bit more about the olden days, but I have left that part of the speech behind and I am talking about today and tomorrow. I am talking about the future for Perth.

I am sure that members, on their parliamentary junkets, have all passed through Paris.

**Mr G.M. Castrilli:** Speak for yourself.

**Mr J.R. QUIGLEY:** Too right I did! What I loved about the place was that I could go to a small bar. I had actually diverted from a trip, using my own money. I was on a parliamentary trip and staying in a five-star hotel in London when I suggested to my wife that we catch the train across to Paris through the channel tunnel. I was on my own ticket then, and I was living in a dog box on the Left Bank. It was fantastic, walking around the Left Bank, to see these lovely little bars where I could drop in and have a drink. That is what Perth will be like. That is what these new laws will allow Perth to develop into. We do not have to do the test and ask what the situation is in Queensland. I do not want to insult the banana benders, but I do not give a rat's about the situation there.

I have been going over to Melbourne on a weekly basis for an injection, up until two months ago when the service was brought to Sir Charles Gairdner Hospital. We should not necessarily use Victorian liquor laws as a yardstick. Melbourne has its own lifestyle; it has some things that are better than what we have and some that are worse. However, we need not just copy Melbourne. One of the things I loved about going over there for my injections was that I would arrive the night before at about eight o'clock and I could go out and sit on the bank of the river and have daylight until 10 o'clock at night, and have a nice glass of wine. That is a little add-on, because I think a little bit of daylight saving will value add to these liquor laws, so that we can sit around alfresco.

The people of Mindarie have to endure the freeway traffic. It is a fair trip up there in a traffic jam for people who work in the central business district of Perth and arrive home at six o'clock at night.

**Dr G.G. Jacobs:** How often do you go there?

**Mr J.R. QUIGLEY:** I go there every day. Ask the people up there. No, that is not true - I will not be there today because I am in Parliament all day. However, I go there every other day. It is a great place and I have many new friends out there.

**Dr G.G. Jacobs:** Why don't you live there?

**Mr J.R. QUIGLEY:** I put an offer in on a house on the beach for \$900 000.

**Mr C.J. Barnett:** You put in an offer of \$900 000 on a \$3 million house?

**Mr J.R. QUIGLEY:** It was the saddest thing that ever happened in my life, just before the current property boom. I decided that I would move into my electorate. I found this beautiful house on the beach for about \$875 000. I was ready to move in but, sadly, my father, whom I look after, was diagnosed with prostate cancer about this time. He was aged 92 and I could not leave him. I had built a house behind mine, as I mentioned in my maiden speech. I could not drag my dad up there at 92 years of age. That is an aside, because I was answering an interjection.

Here we are on the cusp of a new way of socialising in Western Australia. I want to go back to the old days. I loved it down at the Captain Stirling. I loved the schools down there. I loved whistling the old man out of the pub. As a sign of how much things have changed, of the hotels that I mentioned earlier the Conti and the Highway do not exist anymore. Before the Sundowner was the Sundowner, it was the Brighton. After my old man took me for a swim at North Cottesloe, he would stop under the Morton Bay Fig at the Brighton and I would be given a raspberry and lemonade. I used to sit there while the old man would have a few snorts. My old man and my mum would have what they used to call a few snorts, which would put them at .08 or .12, and then drive us kids home.

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**Mr D.T. Redman:** You're promoting the issue that we are looking for change. I understand that and probably support it. Do you support Sunday trading for liquor stores in the regions?

**Mr J.R. QUIGLEY:** My simple answer is this: it is all about what is in the public's interest.

Several members interjected.

**Mr J.R. QUIGLEY:** I will not talk about the member for Stirling's electorate, because I speak for the people of Mindarie. That is the only authority I have been given. I will enjoy that authority for another two years, after which time the people of my electorate will decide who they want to represent them in Parliament. I may or may not be back. However, while I am the member for Mindarie, I will speak for the people of Mindarie and Clarkson and tell the house what is in their best interests. When the people of Mindarie and Clarkson buy alcohol, they want to buy it at the cheapest price and they want to be offered a big range and good service. Members have talked about Coles, Woolies and the like. The people in Clarkson are not worried about that; they are not worried about whether they buy their liquor from a chain like BWS or a private operator. When summer hits and the people of Clarkson are looking to buy their Christmas alcohol, they want to know how much they will pay for a slab. It is all about which store delivers the best price for a slab.

**Mr T. Buswell:** What do they drink out there?

**Mr J.R. QUIGLEY:** Everything, and as often as possible! At least that is the case for the constituents that I know. I like to have a snort with them. The term "snort" has now become associated with sniffing cocaine. A snort used to be known as sucking the froth off the top of a middy. The people of Clarkson want to go into a liquor store and see their fare - sometimes for me it is mother's milk or Kilkenny -

**Mr T. Buswell:** You will learn a new definition of mother's milk soon!

**Mr J.R. QUIGLEY:** I assume the member for Vasse was talking about baby formula. I assume that there was nothing untoward in that comment. I have not mixed baby formula for 20 years, but I think I will learn the recipe soon.

When the people of Mindarie and Clarkson walk into a liquor store, they want to see a wide range of wines and beer on offer. They also want to see cartons stacked up in the middle of the liquor store with a big sign that reads "Special: \$22 a slab" because that is what they like to drink!

**Mr T.G. Stephens:** They now check the new web site called boozle. It tells you the cheapest price for grog anywhere in Perth.

**Mr J.R. QUIGLEY:** I did not know that. I will click onto that web site tonight.

I am happy to say that members have probably noticed a bit of a change in me. It is not that I have not had my pills; rather, I am off the chemotherapy for a week. I have been given a week's rest. The first thing I found out since coming off the chemotherapy is that I am bloody thirsty! I have not been thirsty for three weeks, but now that I have been taken off the chemotherapy I am thirsty. I will be having one tonight.

Clarkson is a long way from Perth. There are no pubs from Scarborough to Hillarys, which is a fair slab of the coast. There are no pubs in that area at which people can have a drink. The Castle and the Karrinyup Tavern have been closed. A person travelling through that area would want to be a camel that can carry supplies in its hump, because one cannot get a drink in that area. In thoroughly modern Perth, which is what the Minister for Racing and Gaming is ushering in, my wife and I will be able to walk down to the nearest restaurant - there are some nice restaurants on West Coast Highway - and have a nice little glass of wine in a small bar or restaurant.

**Dr S.C. Thomas:** She can't have a drink at the moment.

**Mr J.R. QUIGLEY:** No, but she will be able to have one in February. I am lucky because I have a permanent skipper at the moment. She might be a skipper with an expanding girth, but she's a sober and beautiful skipper! I am promoting modern Perth. As historians look back -

A National Party member interjected.

**Mr J.R. QUIGLEY:** What is an historian? It is someone who writes about the National Party and says that it was a group of people who used to exist in old Perth! If he remembers the National Party, he will be an historian. When historians write about old Perth, they will write that the switchover came somewhere in the first term of this Labor government. They will also write that at that time we stopped hating indigenous people, stopped being homophobic and stopped being scared of drinking alcohol in a restaurant without first buying a plate of spaghetti. They will also write that it was a time when people's votes became equal, and when Quigley became a member of Parliament. The people of Mindarie will have one value for their vote, as do people in the

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bush. When they sit on their lawns and read about this in the history books at half past nine at night in brilliant sunshine while sipping a glass of chardonnay, they will wonder how old Perth lived in the dark, how it got by with booze barns and say "What a great place it is today". Bring on new Perth - it is a gas!

**The ACTING SPEAKER:** I give the call to the member for Murdoch. I think the member for Mindarie will be a hard act to follow.

**MR T.R. SPRIGG (Murdoch)** [8.28 pm]: Indeed, the member for Mindarie is a hard act to follow. I thank the member for Mindarie for his contribution and for reminding us of the good old days. I remember the sessions he spoke about. The member for Mindarie actually went too far by going to the Waikiki. He should have gone to the Naval Base, which was a bit before that.

**Mr R.C. Kucera:** It was all right for you lot; I used to have to close them!

**Mr T.R. SPRIGG:** I was also reminded of Paris. Some of my knowledge about the liquor industry was gained during a pub crawl down the Champs Élysées many years ago. I went to some of the fantastic little bars that were mentioned. Part of the minister's deregulation plank has included talk about how little Perth bars will be vibrant. Paris is a large city and can cater for those bars, as can Melbourne, which has a population of four million people. It also receives 10 million visitors a year. However, Perth has a population of 1.5 million people and receives two million visitors a year. I am not sure how viable some of those bars will be.

My comments are based on 25 years' experience in the liquor industry, working for a major retailer, and also in the hotel sector. I have probably spent about 40 years on the good side of bars. We learn a bit from that side as well. I have always believed that hotels are great places to see different characters and really learn a lot. I received support from some of the local hoteliers in my district when I became a candidate for the seat of Murdoch. It was fairly small support but it in no way clouds my judgment or the observations I will make on this legislation. Some of my concerns about the legislation have been mentioned by other members. I am concerned that it seems as though hotels and taverns have become unfashionable in the new Perth, as the member for Mindarie mentioned. It disappoints me a little that they have become unfashionable because some people operating hotels and taverns are doing really well. It is ironic that hotels and taverns have become a bit unfashionable. I have it on pretty good authority that when our Premier was first elected to the premiership, some of his initial instructions came from the union bosses at the Coolbellup Hotel.

This particular legislation has four key planks. I will mention a few things about each of them. The first plank is the public interest test. The member for Stirling articulated his views very well. I thank the member for Stirling. In a discussion in the members' bar a few weeks ago he pointed something out to me that I checked. He was right and I was wrong. I point that out and thank him for that. The public interest test is the right way to go. The member for Stirling pointed out a couple of anomalies concerning the lesser test for these bars and restaurant licences. We will talk to the minister about our concerns during consideration in detail. I was involved in the public needs test when I acted for some liquor outlets that were trying to get licences, and I have also put up objections to new licences. The public needs test was stifling to the industry. There is no doubt about that. It was a regulatory thing. I do not think people have grasped the concept of the new public interest test to get these liquor licences. It will be a big deregulation for small business. People have not realised that. It will be a lot easier for people to get liquor licences of all types, if my understanding of the public interest test is correct. It has been difficult to obtain a licence under the public needs test. Someone might want to apply for a licence for a new liquor store in a shopping centre on a new housing estate. There may be a terrific little shop that can be leased at the right price. That person would have to apply to the Licensing Branch of the Department of Racing, Gaming and Liquor for a liquor licence to open the business. A business that may be 10 kilometres away could say that it met the need in that area. That was really a poor way of going about it. The public interest test is the way to go, but we need to talk to the minister about a couple of things associated with that when that lesser test comes in.

The second point relates to restaurants being able to serve alcohol in 100 per cent of their premises without serving a meal. This is a new development about which I have some concerns. Coco's Riverside Bar and Restaurant has been operating in South Perth for a long time. In practice, it has been trading as a tavern. At four o'clock on a Friday afternoon, there seems to be a mass influx of people to that particular place. They do not have a meal and they get away with it. There have been lots of objections to this practice over the years. It finally went before the court. The magistrate threw the case out because under the act he could not prosecute the owners. The minister must make sure that that loophole is covered in this legislation. The Australian Hotels Association has said that it does not want these restaurants to become pseudo bars. It is 100 per cent right to say that. The minister can monitor and regulate this situation by employing more inspectors, people on the ground, to make sure that the restaurants do exactly as they are supposed to do under this legislation. Hoteliers can take some comfort from the fact that patrons need to be seated when served a drink, and there can be no movement of

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tables. Restaurants cannot set up a dance floor and advertise on that basis. Restaurants will basically remain restaurants, but they will be able to serve a drink without a substantial meal. I think that is the correct way to go, but there must be more inspectors to make sure that these restaurants do not become small bars. I understand that there are 19 inspectors on the ground at the moment, but 15 of them are based at Burswood.

**Mr M. McGowan:** I think they move around. I think they are pretty flexible at the moment. I will get you proper advice on that.

**Mr T.R. SPRIGG:** Obviously there are not enough inspectors. I think it has been raised before in the debate that there are 48 inspectors in Queensland, which is not much bigger in size than Western Australia.

The third plank of this legislation concerns small bars. It has been mentioned at various stages that the small bar will come under a new licence category. It was my view initially that this new licence category probably was not needed. I understand that the minister is aiming to create diversity in the retail liquor market in Western Australia, or in Perth in particular. There is already diversity. I am not sure whether members opposite are aware of that. The old Council Club Hotel in Midland is now called the 7<sup>th</sup> Avenue Bar and Bistro. It is fantastic. It has a restaurant atmosphere.

**Mrs M.H. Roberts:** It certainly is. It's not actually all that old though. It was built in the past 10 years.

**Mr T.R. SPRIGG:** That is right but it is on the site of the Council Club Hotel. That one did not burn down. The other ones up the road burnt down.

**Mrs M.H. Roberts:** Quite a few hotels burnt down.

**Mr T.R. SPRIGG:** There was someone out there with matches. That is just an example. I understand it operates under a tavern licence or a hotel licence. It has a fantastic atmosphere and serves excellent meals. There are plenty of other examples. South of the river, the former Hilton Park Tavern is now the South Street Ale House. Legends Bar and Bottle Shop in Attadale is a small bar operating under a tavern licence. It can hold 80 people, with a singer at one end. It has a fantastic atmosphere. It reminds me of some of the little bars in England and Ireland. We can still have diversity as far as a tavern or hotel licence is concerned. The Kardinya Tavern in my electorate is a very successful business and has worked particularly well. It puts on entertainment to suit all tastes. Fitzzy's Lakeside Restaurant is in South Lake, a blue-collar area. It has done particularly well. There is already diversity in this industry and small bars are popping up under the "other licence" category. The small bar licence is coming in. I say to the minister that if it is introduced, we must change - this has been mentioned by other speakers - the number of people allowed in these establishments. If nobody else does it, I will move an amendment when we consider the bill in detail that the number of people allowed in a small bar be reduced to 80. At the moment 120 people are allowed in a small bar. There are probably no more than 10 or a dozen hotels in the whole of the state that have 120 people in them at any one time. I am excluding the Cottesloe Beach Hotel and the Ocean Beach Hotel in the summertime, and the White Sands Tavern and Observation City. A total of 120 people in a little suburban tavern is a huge crowd. Changing that figure will not detract from the services and everything that the hotels and taverns have provided previously. I urge the minister to change that figure. Eighty would be an appropriate number. I know that the authorities will specify the number that bars are allowed to hold, based on space and so on. That is the right thing to do but we must make sure that those small bars hold no more than 80 people. We must make sure that the regulations for the restaurants and small bars - this was mentioned by the member for South Perth - are the same as the regulations for hotels and taverns. That will provide some comfort for the hotels and taverns.

We need inspectors to make sure the law is obeyed. There are certain operators in the market who get away with murder because there are not enough inspectors to catch them breaking the liquor laws. The police have to enforce the liquor laws in the country and other areas. I checked my local police station at Murdoch the other day and found that there are seven fewer police than there should be at that station in the south east metropolitan area. It is 31 police short right now. It is a big resource issue for the police, but that is a debate for another day. Guess what drops off the radar? Policing the Liquor Licensing Act drops off the radar because there are too many other things for the police to do. That is why these inspectors are very important indeed.

I turn now to the issue of Sunday trading for liquor stores. This is probably the most contentious issue, and many members have mentioned the reasons that it is the most contentious issue. I admit that there is a sense of inevitability about deregulation in this area and that Sunday trading for liquor stores must happen at some stage. However, I am not sure that now is the right time. At the 2005 referendum, people obviously voted against it. It is not right to say that the referendum was about grocers and that this is about the liquor market. The issue was about Sunday trading, and the public did not want it; 62 per cent voted against it and 38 per cent voted for it. The referendum was important. There is also the issue of a broken election promise. The Labor government went into the election saying that it would not amend the liquor laws. One and a half years on, that has been

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thrown out the window. It is not unusual that election promises are broken, and this is another example of one that has been broken.

One issue that has been mentioned is the market power of the multinationals, Coles and Woolworths, and I will touch on that issue later and also on the impact on hotels and taverns. During the debate and over the past couple of weeks, I have been contacted by approximately 100 people, and only three of them were totally in favour of deregulation; in other words, 97 of them had an issue with some aspect of deregulation. However, the main concern of those people who had issues was the market power of the multinationals, Coles and Woolworths. I will explain what that means. The figures that show the control that Coles and Woolworths have over the packaged liquor market in Western Australia vary between about 44 per cent and 52 per cent. Let us say that it is 50 per cent. That is a very strong market situation. I will give members examples of what that power does. These are examples that I have witnessed and been involved with. There is a little winery in Boyup Brook that once marketed some nice premium products and won some awards at a few wine shows. Vintage Cellars, the Coles group, tapped the owner on the shoulder and said, "We hear your wine is going well; it won a few gold medals. We think we can sell a bit of it." The owner of the winery said, "You beauty. I've worked so hard to get the bit of limited distribution that I have. This is fantastic. I will get my wine in all around Australia." They did a deal and he got his wine in all its outlets around Australia, and it sold quite well. In the second year, Coles said that the product was selling pretty well and asked him what he had for that year. They talked about his quantities and he sold most of his vintage to Liquorland. However, the third negotiation happened like this: "Your wine is going pretty well, but we have to put some money into a couple of other brands, so we cannot pay you what we have previously paid you for it." Coles offered him a price 20 per cent below his production costs, which had obviously gone up a bit. He felt obliged to agree to that price, otherwise he would have had to look at other markets and there would have been a cash flow issue for his business. That is one example of what market power can do.

I will give members another example. About two years ago in Brunswick in Victoria, Dan Murphy's opened an outlet. For those members who have not heard of Dan Murphy's, it is one of the Woolworths brands. An outlet has not opened in Western Australia yet, but one will open pretty soon and it will probably be at the Hyde Park Hotel. This outlet in Brunswick had 18 checkouts, so it was obviously a big outlet. Within 12 months of that outlet opening, five independent liquor stores within a 10 kilometre radius closed for obvious reasons; they were priced out of the market and could not remain viable.

I will give a figure for the viability of liquor stores that trade on Sundays, because liquor stores currently trade on Sunday three times a year. Because of the position I held previously, I know that these figures are completely authentic. I will provide members with an average for local hotels and taverns. As a rule of thumb, and leaving the TAB outlet to one side, a little tavern in the suburbs would take about \$10 000 a week through its bar and bistro and about \$40 000 a week through the bottle shop; that is, on-premise sales to off-premise sales. Normally, about 25 per cent of that \$40 000 turnover in the bottle shop, or \$10 000, would be taken on Sunday. History shows that when liquor stores open on the two Sundays before Christmas and the Sunday before New Year's Eve, liquor stores lose between 25 and 40 per cent of their turnover on the day. Let us round that out to about 30 per cent of \$10 000, which would be \$3 000 in turnover that they would lose on that day. These days the gross profit percentage for a bottle shop is about 25 per cent, so that would be about \$750 in lost profit. That \$750 would equate to the pay for one person working in that bottle shop. That person could be your young fella, Mr Acting Speaker (Mr P.B. Watson), going through university or someone working casually. In his response, the minister will say that that person could get a job somewhere else in the restaurant industry or wherever. Many of these people are not after those sorts of jobs. They can work in the drive-through of hotels. The amount spent on wages for people working in the drive-through of most hotels is about eight per cent of their turnover. Usually, two or more people must work during the peak periods on Fridays and so on. However, it is about three per cent for Coles and Woolies, and it is not much more for independent liquor stores. That person would not get a job.

There are some real issues with this legislation. I commend Country Labor members for looking after their small country towns. However, if the government is so keen on this legislation, perhaps the liquor stores in rural cities such as Bunbury, Albany, Geraldton, Kalgoorlie and Busselton should be allowed to open on Sundays as well, because they probably have the same demand as there is in the city. I am not in favour of that, but if we are to be consistent, maybe that is what we should do.

[Member's time extended.]

**Mr T.R. SPRIGG:** The hotel and tavern sector has known for a while that deregulation would take place. Perhaps in some instances it has not readied itself for it enough.

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**The ACTING SPEAKER (Mr P.B. Watson):** If members want to talk, they should please go outside the chamber. I know that when they rise to their feet, they like everyone to hear them. I am sure that the member with the call would also like everyone to hear him.

**Mr T.R. SPRIGG:** Like the member for Stirling, I believe that the best way forward would have been to allow independent liquor stores to start trading first and then introduce antitrust laws to stop the market dominance of Coles and Woolies. I remind members that duopolies are very dangerous. Monopolies are controlled to a certain extent by the Australian Competition and Consumer Commission. Duopolies are not so well controlled. I can recall the two airline policy of a fair few years ago. It was Ansett and TAA at the time. In my role at the Swan Brewery, I did some flying in those days. When I needed to get to Melbourne or Sydney for a meeting, my secretary would ring up and find out when I could leave and I would time it so that I spent as much time in the office as I had to and I would fly to Sydney or Melbourne and then fly back. Every time she rang the airlines, their schedules were five minutes apart and their costs were exactly the same; the costs were exorbitant. Until there was deregulation of the airline industry, prices were sky high. I put it to members that prices could go that way in this market. Consumers will get a short-term benefit from deregulation, but if this duopoly is allowed to gain momentum, in the long term the pricing will not be consumer friendly.

As I mentioned earlier, the number of people allowed in small bars should be limited to 80. Careful monitoring of restaurants is required. There also should be a phase-in period for the changes made under the legislation, especially the provision to allow liquor stores to trade on Sundays. The member for South Perth mentioned this also. The member for Carine referred to a good example of how a phase-in period has worked in practice. Some 20 months ago, the hotel industry was told that from 1 July 2006, patrons would no longer be allowed to smoke inside their premises. The smart operators in the hotel and tavern industry set up outdoor areas so that they could continue to cater for smokers. I have had calls from quite a number of hotel and tavern operators who did not do that. Now they are suffering. In some cases they are actually breaking the law, because they are still allowing people to smoke inside their premises. Unfortunately, again no-one is enforcing that law, minister, because of the lack of inspectors on the ground. A phase-in period to perhaps July 2008 would allow hotels and taverns to get their shop in order and to look at their target market, engage in niche marketing and change their modus operandi.

I appreciate that this bill will make it easier for people to make changes to their operations. In the old days a hotel owner who wanted to add a bottle shop to his hotel had to go through all sorts of rigmarole and red tape in the liquor licensing division to get permission to do that. The inspector would then come out and measure the shelves and say they were too short, or whatever, and the owner would need to start all over again. The hotel and tavern industry was highly regulated, and that made it very difficult for people who were simply trying to improve their business. However, we should phase in these changes, particularly Sunday trading for independent liquor stores, and following on from that for the multinationals.

A number of hoteliers have expressed to me that they would like to trade later on Sunday nights. The member for South Perth mentioned this also. That was a recommendation in the Freemantle report. However, the minister has not dealt with that matter in this bill. We believe we should move an amendment to give hotels the right to trade until 12 midnight on Sunday nights if they wish to. That should be the case, particularly on long weekends. There are 10 long weekends a year in this state. It would be good if hotels were allowed to compete a bit more. This would be some mitigation to compensate for the fact that the industry is being deregulated. After all, these people bought their licences in good faith in a regulated environment. The fact that the minister is proposing to deregulate this industry is cause for compensation. I understand that the minister has said that he is not willing to look at compensation. If the minister is not willing to look at compensation, he should at least look at mitigation. Some of those factors that I have mentioned are most important. There are some health issues. I would like the minister to talk to us about the health issues. It has been suggested in many papers and by many eminent people that if alcohol is made more readily available, it will increase the problems for the police. I would like to hear the views of the member for Yokine and the member for Murray, as former members of the police force, on that matter. I will be interested in that, because many papers say that if we make alcohol more readily available, we will increase the social problems.

**Dr J.M. Woollard:** And the health problems.

**Mr T.R. SPRIGG:** Exactly, and the health problems. The member for Roe will probably speak about those things too. I have some concerns. However, there is a need for reform in the liquor industry. The hotel sector understands that. I suggest that we hasten slowly on this matter. We must remember that these people bought their businesses in a regulated environment. They have put a lot of money into their businesses. Their interests must be considered as we go forward, to use the member for Mindarie's term, into the new Perth.

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**MR T.K. WALDRON (Wagin)** [8.54 pm]: The Liquor and Gaming Legislation Amendment Bill is extremely important. Liquor plays a huge role in our community and in our lives, in many ways. The major issue for the National Party is Sunday trading, and restaurant and small bar licences. I will also raise some other aspects. Over the past few weeks there has been a lot of talk about liquor licensing and how members will vote on this bill. I have made a point of asking people in my electorate about this matter. I have also called into pretty much all the pubs and licensed premises in my area - bar a few - so that was a good experience.

**Mr M.J. Cowper:** You have to do what you have to do!

**Mr T.K. WALDRON:** Yes! I found that very interesting. Sometimes we get different answers from the ones we think we will get. Across my electorate - not just in hotels but among the general public - the issues are Sunday trading, the role of country pubs in the social life of our communities, responsible behaviour and club licences. I will talk first about Sunday trading. The Nationals and I are very much opposed to Sunday trading. This legislation will allow liquor stores to open on Sundays, but only in the metropolitan area. I applaud the decision to limit Sunday trading to the metropolitan area, because that will assist country hotels. However, I am also against Sunday trading in the metropolitan area. I will expand on that shortly. There are a lot of arguments against Sunday trading. They include the argument that hotels gain a significant source of their income from Sunday trading. If they lose that trade, their viability will be put in jeopardy. That is a big issue in our small country centres. However, Sunday trading in the city could be seen as the thin edge of the wedge. We have all heard about Coles and Woolworths opening hotels to gain market share. The member for Murdoch's comments about a duopoly were spot-on. Often the large chains come in and the prices go down. However, when the smaller operators have gone away and there is no longer any competition, the prices slowly creep up again.

**The ACTING SPEAKER (Mr P.B. Watson):** Order! If members want to have a meeting, have it outside, please!

**Mr T. Buswell:** Where is your empirical evidence to support that statement?

**Mr T.K. WALDRON:** Just wait!

**Mr T. Buswell:** I would like to see your data series.

**Mr T.K. WALDRON:** I will talk about that in a moment.

At the last election we had a referendum on Sunday trading. That is something that we need to take into account. People say that country towns will not have Sunday trading, so we do not need to worry. Perhaps I am right and perhaps I am wrong, but I reckon that in a few years I will be proved right. Once Sunday trading starts in the city, it will be the thin edge of the wedge. There should be some flexibility. Large country towns, such as Albany and Bunbury, could have Sunday trading. A mechanism is available whereby businesses can apply to open on certain Sundays.

**Mr T. Buswell:** You have just told us that prices will go down.

**Mr T.K. WALDRON:** The member should let me finish. I have only just started. If the member would let me finish, he might get the gist of what I am talking about. It is the thin edge of the wedge. Country people come to Perth a lot. Sunday trading will have an effect on country pubs. I will come to the importance of country pubs. The member for Mindarie spoke about change. He is right. I agree with what he said. I agree with change. I agree that there will be changes to bars and restaurants. I do not think that is such a big issue. The member for Mindarie kept talking about Perth, Perth, Perth. Fair enough. That is where he lives. I understand that. That is fine. However, what he did not mention is the role of country pubs. I have a real concern for our country pubs.

Several members interjected.

**Mr T.K. WALDRON:** Okay. I will tell members why I have a real concern for our country pubs. The member for Mindarie talked about vested interests. There may be some vested interests. Everyone who sees some threat to their business will try to fight it. We are all the same. If someone threatens our livelihood, our family or our future, we will fight it. I do not think it is just about vested interests. It is about the interests of the community. The reality is that in many of our small country towns the pub is the social centre. I remember I said that once, and the member for Avon made the comment that a country pub is the hub of the town. It is where people meet. In many cases for young people it forms the main part of their social life. It is where boy meets girl.

**Mr M.W. Trenorden:** Don't forget the member for Perth. It could be where boy meets boy.

**Mr T.K. WALDRON:** Fair enough. That is what happens, and it is really important in our country towns. Many of our country pubs are under pressure because of, firstly, the effect of drink-driving laws, which I support. As a result of those laws more people take their liquor home to drink. I am sure no-one would deny that fact. Secondly, the anti-smoking laws are having a small effect. I visited many country hotels and was

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interested to learn that, while most felt an initial effect, they are saying that, in the long run, they will be okay. Thirdly, the country pub supplies everything from the music to the meals and accommodation. They have big costs because they run big, old pubs that need upkeep. They are under real pressure and, at this stage, they do not need added pressure. People can say that those aspects will be covered by the public interest test. The National Party and members of Country Labor supported that; nonetheless, we are facing the thin end of the wedge. I feel strongly that the pubs need to be protected at this stage. That is why I strongly disagree with Sunday trading.

The member for Mindarie spoke about the old days etc. Another amenity that the country pub offers in small towns is a place for sharing family values. People might say, "Hang on a minute, pubs are against family values." However, that is not the case in country WA. On a Saturday or Sunday night after football or netball, for example, families go to the pub. My older kids who are now 28 and 26, are well adjusted and doing well, and were brought up socially at the Kojonup pub.

Several members interjected.

**Mr T.K. WALDRON:** I did go to the pub a lot in Kojonup. Do members know why, and why people still go to their country pub a lot? That is where we meet our friends. Many people are under stress because of the effects of the current seasonal conditions. The country pub genuinely provides - I have heard members talk about this - a very important social outlet. I am not suggesting that all our country pubs will disappear; nonetheless, they face a threat that is real enough to warrant our protection.

A letter from a country hotel operator in my electorate, which may reflect self-interest, reads in part -

(I work about 77 hours per week, 7 days, and get about 14 days a year off). Things are very 'line ball' to say the least.

In my town, Woolworths has about 60% of the market in take away liquor which is the bulk of sales given the increased tendency for people to drink at home. One of the few 'breaks' we do get is that Woolies are shut on Sundays and the hotels in town have the market to themselves. It is a bit of a bonus.

When we purchased the hotel in 1986 there were 15 staff employed here, now there are only six including my wife and myself.

If Woolies were allowed to open on Sundays -

I know they are not in country WA -

we would lose about \$1700 in trade per week through our bottle shop. That is \$88,400 a year or 11% of our annual turnover. Given that most of our costs are fixed (insurance, shire, power, water, freight, bank charges etc) the profit on the lost \$88,000 turnover would come straight off the bottom line which would make it difficult for us to continue.

That is one example. At another hotel 70 per cent of the total income is from its bottle shop, so that is significant. It appears that these laws will be passed. However, I ask the government to strongly consider - the Leader of the National Party will expand on this - some kind of grant based on properly structured criteria to assist some of those hotels with their upkeep, so that they can maintain their operations and provide upgraded services with their restaurants and other parts of their business. I will leave that argument to the member for Merredin.

I have a real concern about Sunday trading. The general public and publicans are less concerned about the competition from small bars and restaurants. In some of the mid-sized towns such as Narrogin and Katanning, hotel owners are nervous about losing bottle shop trade to restaurants. However, in many of those towns motels probably already operate in that way, so I do not think that will have a great impact. The good publicans will take steps to counter the effects of Sunday trading. One publican already has ideas about what he can do to overcome any effects. That is smart and some benefits might flow on and encourage other smart pub owners to take up the challenge. The small bar licence will apply to patronage of only 120 people or fewer. Only sales of liquor on premises will be allowed.

I have not spoken about the public interest test yet but some flexibility in country WA is needed. For example, Dumbleyung is a very different place from Albany. The member for Vasse made the point about Busselton, Bunbury etc. Flexible provisions could apply in those places. I agree with the member for Stirling that the public interest test should be strengthened to take very much into account the viability of other licensed premises. The member for Mindarie asked what the public interest really is. I tend to agree with him somewhat,



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but the need to meet a public interest test leaves the market open to unlimited licences. I hope that does not happen. We were assured at the briefing that that would not happen but there is concern about it.

I have a few questions about restaurant licences and the fact that the sale of liquor will not be ancillary to a meal. I acknowledge that the bill provides that the primary purpose of a restaurant must be the provision of meals. I think the minister stated in his second reading speech that 60 per cent of the turnover must come from the provision of meals. How will that be determined? Will it be monitored? If so, will a licence be reviewed or even revoked if the proprietor transgresses? I will ask for that to be clarified during consideration in detail. I understand consumption of liquor in restaurants must occur while patrons are seated. I do not know whether a provision to that effect is included in the bill, so I would like the minister to clarify that. The public interest test in relation to country bars and restaurants needs to be strengthened, and I will support the amendment to be moved by the member for Stirling.

In country WA town clubs, bowling clubs, football clubs etc all have liquor licences. The reciprocal membership provision is a good provision. The increase in the number of functions from four to 12 is a sensible and practical move, and it will be well received. One area that worries clubs is the requirement for the manager to be on the premises at all times, although some exemptions provide for a nominated person to be in attendance. Will the minister clarify that? Many small clubs are run by volunteers or one staff member and volunteers. They provide a great service to sport in country towns and for people who want a social drink, so that needs to be clarified.

I will not take up too much more time, but I refer to liquor licences at major events such as the Wagin Woolarama and the Kulin bush races, which are similar to events in Perth such as the Lilac Hill cricket match and the royal show. I appreciate that restrictions must apply at places where alcohol is consumed for safety and security reasons. However, last year the licensing people went over the top with restrictions at the Wagin Woolarama. Even businesses that spent a lot of money to promote businesses were threatened with not being granted a licence.

**The ACTING SPEAKER (Mr M.J. Cowper):** Excuse me, members. There are five separate conversations going on in this chamber at the moment and only one person has the call. The previous Acting Speaker voiced his concern about the amount of chatting that was occurring. It is appropriate that we give the member for Wagin his time in this place. If members wish to hold any other conversations, they should go outside the chamber.

**Mr T.K. WALDRON:** Thank you, Mr Acting Speaker. I am sorry that my contribution is not entertaining.

We need some sensible and practical rules. Businesses invest a lot of money in the Wagin Woolarama. It is a huge show, comparable to the Dowerin Field Day and the Lilac Hill cricket match. At the last Woolarama businesses were not going to be allowed to give away beer in their tents, even though they were inside a roped-off area. The cost of security will threaten some of these events. We need security and rules for these events, as well as commonsense and sensible rules. The people who run these events take their roles and responsibilities very seriously, so let us not stifle them. It was only through District Superintendent Ross Tomasini's intervention that commonsense prevailed at last year's Woolarama and people were able to enjoy themselves. We do not want things like this to stop. If the rules for the Woolarama are changed, the rules for the Lilac Hill match and the royal show will need to be changed. Commonsense must prevail.

**Mrs M.H. Roberts:** Lilac Hill is very popular.

**Mr T.K. WALDRON:** It is popular.

Members have talked about tourism, and I come back to our country pubs because they play a big role in country tourism. They are asked to play that role. The member for Merredin referred to grants. Obviously, in some cases heritage is taken into account, but tourism should also play a role.

The majority of people in my electorate are definitely against Sunday trading. I acknowledge the value of small bars and restaurants, and I do not have any fears in that regard. However, to be reasonable to country areas, the public interest test needs to be strengthened. That is the position I put on behalf of my electorate.

**MR M.W. TRENORDEN (Avon) [9.12 pm]:** Hendy Cowan, a previous leader of the National Party, said that an interesting thing about this place was that the debate on the Burrup bill took two hours and the debate on whether to permit the sale of two bottles of beer from a liquor outlet on a Sunday took a week. There is the capacity in this chamber for members to talk at length about issues relating to alcohol and liquor licensing and restricting human activity. I am no different from other members, but the comments I will make on the Liquor

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and Gaming Legislation Amendment Bill will be different from the comments of other members. It is one subject on which there is diverse opinion in the community.

My concern is that we should move forward. I am absolutely in favour of moving forward but, having been a member of this place for 20 years, I am concerned about the mountain of regulations that we will leave behind. I ask the Minister for Racing and Gaming to pay attention to that. Most of the regulations were put in place when a hotel was the only place in which alcohol was consumed. Now, about 10 per cent of alcohol consumed is sold in hotels and clubs. The local hotel is no longer the place where the bulk of alcohol is consumed. Public opinion is such - Mr Acting Speaker knows this well from his past employment - that when people ring talkback radio programs about the demon alcohol, they blame the hotel industry. The hotel industry is probably selling only seven per cent of the alcohol that is consumed. The restrictions in the regulations that have been in place for decades need to be pruned.

One of the liquor store owners in my electorate, to his credit, says that he does not want to open on Sunday. One of the reasons he does not want to do that is that directly opposite his liquor store is the Shamrock Hotel. To open its doors, the Shamrock Hotel is required to employ eight staff but he is required to employ only two. The Shamrock Hotel must employ eight staff when it is open to comply with a raft of regulations. I recommend to members that they visit the Shamrock Hotel in Northam because they will find it is not there simply to sell alcohol. It is beautifully renovated hotel, which is a meeting place, and it serves meals and coffee. If members went into the Shamrock Hotel on any day of the week and found 20 people there, it would be close to a miracle. These regulations are imposed on this hotel on the basis of past history. I implore the minister to think about that.

I will run through a few of the things in this bill that concern me. This legislation will not impose a public interest test on a small bar. The hotel that wants to open its bottle shop on Sundays must open its bar. It cannot open only the drive-through component, but also must open its bar. I refer to policing. Will police be wandering through restaurants at 10 o'clock at night to check out the patrons, which is what they do at hotels? I suggest that will not happen.

**Mr M. McGowan:** Are you advocating that?

**Mr M.W. TRENORDEN:** I am not saying it is a good thing, but it happens at the local pub. I will outline the reasons that it happens.

**Mr M. McGowan:** The point you raise about the excessive regulation of hotels is a good point.

**Mr M.W. TRENORDEN:** I will continue through this process.

Will the booze bus park outside a restaurant with 120 people in it? Will the police patrol the restaurants when they close? There will be no police around. Does the minister know how many police are on duty in Northam at midnight? The answer is two. It is not realistic to do that. I am not saying that there should be more police. I suggest that we go the other way. We have to talk more about making the public responsible for their actions. The small restaurants and bars will not have a closing time. Patrons will not leave at midnight. It will not be like that. However, it will still be like that at the local pub. The police in my community become agitated when we discuss this issue, and I feel sorry for them. Mr Acting Speaker, you will know this story well. The police have to go to the Northam Hotel at 1.00 am when the kids are carrying cans of beer, which they have bought on their way out of the hotel, and are spewing out onto the street with nowhere to go. It is not a sensible way to operate. If we were serious about making life easier by stopping windows being broken, bins being kicked over and regular assaults on police officers, why would premises like this be closed at a particular time, particularly after the shift for the police station is finished? Why do we do that? In reality it would be better to extend the hotel closing time in a town like mine to two o'clock in the morning. The reality is that the kids do not go home; they go somewhere else to drink. Sometimes it is at a gravel pit, and in some instances they kill themselves.

**Mr M. McGowan:** In Britain they put in place the opportunity for licensees to apply for a closing time. Instead of each closing at midnight, they can close at any time through to six in the morning.

**Mr M.W. TRENORDEN:** I have two sons and a daughter and, unfortunately, in the Trenorden family the women can out-drink the men on any day of the week. They are all sociable people, and I worry about them. However, I am less worried about them when they are in the hotel. I and the police know exactly where they are. It is better to have a situation like that instead of a situation in which at 12 o'clock the hotel patrons decide where they will continue to party. I would much prefer that process. I would suggest that, as a police officer said to me years ago, if the pub is to close at two o'clock, take-away alcohol cannot be bought after one o'clock. We must try to disperse this process of people in a town like Northam all coming out of the hotel at the same time. It happens in many country towns, except for the smaller ones where there will be only 10 people in the pub. The

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other thing is that all these restaurants and small bars are to be allowed to hold only 120 people. Any hotel in my town would love to have that many patrons. This is another regulation that is causing another difficulty. I am not trying to throw rocks at the minister; I am trying give him an argument for changing some of the old considerations. It is time to move on; it is time to look at this process differently. However, we cannot just look at the new. My argument is that we must look at what we currently do.

I have a raft of information from the metropolitan area. It concerns me because I am a member of Parliament. I like to understand what happens at the nightclubs and the Northbridge hotels, but they are not my prime consideration. My prime consideration is the electorate of Avon. We create this burden for the police that really does not have to be there. The police have a distinct dislike for it. Why would they want to front up at a hotel in the town of Northam when there are 50 kids leaving? They have to front up to them for 10 or 15 minutes for no real good reason. We need to be thinking about doing this considerably differently. Like all members, I have received a fair bit of correspondence from other people, including the Liquor Stores Association and the clubs. I am very concerned about the clubs. In my electorate, including the Northam Bowling Club, in a sizable community, much of the work is done voluntarily. Many of the people behind the bar are volunteers. We are putting a whole raft of regulations on people who are doing it for the good of their community, so that the bowling club can stay there and they can still play bowls; the same situation applies with the race club or the cricket club. There are 16 licences in the town of Northam, but there are only six hotels. The area is well and truly over-catered. We do not need any more licensed premises.

**Mr D.T. Redman:** What is the population of Northam?

**Mr M.W. TRENORDEN:** It is 8 000 in the town, and 14 000 in the general community. It is well catered for. The point is that it is time to move on. Let us think about those processes. I do not trust ourselves as a body - not necessarily the minister - to go back and look at these things once we have put them in place and moved on. I would like these things dealt with in the process of moving forward.

Members have all heard me argue the following about food and a few other areas. One of the problems in the metropolitan area is that there is a real demand in corporate activities these days to take the cream and sell it, but not to want to sell the milk. We see that everywhere, and it is seen now in liquor. A Woolworths or Coles controlled liquor outlet supplies very fast-moving brands. Someone looking for a favourite bottle of wine is not likely to find it in a Coles or a Woolworths store. They are not actually supplying a total service. The other argument, of course, is that the bulk of the people going into that store are getting what they want. However, as we go through this process, we must remember that we do not want to create a system that only wants to sell the cream and does not want to sell the milk. There are a few stores in the metropolitan area that I value and go to sometimes where an obscure fortified wine or whatever can be found, because they stock it; that is a really good thing.

I will run through one of my other grievances here. Every other person in the house will disagree with me, but I have been in that position many times, so it does not worry me very much. What really bugs me is that, with all due respect to my colleagues over here, it is ridiculous to ask an 18-year-old backpacker from Ireland to say when Max Trenorden is drunk. It is absolutely ridiculous. I do not want to go on for too long, but I have a quotation here somewhere that gives a definition.

**Mr T. Buswell:** I saw you in that state after the grand final!

**Mr M.W. TRENORDEN:** I also saw the member for Vasse, and the Premier.

**Mr T. Buswell:** Were you cuddling me?

**Mr M.W. TRENORDEN:** Yes I was, and I was also cuddling the Premier. Three of us were at the grand final, and what a sensational thing it was. It was good to see the Premier and the member for Vasse having a good time. The article from *The West Australian* states -

... a person is drunk "if his speech, balance, co-ordination or behaviour is affected by liquor".

I must appear drunk all the time!

**Mrs M.H. Roberts:** You're telling the story!

**Mr M.W. TRENORDEN:** In any country hotel, those backpackers are the bar staff, and they are being asked to make a decision.

**Mr A.P. O'Gorman** interjected.

**Mr M.W. TRENORDEN:** It is a sensational thing. I do not want to extend my speech, but having those backpackers, who are 90 per cent girls, in those communities is a wonderful thing. It is good for the girl, who is

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seeing a slice of the rural Western Australia for a month or two weeks, or whatever period, and then moving on. It is good for all of us, because we talk to them and learn a bit about them. It is a fantastic thing.

**Mr A.P. O’Gorman** interjected.

**Mr M.W. TRENORDEN:** I will have to go to Ireland then! I have many quotes here about what has happened in recent times. There was a very famous case a few months ago in which the court actually threw out a case in which the person unfortunately died. We all know the case. It must be painful for that family and I am not trying to drag it out for that family. However, the court went through a process and did not prosecute a bar person. I know a few cases. Although it is going ahead, are we being sensible when we say to a person that he needs to be able to tell when someone is drunk. Also amongst these quotes is a reference to the other consequence. We had a case here in Western Australia just a few years ago in which a person hired a vehicle to take him home. He grabbed the car keys of the person he hired to take him home, drove the vehicle, had an accident and then sued the hotel for getting him drunk - and won! He received a payment. How ridiculous is that? I can understand the public’s desire to make sure that proper procedures are used, but we are going too far. Very few of the drunks are actually coming out of the hotels. I am not opposing this; I do not want to argue that we should not be opening the process up. However, the drunks are coming from everywhere; in fact, the bulk of them are coming from private activities. If the minister came to my house and I filled him up with something that he liked a lot, and then he staggered out onto the road and was run over by the local dust cart, am I responsible for him? The answer is no. Why should the 18-year-old Irish girl at the Warralakin pub - which does not exist - be responsible? She faces a \$2 000 fine. They are the things we need to look at.

I know that the same rules will apply for small bars. A waitress serving food and alcohol to a table of 10 will be as busy as hell, and yet she may have to decide whether the minister and I can have a drink. She may decide that the minister can have another drink and that I cannot. How would she stop the minister from buying a drink and giving it to be me? She would still be responsible. I am pleading with the minister to consider some of the processes that have been put in place over a long period. There are wonderful consequences. I raised this issue in this place only a few weeks ago. Very few people who drink alcohol drive their cars. I suggest that the chances of someone drinking and driving in Northam and not getting caught are pretty remote. A car out and about in Northam at midnight has an excellent chance of being stopped. I know that some people in Perth take a risk because they think it is a lottery - either they run into a booze bus or they do not. The point is that the rate is one per cent lower. As other members have said tonight, that is a great thing. It is a step in the right direction. In the words of the member for Wagin, country hotels must continue to operate not because they exist, but because they are the glue of the community. Many activities happen at country hotels. It is same with a local club.

[Member’s time extended.]

**Mr M.W. TRENORDEN:** People at local clubs are putting in a roster so that bowls, cricket and tennis matches can be played. Why are we saying to those clubs that they will have to have a specialised person on the premises before those events can happen? Why are we saying to pubs that they have to have security at an event even if only 20 people turn up? I want us to seriously consider those issues. I am not saying that there should not be security. However, we have overdone the security issue. I would like someone to point out to me where in my area there has been a problem. The Pingelly show will not happen this year, which is very sad. The Beverley and York shows have security staff, and yet I have never seen a fight at those events. I am sure that there has never been one. Employing security staff is an extra cost for show organisers. I have to disagree with my good mate the member for Wagin; there is too much security at the Dowerin Field Day. In that situation, we do not need that level of security. However, if the organisers are expecting 200 people to turn up at the bar, there has to be X number of security. That is an enormous cost. In addition, where will we find that level of security staff? It is a good thing I have run out of voice.

**Mr G. Snook:** We will have to get the Irish barmaid to check you out.

**Mr M.W. TRENORDEN:** I wish you would. I am still single, so I am allowed to be checked out.

**Mr G. Snook:** There is a big problem.

**Mr M.W. TRENORDEN:** It has something to do with supply and demand!

**Mr G. Snook:** You are getting your ambitions mixed up with your capabilities.

**Mr M.W. TRENORDEN:** Exactly. We will not go down that road and waste 30 seconds of the poor barmaid’s time!

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The good people sitting in the Speaker's gallery have put many years of good work into changing the liquor laws of this state. For all intents and purposes, let us move forward. However, we must remove some of the barriers that have been built. Maybe those barriers are needed in the metropolitan area. Michael Mollohan has written to me. I do not know what happens at the Subiaco Hotel. I go there two or three years times a year when I stay at my unit in Daglish. I do not know what he does there. Those measures might be absolutely necessary at the Subiaco Hotel. However, they are not necessary in the Northam Hotel or the Doodlakine pub when it occasionally puts on a good show. I know that it is hard to draft measures and regulations that do not treat everyone equally. However, not everyone has equal resources or an equal opportunity in this process. There is much less demand on those processes in the area in which I live. I thank the minister for listening to me. I will represent him on Sunday.

**MR T. BUSWELL (Vasse - Deputy Leader of the Opposition)** [9.37 pm]: I commence my contribution to the Liquor and Gaming Legislation Amendment Bill 2006 by saying that I support the minister's attempts to reform the liquor sector in Western Australia. I support the replacement of the public needs test with a public interest test. I support the introduction of small bars and the concept of providing greater flexibility to restaurants to serve what their customers want to consume. I also support the introduction of Sunday trading for all liquor stores in all metropolitan areas. As I will mention later in my speech, in many ways the reform package does not go far enough. I am disappointed that the liquor store that services the suburb in which I live will not be able to open on a Sunday. The consumers who, like me, would like that store to open on a Sunday will have to travel five or six kilometres into town to purchase packaged liquor on Sundays. Many other aspects of the state's liquor licensing regime could have been addressed by way of reform. Indeed, had some of those opportunities been taken, some of the issues raised by groups like the Australian Hotels Association could have been addressed. That group legitimately placed its grievances about how this legislation will impact on it and its members before members of Parliament. A lot of those grievances could have been addressed through further regulatory reform.

I want to look at the core underlying issues because like many other members, particularly those on this side of the house, over the past few weeks I have been lobbied about this legislation by a variety of people. Given their decision to support the legislation, government members - funnily enough, they generally support such legislation in the party room - have been spared the experience of working through the lobbying process, which has been very interesting. In my home town I have been visited by a number of publicans who have a significant investment in their hotel and in the goodwill created by the legislative framework that we are about to change. They are justified in their concerns that that goodwill may be diminished by the reform process. I have also been approached by local restaurateurs who support the idea that they can only sell alcohol to patrons. I have also been approached by local liquor owners. Of the four local liquor store representatives who approached me, all of them want the right to trade on Sundays. One of them indicated that his liquor store would not trade on Sundays, but he wanted the right to be able to trade on Sundays. These discussions were very difficult because all the different interest groups raised legitimate concerns and issues. I told them that it is my view that in a modern, contemporary society the process of deregulation and the process that encourages competition and market reform delivers the best outcomes. As that is my basic, fundamental and philosophical position, that is how I assessed their arguments. When they asked me why I had formed that view - I apologise to my colleagues in the party room for having to state this twice in one day - I shared with them the experience of my small business. When I started my small business in coach transportation 12 years ago, it was a heavily regulated industry. Our licence literally specified what roads in country Western Australia we could drive on and on what days. It was very difficult to change that licence. In fact, one of the only ways to change that licence was through the acquisition of a licence from another licence holder. One had to pay for the right to obtain that licence. I found that incredibly frustrating. I wanted to expand my business. My customers wanted me to offer a broader service because they enjoyed the service we offered.

My industry went through a period of deregulation. We moved away from route-specific types of regulation to a more qualitative type of regulation, which meant that provided we had a maintenance plan and we did all the qualitative things we needed to do, we could basically drive our tour coach wherever we liked in Western Australia. That was a fantastic innovation. The sad reality is that a number of businesspeople went broke because they were not good operators. They had been supported by the regulatory framework of the time. They offered poor service, poor product and high prices. When consumers were offered a choice, they left and they utilised other suppliers. I was just fortunate that we were in the business and we were able to take hold of the opportunities. We now employ 10 times as many people as we did before deregulation. Our turnover has increased by a much greater multiple. An opportunity was presented to me through deregulation to grow and expand my business because I was able to offer a product that consumers chose to consume. We often neglect the role of the consumer in these debates. I hear people talk about the need to protect small business, the impact

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of market domination by Coles and Woolworths and all these different issues. We must come back to the consumer.

**Mr B.J. Grylls:** Do you agree that there is market domination by Coles and Woolworths?

**Mr T. BUSWELL:** I am not sure that there is market domination to the extent that it is said to exist. I will touch on that later because it is a good point. I do not think that Coles and Woolworths engage in some subliminal brainwashing process to force people to go to Coles and Woolworths to do their shopping. I have never seen evidence of that. I do not think the people who shop at Coles and Woolworths are forced to go there. I do not think they go there under duress. Consumers make a choice about where they spend their dollar. It is a fundamental view I have. I shared that view with the hoteliers, restaurateurs and liquor shop owners who spoke to me. We did not agree on an outcome but at least they respected the thought process and the philosophical underpinning that went into making that decision.

My personal view is that we need to encourage deregulation because ultimately deregulation benefits business and consumers. I often talk about my home town of Busselton, which has seven-day trading.

Is that the bell for me? I always have an ear out for that - for whom the bell tolls!

**Mrs M.H. Roberts:** That's your buy!

**Mr T. BUSWELL:** I do not know about that. In my home town all stores have the capacity to trade seven days a week. Coles and Woolworths trade from 11.00 am until 4.00 pm on Sundays. The Shire of Busselton endorsed that trading regime. Four or five years ago when I was involved with the Shire of Busselton, there was a move by some of the smaller retail stores in the town to have that capacity taken away so those stores could not trade on a Sunday. They claimed that if that regime remained in place, they would go broke. That did not happen. Coles and Woolworths still trade. Those businesses are still in operation today. From my outside view, they still seem to be doing very well. I would hazard a guess that they are doing as well as they have ever done. Why? Because those small businesses learnt what they had to do to compete with the nationals. I was talking with a lady who has just bought a business. It is not a corner store. She hopes it will become an IGA supermarket. I do not know whether that is a franchise or whether it will belong to the IGA group. She explained her plans to expand her small suburban shopping centre in my area. In my home town seven-day trading has not necessarily impacted on this traditional definition of small businesses in the retail sector.

**Mr M.P. Murray:** How much has your population increased in that time?

**Mr T. BUSWELL:** It has increased but the floor space of the shops has also increased. I just offer this as an observation. The dire prediction that Sunday trading was going to be the death of these small businesses has not happened. They compete very well in the niche markets they have established for themselves in the retail trading environment in my home town of Busselton. I have the background of a person who has enjoyed the fruits of deregulation through my small business. I have seen my customers enjoy the benefits of my capacity to offer a better product and a better service and I have seen a model in my home town that has not had the dire impact that people generally predicted. When the liquor stores owners, publicans and restaurateurs came to me, I was happy to offer my support for the government's package, as I have right throughout this process in my party room and whenever I have been asked for my views.

I want to touch on a couple of key points that people often raise. For example, it has been put that moving to a deregulated liquor framework will result in increased consumption of alcohol. It is very interesting to look at a basic statistical analysis of what has happened in different state-based jurisdictions in Australia that may or may not have moved through a regulatory framework. I will look at alcohol expenditure as measured by a proportion of total expenditure per household. Members may be interested to note that Western Australia has the second highest level of alcohol expenditure when measured as a proportion of total expenditure per household. It is 3.1 per cent of total household expenditure.

**Mr M.W. Trenorden:** What percentage of that is yours?

**Mr T. BUSWELL:** I am assuming that I make some contribution to that, being a person, like the member for Avon, who hunts out those liquor stores that offer the gems. I do not like the service offered in the big national chain liquor stores. I do not go to them. I live in South Perth, and I go to the old Mends Street Wine Bin because it has a fantastic range of wines. I am not that interested in comparing the price of liquor at one outlet or another. That is not a driving factor for me as a consumer. I make a choice as a consumer to go to the Mends Street Wine Bin. I know there is a cheaper alcohol shop on the corner of Canning Highway somewhere. It is a BWS or something like that. I do not go there. I went there once and it did not have the choice I wanted. I probably do make a contribution in a minor statistical manner to that 3.1 per cent.

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Western Australia, which is generally regarded as being a highly regulated environment, has a high level of alcoholic consumption as measured by household expenditure. Some of the more liberated state-based regimes - Queensland, for example - have much lower levels of consumption. People have said that moving from a regulated to a deregulated environment will increase the consumption of alcohol. I am not necessarily sure that that has been borne out by practice.

**Dr J.M. Woollard:** Are you aware of the fact that alcohol causes 1.8 million deaths?

**Mr T. BUSWELL:** That is a depressing statistic. If the member for Alfred Cove had been listening, I was saying that there is no evidence to suggest that being in a regulated framework versus a deregulated framework leads to greater or less consumption of alcohol. The evidence from states such as Tasmania has been that people's consumption of alcohol, be it the difference between packaged and non-packaged alcohol, rarely changes. The total consumption of alcohol as measured as a percentage of total household expenditure rarely changes when we move through a process of deregulation, as Tasmania did -

**Dr S.C. Thomas:** One of the most regulated processes and one of the highest death rates is in the vodka industry.

**Mr T. BUSWELL:** That is in Russia. That is right; that is a very good point.

**Dr S.C. Thomas:** The left-wing ideal.

**Mr T. BUSWELL:** The member should not put me off. I am on a bit of a roll here. I do not want to be caught up in the left-wing ideals of the Queensland Nationals.

There are a couple of other points I want to make. The Allen Consulting Group produced a very interesting report, which I am sure all members have read, that assessed liquor reform. One thing I found quite interesting is that the Allen Consulting Group report related to tourism. As members may have gathered, I have an interest in the tourism industry. My business traded in tourism. It reported that in Queensland deregulation of alcohol, in particular the sale of packaged liquor on Sundays, had a positive impact on the capacity of that state to service its tourists. Members may ask how that will impact on national and international tourists who come to Queensland. It makes the point that it has a significant impact on the capacity of businesses to service interstate tourists, people who are moving around the state, the weekend day tripper and the like. I can see why the tourism industry in this state supports the reforms.

I wish to make a couple of other quick points. It is very interesting to look at the Tasmanian experience and see what happened in Tasmania following the liquor reforms that were introduced in 2003. People often say that the deregulation of liquor licensing laws, especially the introduction of Sunday trading, will lead to a reduction in the number of hotels and will have a negative impact on liquor stores. Interestingly, the reform program in Tasmania began with Sunday trading for liquor stores in 2003. In 2000 there were 300 hotels in Tasmania. In the middle of last year, there were 307 hotels in Tasmania. The number of off-licences, as they are called in Tasmania, increased during that period. It is a fact that a lot of that increase was accounted for by Woolworths, which is particularly active in Tasmania. People often say to me that deregulation through the method proposed in the legislation to allow Coles and Woolworths to trade on Sundays is anti-small business. I have operated a small business and I never felt that the trading hours regime was of any significance to me as a small business operator. Do members know what I, as a small business operator who is genuinely looking for a way to improve my small business and my capacity to compete, service my customers and make a profit, would look for in public policy? It would not be trading hours reform or trading hours protection; it would be matters such as a reduction in red tape, the provision of training to help me be a better business operator, an adequate supply of labour at an affordable rate, which is not happening in this state at the moment, and workplace relations reform, so that, as a non-proprietary limited small business in this state, I could have access to a lot of the benefits that the federal WorkChoices regime is providing for workplaces across this country. As a small business operator, I would want to get out of this state's unfair dismissal regime. I am less interested in retail trading hours reform than I am in the more substantive issues.

Several members interjected.

**Mr T. BUSWELL:** I know that members opposite have a different view on the matter, but I am trying to make a point that supports the government's position. I do not need the ex-metal workers' union bovver boy, who has never employed a person in his life, to tell me what to do.

**Mr F.M. Logan:** You don't know that, do you?

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**Mr T. BUSWELL:** No, but I recall the image of him at the opening of the Chamber of Commerce and Industry of Western Australia building by John Howard. The metal workers had a protest to attack John Howard. All the metal workers wanted to march in, and they were ranting and raving, “Down with the capitalist pig” and all that sort of palaver.

*Point of Order*

**Mr M.P. MURRAY:** What is the relevance of this to the subject?

**The ACTING SPEAKER (Mr M.J. Cowper):** There is no point of order.

*Debate Resumed*

**Mr T. BUSWELL:** That has thrown me right off.

[Member’s time extended.]

**Mr T. BUSWELL:** The metal workers protested across the road from the opening of the CCI building in Hay Street. The Federal Police knocked over a few people, and particularly some journos. Who was directing the protest from across the road while hidden under a cap with his collar up and telling the lads to get into them? It was the minister. He was hiding in the shadows with his hat pulled down over his head, saying, “Come on, comrades; I’m right behind you as we storm the barricades of capitalism and charge down John Howard.” That is the sort of person the minister is. All I want to do is stand up for the government’s legislation. The minister is a goose. I suggest that he keep quiet and listen to someone who has a realistic understanding of how small business operates in this state. Again I will make my point that I was trying to make before I was rudely interrupted.

When we talk about being pro-small business, the policy mix that we, as public policy makers, need to look at is far broader than trading hours protection for small businesses. I want to raise a couple of other matters, one of which is the practicalities through which the modern liquor licensing regime in this state manifests itself. I have kept one of my favourite articles from the *Fremantle Rooster*. It is not my favourite article because of the photograph of Councillor Linda Goncalves on the front page. Apparently, she works in the Department of the Premier and Cabinet and she is referred to in the article. The article refers to the processes of the liquor licensing system in this state that people use. It refers to a meeting that was held in the office of the Mayor of the City of Cockburn, Stephen Lee. The meeting was attended by Burke, big Kev and the Minister for Small Business. They met with Stephen Lee to oppose an application by a chap called Tony Buhagiar, a former East Fremantle and Essendon football player, to move a liquor store in Coolbellup 100 metres down the road to a disused service station. These three individuals, big Kev, Burke and the member for Cockburn - it is not even in his electorate - trooped down to meet Mayor Stephen Lee and they objected to Tony Buhagiar, as a small business man -

**Mr F.M. Logan:** Are you saying that I was there?

**Mr T. BUSWELL:** I am sorry; I meant the member for Peel, the Minister for Small Business. They trooped down to meet with him.

**Mr B.J. Grylls** interjected.

**Mr T. BUSWELL:** Maybe next time. These are the sorts of things that happen under the current model. People use the regulatory framework to prevent other people coming and going when it will benefit them. I do not think that is right. I have seen it happen in my town. It happened in this instance when Reynolds, Burke and the member for Peel met with Stephen Lee. Do members know what happened when this matter was put to the council? I found this very interesting. Councillors recommended that approval be given for Tony Buhagiar’s liquor store to open at the disused service station. The local shop owners thought it was a great idea and that it would help spark up the area.

**Mr B.J. Grylls:** Why was the service station disused? Was it Coles and Woolworths?

**Mr T. BUSWELL:** No, he must have bought a Liquorland outlet from Coles.

**Mr B.J. Grylls:** No; my question was: why was the service station disused?

**Mr T. BUSWELL:** Who knows why the service station was disused? I think it had been used as a nursery for some time before then. When the matter came before the councillors, the vote was four-four, and the motion was lost on the casting vote of the presiding officer, Mayor Stephen Lee. Is that not an interesting story?

**Mr M.W. Trenorden:** That’s democracy!

**Mr T. BUSWELL:** That is democracy, but is it not interesting that the mayor decided to knock back the liquor store application by the “Budgie”? I am not supporting the “Budgie”, because I reckon that the “Budgie” down



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at the Leopold Hotel has probably used the same sorts of regulations to prevent other competitors opening up businesses. It is just the nature of the business. I am not picking on those three individuals. Interestingly, the State Administrative Tribunal threw out the council's decision and, to the best of my knowledge, the application was approved. That is the point.

An opposition member interjected.

**Mr T. BUSWELL:** He sold the Leopold Hotel to Coles; that is exactly right.

I want to touch on a couple of matters in conclusion. Yes, we should support small business, but we should also support consumer choice. We should support the rights of individual consumers to shop where they see fit. With regard to Sunday trading, I find it odd that, in this day and age, we in this Parliament can say to consumers in this state that two identical liquor stores can effectively trade side by side and sell exactly the same liquor for exactly the same price, but one store cannot open on Sundays because of the ownership structure of that business. I do not think that is an acceptable outcome in contemporary society. We have to support the position of consumers. It is very interesting because consumers vote with their feet. People often say that the United States is a great example of an environment in which there is no market domination. However, there is market domination in the grocery industry in the US. There is localised market domination by Wal-Mart in the US. Wal-Mart started in the grocery industry in the late 1990s. In 2004 it had approximately 19 per cent of the grocery industry in the United States. That will build to 34 per cent by 2010. Who knows what will happen from then on. Why do United States' consumers go to Wal-Mart? It is because it is cheap. The next fastest growing retail chain in the United States is a company called WholeFoods.

**Mr D.T. Redman** interjected.

**Mr T. BUSWELL:** So what? All I am saying is that consumers exercise a choice. The Nationals are fascinated with a nasty duopoly. I suspect they think that Roger Corbett jets off to Davros in Switzerland and participates in the group of all powerful people who are plotting to take over the world in some secret evil incarnation of this duopoly. Let us consider what the Australian Competition and Consumer Commission can do. People say to me that the ACCC has never taken any action against anyone to protect consumers and/or small business. The fact of the matter is that it has. It has done that with regard to liquor. Liquorland has been fined, and Woolworths Liquor is about to be fined, for restrictive trade practices that they took in 2000 or 2001, when they attempted to force some small businesses in New South Wales and Queensland to operate in a most inappropriate manner. Action was taken. Liquorland was fined about \$4.3 million. The Woolworths fine is yet to be handed down, because it went through a different legal process. The ACCC can provide protection for small business and consumers. If there are any issues with the ACCC, we need to address those matters apart from this bill.

**Mr A.D. McRae:** Why do we need the ACCC if the market always operates perfectly? You are saying there is no difficulty with a duopoly. If that is so, why do we need the ACCC?

**Mr T. BUSWELL:** There will always be the capacity for people to flout the rules at the edge. Most modern political economies have consumer protection legislation. They have institutions to protect consumers from inappropriate behaviour. The ACCC has done that in Australia. That is clearly demonstrated. In my view we do not need to protect consumers by restricting the hours within which people can shop. That is a fundamentally flawed approach to public policy.

In many ways the Australian Hotels Association has been running a scare campaign of the highest order on this matter. I received an e-mail from the AHA last night. It was one page of absolute dribble. It was a very poor reflection on that organisation. I have always regarded the AHA - I still do to some degree - as a very professional organisation. However, the nature of some of its public commentary has been quite distressing. I reflect back to when the fringe benefits tax was introduced in this country. Every restaurant, and I suspect also a large number of hotels, predicted that it would be the end of the universe as we know it. People would not go out for a business lunch because of the fringe benefits tax. Yet we all know, however many years down the track we are now from the introduction of the fringe benefits tax, that life has gone on. Many of the institutions that predicted doom, gloom and disaster are trading as strongly now as they ever have.

I conclude with a statement I made at the start. I support the reforms the minister has introduced. I understand the need to protect country pubs. I accept those arguments, having enjoyed many a cool ale in a country pub. However, it could be argued that in some of the larger and more complex regional centres, liquor stores should be allowed to open on Sundays. The liquor stores in my town want to be able to open on Sundays. Because my town is long and skinny - a bit like me - and stretched along the coast, the consumers in my town need to travel a long way to buy packaged liquor. There is plenty of capacity to look at furthering the deregulation package to provide offsets for the hotel industry. The hotel industry will clearly be impacted, particularly in the short term, by some of the components of this deregulation. Anyone who says this bill will not have an impact on hotels is

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not providing a realistic assessment of the situation. Of course it will have an impact on hotels, perhaps not in the long term, but certainly in the short term. Even the Allen Consulting Group report has identified that.

One issue that I am particularly interested in is that in order for a hotel to open a liquor store, it must open its bar. That may require it to employ two staff when it could probably get by with only one. I find that a most strange imposition on hotels. My rationale is that if a hotel wants to open its liquor store only at certain times for certain reasons, it should be allowed to do so. The minister talks about freedom and entrepreneurial expression. This bill is one example of that. We still have a bit further to go, but by and large I support the reform package that the minister has proposed.

**MR B.J. GRYLLS (Merredin - Leader of the National Party)** [10.00 pm]: I welcome the member for Vasse's comments on the government's proposed liquor reform, but let me explain to him why I am concerned about Coles and Woolworths taking a larger share of Western Australia's liquor market. We would all live in a better world if we lived in the Utopia that the member for Vasse has talked about. However, I am meeting with representatives of Coles tomorrow, because a month ago Coles had no Western Australian beef in its Western Australian supermarkets. We do not have any ability to regulate Coles doing that. To take that further, what will happen on the day that Coles decides it will not have any Western Australian wine in its liquor stores? That might not happen, but when we were talking about trading hours, no-one in this Parliament would have thought that Coles would get to the stage where it had no Western Australian beef in its supermarkets, but that is what has happened. Coles owns Liquorland, Vintage Cellars and Quaffers. Any move to give Coles more market dominance will put us in a position where buyers in Melbourne will make decisions on what will be ranged in Coles stores. They will look for the big suppliers and big deals. I would even go so far as to say that they would tell suppliers what the price will be.

In the past three days I have spoken to other suppliers of the major supermarket chains. We are now at the stage, with the dominance of Coles and Woolworths in the agricultural sector, at which the major supplier of milk to the market in Victoria and New South Wales is too afraid to complain to Coles about the price that Coles is paying it because if it does it will lose the contract. It does not have the ability to mount an argument about the price it is receiving for milk, because if it does not deal with Coles, it will be going back to the dairies that it represents with no contract. That is how it has got to the stage of milk being a loss leader in every major supermarket, which means that the dairy industry is under enormous pressure.

Lamb produced by WA Q Lamb Pty Ltd in the electorate of the member for Wagin is not ranged in Coles or Woolworths in Western Australia.

**Mr T. Buswell:** Where does Woolworths get its lamb from?

**Mr B.J. GRYLLS:** I think Woolworths has done pretty well with its meat in Western Australia.

**Mr T. Buswell:** It is Bunbury.

**Mr B.J. GRYLLS:** I think Woolworths has been okay, but where are we heading? That is why the National Party will continue to argue that we are concerned about Coles and Woolworths becoming more dominant in the sector in which they operate. We will do whatever we can to ensure that there is a level of regulation and that other, independent stores exist and are going forward. I want the member for Vasse and the member for Avon to be able to find a specialist bottle of wine; I do not want them to be limited to one or two stores. The member for Stirling's liquor store has a fantastic range of local produce. If members want to get a good wine from the great southern, they should go to the member for Stirling's bottle shop.

**Mr T. Buswell:** Are you aware of the number of major labels of the Margaret River wine appellation that are owned by multinational and international conglomerates?

**Mr B.J. GRYLLS:** Most definitely; for example, Hardys Wines, Fosters and others are buying those labels. That sort of rationalisation is happening in every sector. We are not saying that it must be stopped, but we are saying that there needs to be some recognition of the need to maintain a degree of competition in the marketplace. All the National Party seeks to do by opposing Sunday trading is to maintain a level of competition. My support for the Australian Competition and Consumer Commission is much less than that of the member for Vasse, because I think the commission is an absolute disgrace and a complete waste of time. I have not heard Graeme Samuel make one intelligent comment in the public debate. All Graeme Samuel does is uphold the letter of the law in the legislation he is given by the Parliament on the other side of the country. I do not think the Australian Competition and Consumer Commission has been given any teeth. It worries me when the ACCC tells me that the solution for the independent supermarkets in a fuel price war with the Coles and Woolworths-owned fuel stations is to develop their own fuel station and do the same thing. We have just seen supermarket chains increase their discount from 4c a litre to 6c a litre. Where is that discount coming from? It is

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coming from cross-subsidisation on groceries? Where does that cross-subsidisation end up? It ends up reducing the amount that dairy farmers are paid for their milk. That money must come from somewhere.

**Mr T. Buswell:** Are you aware that packaged light beer in Perth is 16 per cent more expensive than it is in other Australian capitals?

**Mr M.W. Trenorden:** Probably something to do with taxes.

**Mr T. Buswell:** State taxes on alcohol? Which ones?

**Mr M.W. Trenorden** interjected.

**Mr B.J. GRYLLS:** I agree. The member for Vasse is reading from the figures. I do not mind Western Australian consumers paying 16 per cent more for their packaged liquor if that creates a market that keeps Western Australian producers of that beer in the game and creates competition from the independent stores against Coles and Woolworths. My philosophy is that the cheapest end of the market does not always mean success for the economy, because at some stage our products will not be in the market. At some stage there will be no Western Australian fruit and veg in the Coles and Woolworths supermarkets.

**Mr T. Buswell:** Which Western Australian beer are you talking about?

**Mr B.J. GRYLLS:** I assume that relates to Swan beer from Western Australia.

**Mr T. Buswell:** All packaged light beer in WA is 16 per cent greater than the average price paid in all capital cities.

**Mr B.J. GRYLLS:** The member for Vasse is talking about a philosophy. I am saying that my philosophy is different from his. I do not mind if consumers must pay a little more.

**Mr T. Buswell:** It is not for Western Australian beer, because there is no Western Australian beer.

**Mr B.J. GRYLLS:** I am saying that I do not mind if consumers must pay a little more to keep competition in the market and to keep a degree of Western Australian ownership in those sectors. If we agree that the cheapest price will always win, in five 10, 15 or 20 years we will not have an agricultural or manufacturing sector in Western Australia. No-one in this place will argue that China cannot produce every single fruit and vegetable cheaper than we can. A guy told me recently that he employs 120 people in his fertiliser business in China and his wage bill is \$180 000 a year. He said that he is paying them well. They all turn up 10 minutes before the start of work and go home late because they have a good job. I am talking about our agricultural and manufacturing sectors in Western Australia that we in this Parliament are seeking to grow and develop to make our state a better place in which to live. This is the competition we will face in the future. If we base our philosophy on the need to provide the consumer with the lowest priced goods, we are conceding that we are happy to import everything for a far lower price because we know the cost structures of those overseas businesses are far lower. Some customers will not mind that. Customers now buy broad beans from China at \$1 a kilo when local broad beans are \$3 a kilo. I am not seeking to stop that. However, I am seeking to ensure that the Chinese product is not the only product on the shelf. The great challenge for us in this Parliament is to ensure we keep the Western Australian broad bean on the shelf. The issue with alcohol is exactly the same.

**Mr T. Buswell:** How do you stop the multinationals from buying hotels such as the Leopold and the Hyde Park, which they have done, and will keep doing? Your issue is about market domination. Are you proposing some sort of legislation to stop them buying hotels and increasing market share? That is the issue.

**Mr B.J. GRYLLS:** I know; it is a real challenge. That is exactly what they have done. They could not get Sunday trading, so they bought the hotels that can trade on Sundays.

**Mr T. Buswell:** Do you oppose that?

**Mr D.T. Redman** interjected.

**Mr R.C. Kucera:** You are trying to use the wrong mechanisms.

**Mr B.J. GRYLLS:** The member for Yokine is right; we are trying to use liquor regulations -

**Mr R.C. Kucera:** And Sunday trading.

**Mr B.J. GRYLLS:** - and Sunday trading to protect the market. I agree that it is the wrong mechanism. Is the member for Yokine confident that the ACCC will change? Is he confident that the Trade Practices Act will be changed? All we have left is what we have now. I think we have conceded that we cannot do anything about the domination of Coles and Woolworths. This is where we are at.

**Mr R.C. Kucera:** We can if we are supported federally.

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**Mr B.J. GRYLLS:** We cannot get the support federally. Will the Labor Party change the Trade Practices Act if it is elected? The major political parties are the same as the dairy suppliers or the horticultural suppliers. What chance have they got of taking on Coles and Woolworths?

**Mr R.C. Kucera:** I don't disagree with you, but there has been no support federally.

**Mr B.J. GRYLLS:** The member is right. There is no support federally. That means we have conceded that Coles and Woolworths are going to have market domination. I think that is already the case. Can I move on?

We have liquor reform legislation in front of us. The Nationals have had quite a robust and intelligent debate on this matter. I think the wider community would have perceived that we would oppose every facet of this legislation, but we do not. We support the small bar licences and would like to see them implemented in the metropolitan area. I think there will be some larger regional centres where those small bars come into play, and that can only be a good thing. We also support people being able to go to a restaurant and get a drink without having to buy a meal. There is not one person in this Parliament who would not have tried to do that and been annoyed by his or her inability to do so. We have no opposition to that at all.

**The DEPUTY SPEAKER:** Order, members on my left and right!

**Mr B.J. GRYLLS:** The public made it very clear in the referendum held with the last election that the only way it could see of putting some limitation on the market domination of the majors was to oppose Sunday trading. The community made that decision, to the detriment of most of them I would suggest. Most of them would like to duck down to their Vintage Cellars and buy their takeaway alcohol. I think they made a concession in the Sunday trading referendum to say that they had seen the campaign by small business and recognised what it was talking about. In the absence of a strong government that wanted to take on big business and of an Australian Competition and Consumer Commission that could achieve something for small business, consumers saw that the only way to send a strong message to this Parliament about what they would like to see for the small business sector was to oppose Sunday trading. It is not perfect at all. However, we Nationals are very clear on our position. We will continue to stand up and make our views known. It disappoints me greatly that at the end of this debate only the Nationals will be saying we have some concern about what is happening with Coles and Woolworths in the community.

**Dr J.M. Woollard** interjected.

**Mr B.J. GRYLLS:** And the member for Alfred Cove.

That worries me greatly because I know the Liberals have had a robust debate in their party room, but we see now there is a majority in the party room that supports the philosophy outlined by the member for Vasse. I understand it clearly. It is a philosophy that he puts very well and very clearly. As he said, his major concern is to get the lowest price possible for the consumer, and if that can be done, that will be a good outcome in the way the economy works. I oppose that. It is not all about the cheapest price for the consumer. If members look at every sector in Western Australia, they will see we have reason for great worry. I love talking to the Chamber of Commerce and Industry of Western Australia, which loves to come down with a big stick and beat me over the head and tell me that I am an agrarian socialist and that I want to stop this and that. I said to the Chamber of Commerce and Industry that it would be a helluva lot cheaper for industry in Western Australia to employ an Indian-based lobbying firm to do its lobbying. It is a helluva lot cheaper to do everything in India. We know that. Why can we not get an Indian lobbyist? Let us have Indian lobbying companies. The CCI will be in nirvana because everyone will save so much money. That is where we are heading. We can outsource our accounting, our legal work and our call centres, just as we are outsourcing the majority of vegetables coming into our community. Western Australia has outsourced beef from the eastern states into our supermarkets. At some stage Parliaments such as this and the one in the federal sphere have to take notice of what is happening. If members support the nirvana of a pure market economy, I have no problem with that, but they should not discount the fact that we in the National Party have very strongly held beliefs. Mine are just as strong as those of the member for Vasse. The Nationals believe we are heading down a path from which there may be no return. That is the reason we are happy to support the provision in this bill pertaining to small bar licences and restaurants. However, we do not support Sunday trading, because in the referendum that is what the community said it did not want. From talking to liquor store owners in the country, I found that the larger operators have the ability to apply for additional licences to trade on some Sundays.

**Mr T. Buswell:** On some Sundays.

**Mr B.J. GRYLLS:** I think they have up to 20 Sundays. Liquor store operators in the country have the ability to trade on Sundays for half the year. I suggest that if the liquor stores in Busselton applied for a licence to do that, they would be granted extended trading permits.

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**Mr T. Buswell:** Some do, but they report to me that it is an onerous process. It is their decision to open. I am not sure whether it is for 20 Sundays.

**Mr B.J. GRYLLS:** They have that ability. I have spoken to liquor store owners who apply for extended trading hours en masse. It is a process that they must go through.

I ask members to understand that from the National Party's point of view it is a larger issue than Coles and Woolworths. It is all about where we will end up because of this process. As members from regional electorates, we are looking at supporting regional small businesses and consumers dealing in that market.

**Mr T. Buswell:** If we had those call centres in Australia at the moment, we would have no staff to work in them. People would ring up and no-one would answer. It is a serious issue.

**Mr B.J. GRYLLS:** It is a serious issue, but where does it stop? Where will the member for Vasse's grandchildren work? Does he think that they will work in agriculture?

**Mr T. Buswell:** I cannot perceive the job my grandchildren will have. The world is a dynamic environment. It is not just about price; it is about consumers being able to choose where they want to shop. I don't know what jobs my grandchildren will have - hopefully I will have some grandchildren.

**Mr B.J. GRYLLS:** I hope the member does.

The debate has been covered. I have discussed with the minister something that I see as part of the solution. As the member for Yokine said, liquor regulation is not the panacea to protect the country hotel. I agree with that. It needs to be more than that. I have met with the minister to talk about the fact that members in this Parliament agree on the importance of the country pub, the social hub the country pub provides and the cultural significance of the pub because of our ideals of mateship and a fair go. The local country pub is a meeting place and it is probably an important piece of architecture.

**Mr R.C. Kucera:** Why would it change?

**Mr B.J. GRYLLS:** It is changing because the market is changing.

[Member's time extended.]

**Mr R.C. Kucera:** I returned last week from Tasmania. The country pubs there are stronger now than they ever were.

**Mr B.J. GRYLLS:** I will put forward a proposal that the member for Yokine might support. I suggest that when the pub in my home town of Corrigin was built, 90 per cent of the liquor consumed in the town was consumed in the premises. Because of that, at the turn of the century it was easy to justify building that fantastic two-storey building, with a number of guest rooms, bathrooms, verandah and bar. That pub in Corrigin stills stands. Now, 90 per cent of alcohol is consumed off premises, and if we add to that drink-driving laws, which my predecessor Hendy Cowan drove through this Parliament in spite of its being unpopular, these issues have conspired to make this country pub a shell of what it used to be.

The members of the National Party, and I am sure all members, will be concerned if we cannot provide for country hotels to go forward. Rather than make an argument that we will oppose the ability of small bars and restaurants to sell a glass of wine without a meal, we in the National Party feel there is a call to include in this legislation a small grants program for country hotels. This would recognise their importance to the rural community. It would allow country hotels to do the upgrades that their business model no longer supports. I am sure members would not argue against that. Those country hotels are in a holding pattern because they cannot afford to do anything.

When the no-smoking legislation came in, the owner of the Commercial Hotel in Merredin, which is a fantastic old building and has the best architecture in Merredin, wanted to build a beer garden on what was formerly an old lane down the side of the hotel. He went to the local building and health inspector and told him of his plan to put a beer garden down the side of the hotel. The health inspector told him that he had a great plan for his beer garden but that while he was there he had had a look at the kitchen. He said that the kitchen did not comply with health standards and he slapped a work order on the pub for a \$50 000 upgrade to the kitchen.

**Mr R.C. Kucera:** That happened to the government in Rottneest; there's no difference.

**Mr B.J. GRYLLS:** That is exactly right, but I think the Rottneest people probably had the ability to do it.

The owner of the pub in Merredin, in an attempt to modernise the hotel and provide a facility that his clients wanted, brought the health and building inspector onto the premises and ended up with a \$50 000 job that was not going to build the beer garden.

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**Dr S.C. Thomas:** Are you saying the inspector should not have imposed a work order on the kitchen?

**Mr B.J. GRYLLS:** No; let me finish the story. It got to the stage where the pub was very close to going on the market, because it was almost untenable for the business to finance a \$50 000 upgrade to the kitchen as well as build the important beer garden. The owner, a businessman from Perth who went to Merredin to try to do something for tourism and the community, was just about ready to pack up and walk away saying that it was too hard. I am sure members from across the state can relate to that story. I believe that, short of having the money to own a pub outright, in the vast majority of country towns in WA it is almost impossible to finance the cost of a country pub and operate it at the level required. I am not talking about country areas like Busselton or Capel and so forth, but about small centres where there is only one country pub and it is an important meeting point. They are under a lot pressure; I do not think any member would argue with that.

**Dr S.C. Thomas:** I am sorry for interrupting, but I accept that. Does the fact that the licence for that pub bought by the guy in Merredin is valuable because it is restricted impact on his ability to buy it and make a profit out of it?

**Mr B.J. GRYLLS:** I think the problem is that people can get a country pub for next to nothing. The reason they are worth next to nothing is because of the maintenance costs, and the ability to run it and then deal with a health inspector when he walks through the door -

**Mr M.W. Trenorden:** It is the \$10 000 a year in rates he has to pay; it's an unrealistic pressure.

**Mr B.J. GRYLLS:** Yes. I do not think the licence is the major problem.

**Dr S.C. Thomas:** But that's the issue. Mumballup, for example, has a great little country pub in the middle of nowhere, which is of no value because the building is falling down.

**Mr B.J. GRYLLS:** Yes.

**Dr S.C. Thomas:** It has a value of a quarter of a million dollars purely because of the licence. If you could buy that pub without paying a quarter of a million dollars for the licence and pay only for the value of the building, maybe you could make the business pay, but that's got to be an impacting factor in country pubs where the licence is valuable. I don't know whether it is the same in your electorate.

**Mr B.J. GRYLLS:** I think the converse argument of the one the member for Capel is putting is that this legislation will make that licence worth less. Who will give him \$300 000 to buy it? The licence is the only value in the purchase. All he bought was that licence, and this legislation will make that licence worth less.

**Dr S.C. Thomas:** Yes.

**Mr B.J. GRYLLS:** If he had borrowed the money, his bank might very well be on the phone.

**Dr S.C. Thomas:** Yes, that's a very real argument but the converse of that also applies.

**Mr B.J. GRYLLS:** Yes.

We would like the minister to consider a small grant program that recognises the cultural, historical and social aspects of those country hotels. I do not think it should be limited only to heritage buildings because many country pubs are not heritage listed. However, members of the local communities around those country pubs believe that they are absolutely critical to their communities going forward. Another parameter that I would like the minister to consider is that most of the grants that come out to the country seem to be dollar-for-dollar grants. I understand why that is so. However, I did not see members of the Perth community contributing dollar for dollar for the Perth railway. If they had been asked to do that, it would not have happened. City projects seem to be fully funded, whereas country projects have to be funded dollar for dollar. We would like consideration to be given to country hotel grants. If we put a requirement on the owner of the Merredin hotel to come up with the first \$50 000, he will not apply. We could have a fantastic grant program but if we do that, then the people that we most want to target will not apply. We could have a requirement for them to do some in-kind work and so forth.

I raise that issue because I spoke to our regional heritage lady, Laura Gray, who has been right across the wheatbelt region doing heritage work. She was in charge of the federal government program that was giving money to country pubs to upgrade. She said that the vast majority of them did not apply because they could not meet the criterion of putting up the first dollar. Even with a bit of in-kind work, they still could not make it work. She said that with a grant program with such a criterion, the bigger hotels in York and Toodyay, which have better turnover, will get the money and apply for the grant, whereas the Wyalkatchem or Corrigin pubs - the ones we seek to support - would not have the capacity to do that. I would like the minister to consider that. In the public debate that has followed these liquor licensing changes, it would be a good show of faith to the

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country hotels. It has obviously been an important part of the minister's deliberations, with the decision of Country Labor to put in place a grants program that recognises the importance of those country pubs and the fact that they are under a bit of pressure to maintain their role in the community, and ensure that places like the Commercial Hotel in Merredin could get the upgrade to put in a beer garden, and ensure that hotels like Wyalkatchem survive. If the minister wants to see an example of a heritage pub, he should go to Dumbleyung and places like that. They are fantastic buildings that we would all like to ensure are still there in 10 years. I do not think that liquor deregulation will force the Dumbleyung pub out of business, but the fundamental reality is that it is now 2006, and that pub was built in 1906. That is the fundamental reality that will make it very difficult to maintain that pub. We do not want to see country pubs just abandoned in the main street of the town. That would be a very negative sign for regional Western Australia going forward.

I support the idea of liberalising the small bars and restaurant licences. That can be an important step forward for Perth, but we will not be swayed on Sunday trading either for metropolitan or country liquor stores, because although the argument in some degree may be flawed, there is a small bastion left for us to make the argument against the market domination by Coles and Woolworths. That could well be the last argument left. We would like the minister to seriously consider the opportunity to put in place a small grants program for country hotels that recognises their importance in the community and ensures that they can be around into the future and contribute to that country way of life that all country members, and I am sure metropolitan members as well, find very important.

Debate adjourned, on motion by **Mr M. McGowan (Minister for Racing and Gaming)**.