

ADDRESS-IN-REPLY

Motion

Resumed from 17 May.

MR M.P. MURRAY (Collie-Wellington - Parliamentary Secretary) [2.38 pm]: It seems an age since the election was held, and I now have the opportunity to speak on the Address-in-Reply. I welcome the new members of the house. I also acknowledge, Mr Speaker, your re-appointment as Speaker. I wonder where the past four years have gone. I will always remember my first term, when I was elected by a mere 34 votes. I have told many people how their vote does count in this society. Since then, my life has changed immensely.

Mr M. McGowan: How many votes did you get this time?

Several members interjected.

Mr M.P. MURRAY: We will not brag at this stage about how many votes I got!

As other members have done, I will wave the thankyou card. A special thanks to my staff, Laurel and Pam, who worked very hard not just during the election campaign, but also during the first 12 months when I was establishing myself in this game. They worked above and beyond the call of duty. I thank Peter, Daniel, Gary and a couple of other mates for their help during the actual campaign. When things got a bit tough, George or Kevin would say that it was time to go to the pub. We would go to the pub, let our hair down and come back refreshed the next day, albeit with a hangover. If those people are not around, it is always a bit difficult to keep focused and moving forwards. The personal attacks that came from the Liberal Party in my area made it difficult to keep focused. I was not upset by attacks aimed at me; I can live with them because they are part of the game. However, when the opposition stooped to aiming attacks at my wife, that was below the belt. I try not to get angry about it, and I have pledged never to behave in that way. It is a shame the Leader of the Opposition is not in the chamber today, because he had a fair bit to do with those attacks. I thank the members opposite who distanced themselves from those attacks, and said that they were sorry and that they would not have come from them. Thank you.

Mr J.J.M. Bowler: Hear, hear!

Mr M.P. MURRAY: Being a member of Parliament is a family issue. We all know the stress that families suffer at certain times. I thank also my family for their support. Thanks also go to the wives of some friends who in their own time do the work that is not widely acknowledged in election campaigns, such as sorting out letters and stuffing fliers into letterboxes. Those people know who they are; they did not want to be mentioned in this place but they deserve my thanks.

My electorate was probably the most disrupted due to the boundary changes. The Shires of Donnybrook, Boyup Brook and Boddington were removed from my electorate. I thank the chief executive officers and the shire presidents of those shires because they have worked well with us over the past four years. I am quite happy to lose Boyup Brook but I do not mean that in an unkind way. The people of Boyup Brook were difficult to deal with because they were from very strong National-Liberal Party groups. Nonetheless, I take my hat off to them because they worked with me in a professional manner. Shire Councillor, John Mondy, is probably the only Labor Party supporter in that area. I recall the first time I went to Mayanup where the votes were being counted. They numbered 120-nil in favour of the coalition. However, I thought there must be one Labor member down there. There was: John Mondy, who had been knocked around many times, but who had stood up, against the odds, to be counted. He managed to get elected to the shire council, and that is a special achievement in that region. I thank those shires again.

I am proud to say that my home town is now back on the political map. It was lost in the wilderness for some years. It started with a bang when Hilda Turnbull moved in but was ignored for some years about halfway through her term when the underground mine closed. As I have said many times, the mines wound down and the political will to look after Collie was absent, and I think that was the reason for my election.

Mr C.J. Barnett: What about the power station?

Mr M.P. MURRAY: We always remember when the member for Cottesloe was the Minister for Energy Resources and built an uneconomic 330-megawatt power station rather than the proposed 600-megawatt power station. That power station contributes to half, if not three-quarters, of the energy supply problems we face today. I thank the member for Cottesloe for his interjection. Had he not interjected I probably would have forgotten about the power station. The then minister's briefing note instructed Western Power to cut the proposed 600-megawatt power station's capacity in half at any cost, and he would face the political consequences afterwards. I thank the member for Cottesloe for his interjection.

The other side of the coin is the unemployment figures in Collie. Collie has had its problems with employment, mainly due to the very high number of Homeswest houses built there. I do not mean that in a derogatory sense, but a lot of people live there who are unemployed and who do not have vehicles to enable them to search for jobs. Sometimes they lack the will to go job hunting. However, I am proud to say that the unemployment rate in Collie has reduced from 12 per cent to eight per cent. I have heard the member for Warren-Blackwood complain about an unemployment rate in his area of four per cent. Although I am happy with the rate in Collie, the member for Warren-Blackwood should be happier because four per cent unemployment rate is just below the national average. Collie is quite happy for its unemployment rate to be at eight per cent, but it is working hard to reduce it further by developing programs to encourage people back into the work force.

I am proud to say that the Smith Family organisation has now moved into Collie and begun working with unemployed people to enhance their chances of returning to the work force, and to ensure that their children will have opportunities. That development is special. We have worked hard within the community to raise funds. The Principal of Amaroo Primary School, Charlie Ceravite, worked beyond the call of duty, more than anyone in the town and as a principal, to ensure that the Smith Family came to Collie. He saw the writing on the wall and has stood up for his community. He lives in the town and his children attend school there. He worked hard and unselfishly to make sure the Smith Family came on board. At this stage 50 children are supported, and the aim is to support around 200 children under the Smith Family banner. I give a special thanks to the Smith Family also.

New industries are emerging in the town. The Collagen factory has commenced, a new motel is being built and real estate prices have gone through the roof. A former member of the upper house invested in real estate in Collie after he had received his superannuation. He lives in Albany and every time I see him he is wearing the biggest smile I have ever seen. It is great to live in a community that has come out of its shell. As we move around the town, it is nice to see people taking some pride in themselves, which was previously lacking, especially when the shift workers changed to 12-hour shifts. That change had a major impact on the community. Previously shift workers worked eight and 10-hour shifts. When they changed to 12-hour shifts the community faced problems such as who would undertake community and volunteer work. For example, for a while, women were umpiring football matches. However, things have settled down and we have moved on for the better.

The Pinetec factory is another establishment that is half completed. I am confident that the other half of the power station that was built by the Liberals will be built in the next round of the power procurement process. It will be great to see the back half of that power station and I am sure it will diminish some of the member for Cottesloe's embarrassment! We look forward to that. Both coal companies in the area have worked very hard in that regard. I am certain that in September another major announcement will be made about Collie. Griffin Coal Mining Co has realised that industry cannot stand still in this world, and that company is seeking to build a private power station. That is another move in the right direction. In some ways, it is considered to be downstreaming. Although I am not saying that we should not look after our environment, some of the Western Australian environmental protection requirements for coalmining are the most stringent in the world, and that concerns me. I have raised that with the minister. If companies are to operate on a level playing field, regulations should operate across the board rather than be targeted at just one industry.

Exporting is another positive. I was recently in Newcastle. The people of Bunbury grizzle about the fact that there may be some dust from the exporting of 500 000 tonnes of coal a year. They should take a leaf out of the book of the community in Newcastle, from where 80 million tonnes of coal is exported via two load-out facilities with six to eight berths. The nearest residential area is some 300 metres away. Many Australians adopt the attitude of "not in my backyard", and I am not saying that there will be no dust. However, it seems that it is all right to take the jobs but not everything that goes with them. Bunbury is a port city and was developed as one. People cannot pick and choose what is there. Western Australia's coal industry has developed in a major way and the degree of export is another feather in the cap of those companies involved.

Most people would have read about the metal workers strike in Collie. The industrial action started with the miners, who then went back to work, but the metal workers were out for 10 weeks. I have concerns about the proposed industrial laws. Wesfarmers Coal Ltd placed an advertisement in a newspaper. Letters to the editor were written in response. It is appalling to think that the company threatened the writers of those letters with the sack. Our country lives on the principle of freedom of speech, yet a Western Australian company threatened that freedom of speech. It disappoints me, because I believe that the strike could have been called off much earlier had people sat around the table. I am talking not just of the company in this case. However, to threaten people's jobs because they express an opinion is another matter. The week after that happened workers' wives wrote letters without publishing their names and addresses. The company then conducted a witch-hunt to find out who was writing the letters to the newspaper. That is appalling and not the way to work industrial relations. We must be careful; we cannot have the suppression of people's rights to speak. That is why we are here. That issue in that small town was beginning to divide the community, which is another issue.

The region has a few other problems, such as those in the South West Area Health Service. I am concerned about some of the promises that the health service advertised but did not fulfil, especially in the Harvey region where some money was put aside and other money was left in a will, probably five years ago, which has not been expended to make the lives of seniors in the Harvey District Hospital much better. I think it is a matter of bureaucracy, because every time I ask what has happened, I am told that nothing has happened. That has been going on for five years. The hospital received \$170 000 but, because it has not been utilised over that time, its buying power has diminished. Trying to get tradesmen for improvements is also a problem. I am concerned about the situation and have raised the issue with the Minister for Health, and I will raise it with anyone else who wants to listen. I mention it today because I believe that if someone is given a shake, it may be that the work will be done.

A major impact on South Western Highway is the proposed \$9 million to be spent on road widening and dual passing lanes, which are much needed. Far too many accidents occur on South Western Highway, let alone Old Coast Road. I believe that the Old Coast Road accidents may occur more because of people's inattention and their driving skills, whereas accidents on South Western Highway seem to be caused by the highway itself. I am pleased that money has been allocated for those improvements.

Problems with the sharing of fisheries resources have arisen in the towns of Binningup, Myalup, Preston Beach, Lake Clifton and some areas. The Speaker probably knows more about this because of the problem's impact in his electorate. The problem arises from netting from the beaches. People believe that because whitebait is being netted at an alarming rate, other fish are no longer following them. We are told that there were no tailor this year and that the herring have not appeared. It is of concern to those communities. We are working with them to establish a process that will involve them and get the situation moving. We must be careful about the overexploitation of any fishery.

I have written to the state development minister about the availability of industrial land. I believe that inland country towns cannot live on the adage that someone must apply for industrial land before it is made available. The land must be available to attract people. If small towns say that they have industrial land available but with no native title clearance, no subdivision and no sewerage, industry will go into regional centres. Although regional centres will always be attractive to industry, we do our darnedest to keep our communities afloat. We need that land to be available, and we need it now. I hope that the minister will look at the problem and address it en bloc from Donnybrook, through Dardanup, Brunswick, Collie, Yarloop and all those towns, to Waroona, so that half a dozen blocks will be available.

One of the major problems we face is industrial rights. I believe that we have been softened up over time. Every second day we seem to read in the press of another issue that might be contained in the industrial laws. Coming from my background, and as one of the working class in this place, I believe that we must be very careful and make sure that people's rights are preserved.

Amendment to Motion

Mr M.P. MURRAY: I move -

That the following words be added to the Address-in-Reply motion -

and inform Your Excellency that the Legislative Assembly opposes any attempt by the commonwealth government to undermine and diminish the state's right to govern, including the overriding of Western Australian industrial relations laws

I have enjoyed my time here. At times it has been emotional and at times I have not wanted to be involved in some debates and have wanted to walk out, but probably the most important debate is the one on which people ask my opinion - one vote, one value. I voted with the government. Sometimes my heart may have said something different. I was against not one vote, one value, but the bastardisation of the first round. I believe that the Greens (WA) worked very hard. I am very disappointed with members opposite for not moving amendments to change the legislation. They cannot sit and grizzle and say that it is not good enough. If they have not got an amendment, they should not talk about it.

DR G.I. GALLOP (Victoria Park - Premier) [2.58 pm]: I support the amendment to the Address-in-Reply moved by the member for Collie-Wellington. The motion goes to the heart of the political situation in Australia today. It goes to the heart of what matters for the future of our nation. The Australian federal system is at crisis point. The Howard government is attempting to take over state government functions and responsibilities.

Several members interjected.

Dr G.I. GALLOP: This is the last thing in the world that the opposition wants to talk about - the future of our federal system and the role of Western Australia.

Several members interjected.

The SPEAKER: Order!

Dr G.I. GALLOP: The Government Media Monitoring Unit reports Professor Greg Craven as saying today on ABC radio -

... we are probably seeing the greatest push for centralisation of power in Canberra since World War II, and if you believe in federalism, and if you believe in some liberty of action for the states, then that's certainly worth protecting ...

That is an independent, academic commentary on what is going on in Australia today. It is very important that this Parliament, particularly this Legislative Assembly, make clear to the commonwealth government the Parliament's view on the undermining of this state's rights in the federal system, and what it thinks about the commonwealth's attempt to take over industrial relations laws in Australia.

I will provide some context to this discussion. There is no doubt that there are always arguments between the commonwealth government and the states over powers, responsibilities and finance. Taking the twentieth century as a whole, the commonwealth has tended to come out on top in those arguments. There have been High Court decisions, the influence of the two world wars and the use of the financial clout of the commonwealth to attempt to determine what goes on at the state level. All that being said, our federal system is still intact. Indeed, it is delivering excellent results for the Australian people. One of the most disappointing things about economic and political commentary today is that when people refer to Australia, they then refer to the commonwealth. Australia is not just the commonwealth. Australia is the commonwealth, the states and local government. Each of the spheres of government is contributing to the excellent results we see in our nation today. Indeed, I would argue that the states are making a very significant contribution to the success of Australia. Our system is intact and is producing good results. It gives us innovation and competition as well as dynamism and progress. I ask all members in this chamber to reflect on the following: imagine Australia with one source of power and one government. It would mean that the one-size-fits-all approach, which is a feature of the current commonwealth government's thinking, would apply throughout the country in all laws, policy making and service delivery. That would be a disaster for the nation. We are talking about a very important issue that goes to the heart of the future of our nation. We want to make it absolutely clear that this Parliament is able to do all the things the government has outlined in its legislative program and its budget. All those things are affected by this issue. We must send a simple message to the commonwealth: this is not acceptable. We believe in federalism in this Parliament and we believe in the functions and responsibilities of state governments. We will fight for them. It is very important that John Howard and his cabinet receive that message. It is important that they receive the message, not just from the Labor Party, but from the Liberal Party, the National Party and the Independents of this Parliament.

An opposition member interjected.

Dr G.I. GALLOP: We see that each state in the nation contributes to the welfare and wealth of Australia. They compete with each other for people, investment and visitors. We see policy innovation at the state level and different laws in different states. We learn from the other states; we see different service delivery mechanisms in different states. We see different forms of governance in the different states. In recent years Australia has been productive and dynamic because the states are productive and dynamic. It is a very important feature of our government system today. Let us look at what is happening in some of the Labor states. Western Australia has a sustainability strategy; it has "Dialogue with the city"; a water strategy; early education initiatives, acknowledged to be leading the nation; a successful ban on old-growth forest logging; and a commitment to parental responsibility orders. New South Wales has introduced a range of laws to protect victims of crime and to obtain a better balance between offending and justice. Queensland has introduced community cabinets, which this government has taken on board with its regional cabinet visits. Queensland also has laws covering serious sex offenders, which members will talk about in this Parliament today. Tasmania has the Tasmania Together program, which was initiated by Premier Jim Bacon. There is a lot of innovation around Australia; a lot of good things are happening. That means that people want to invest in Australia because it is a great country. One of the reasons it is a great country is that it has a federal system. Our federal system needs to be encouraged, not undermined. This state government recognises that there needs to be cooperation across the states with the commonwealth. We will do that. An example is the mutual recognition laws, which are very good. They allow the states to have their autonomy, but we have to recognise qualifications issued in different states. When it comes to cooperating on really important national issues such as terrorism, we will cooperate across state boundaries to deliver better results. This is not about the autonomy of the states holding back good cooperative arrangements when they are necessary. This is about preserving the autonomy of the states so that we can have the policy innovation and diversity that is the strength of modern Australia.

The Howard government came to power in 1996 and it will control the Senate from 1 July 2005. Quite simply, it is power drunk. It is arrogant. It believes that it has the truth. It wants to impose its truth on all parts of Australia despite the fact that all the state governments have been elected and, in some cases, re-elected by their

relevant electorates. A good government understands federalism and works within the confines of federalism to produce good results. I still believe that the best government we have had for federalism was the Hawke government. It had a very cooperative set of relationships between the states and the commonwealth that produced excellent results for the nation as a whole. It did not undermine the position of the states.

Mr T.R. Buswell interjected.

Dr G.I. GALLOP: That is a matter for the Parliament of Western Australia.

The federal government has become arrogant. It is drunk with power. It is very important that there be checks and balances. If we are going to provide those checks and balances, this Parliament will have to stand up and say what it believes about these matters. We need to send a message not just to the commonwealth government, but to all the members of the federal Parliament, that the Western Australian Parliament will defend the state of Western Australia and the federal system.

I will give three examples of how the federal government is undermining the situation in a way that could lead to the destruction of our federal system. Firstly, it is using its legislative power over the GST to threaten the states and force them to adopt a particular tax policy despite the agreement entered into with the states in 1999. It is riding roughshod over the intergovernmental agreement on the GST and attempting to force the states to adopt its tax policy. Members on the other side of the house have to understand that, if they ever get to this side of the house, Mr Costello will tell them how to run their tax policy and they should know what that will mean for government in Western Australia. It is a very serious intrusion upon the autonomy of the states and the state of Western Australia is standing against it. The state has carried out its obligations under the intergovernmental agreement. The state has abolished the taxes it promised to abolish. It has reviewed others and abolished some of them. It has added a further two. It has abolished stamp duty on workers' compensation insurance and life insurance. Secondly, the commonwealth is using its money to attempt to dictate to the states how they run their services. The Minister for Education and Training has outlined clearly in recent public debates how the commonwealth is trying to do that. The commonwealth provides eight per cent of education funding but it wants to determine how the education system will work. If members opposite support that principle, I wonder why they stood for election to this Parliament. If they will allow the commonwealth government, which contributes only eight per cent of the cost of our education system, to determine how it will work, what sort of principle concerning our federation is that? The proposal of the federal government will lead to an unprecedented level of prescription for our state system. We will fight against that.

I turn to the National Water Initiative. Along with Tasmania, Western Australia has stood against the National Water Initiative. Western Australia has its own approach to water. It is a better approach than the one adopted in many of the other states. We are working with the stakeholders. Our irrigation review will produce excellent results. We have a great partnership with the Harvey Water cooperative, and the great partnerships we have in the Kimberley, Carnarvon and Gnangara will allow us to improve the way we work. We want a bilateral agreement with the commonwealth. Yes, we will be part of a national water approach - but on terms and conditions that suit the householders, irrigators and farmers of Western Australia, not those who live on the Murray-Darling. There should be a strategy for the Murray-Darling and there should be a relationship with the states that are affected by that strategy. However, the commonwealth's relationship with Western Australia must respect our interests and rights, and allow us to develop a policy that suits our needs and capacity. The other states signed up to the agreement. What do we see today? The front page of *The Australian Financial Review* reveals that those states will not get any money under the National Water Initiative unless they agree to the national building code of conduct that has been proposed by the federal government. In other words, the strings attached have nothing to do with Australia's future water needs. Rather, they have something to do with the commonwealth government's narrow ideological agenda.

Mr T.R. Buswell interjected.

Dr G.I. GALLOP: If the member for Vasse accepts that principle, he should imagine what a radical, ideologically inclined and left-wing government would mean.

Mr T.R. Buswell: I don't have to imagine it.

Dr G.I. GALLOP: That is what might happen. We must have checks and balances in our system if it is to work properly for the future of our country.

We must preserve our autonomy in industrial relations. That means not only preserving our legislative autonomy, but also working against the federal government when it tries to impose conditions on the way we deliver services in this state. I warned the other state Premiers that what has happened would happen. It is happening because the commonwealth government is trying to impose terms and condition on the states' water policies. That will make it impossible for them to govern their states according to their philosophies and approach for which they are accountable to their people. It is a simple democratic principle.

The third principle at work is the commonwealth government's use of the commonwealth Parliament, over which it will have control from 1 July, to introduce legislation to override our state legislation. That is extraordinary. Let me provide two examples. The first is defamation law. Every state government recognises that defamation laws in Australia must be improved. The world has changed. People read newspapers across boundaries and communication systems have changed. All the Attorneys General in the states have agreed on uniform defamation laws and will introduce such laws through their state Parliaments to preserve their autonomy. Do members know what the federal government will do? It will introduce its own defamation law to cut across the states. That move has to be resisted.

Ms S.E. Walker: Is that true?

Dr G.I. GALLOP: Yes, it is true. That is what Philip Ruddock proposes to do.

The best example is industrial relations. For over 100 years, we have had our own industrial relations laws. Sometimes they have gone one way and sometimes they have gone another way. However, on all occasions the governments that have introduced those laws have been accountable to the people at elections. We fought very hard the issue of industrial relations in at the election in 2001. We won that election and it was with great pride that we came into this Parliament and abolished those insidious workplace agreements. Do members know what those agreements stood for? They stood for the exploitation of workers. When we came into this Parliament we provided example after example of how people had been exploited. We introduced our laws and our approach was validated by the people of Western Australia earlier this year in the state election. The opposition proposed to go back to the Richard Court system, but we said that we would preserve the current system and we had another clear victory at the election. There is no doubt that the commonwealth government wants to introduce a Richard Court-style system by overriding all of the states. That is bad for working people and it is bad for our federal system. We should stand against it. There is no doubt that we will have a major battle on our hands. The people of Western Australia understand these issues only too well. We will call on them to support us in our battle with the commonwealth, because it will be an important battle. This battle is about the future of our country. It is about the future of Western Australia and the states. It is very important. Once upon a time, the Liberal Party stood for these sorts of principles. Once upon a time, it stood for our federal system. Now Liberal Party members are the poodles of John Howard. They are pathetic. What do they stand for? They stand for nothing! That is why the Liberal Party lost two elections in a row.

This is an important motion. We want to send a message to the commonwealth government that we will stand up for federalism, for Western Australia and for the right to pass laws on industrial relations in this state, and will stand up against the commonwealth's attempt to take over that area of law. This issue will be a test for the Liberal Party of this state. If we can say that we are united on this issue, we can send a message to all our federal members of Parliament on both sides of the house.

Mr T.R. Buswell: What about your side?

Dr G.I. GALLOP: All sides. We can send the message that Western Australia supports the federal system.

In recent days we have seen examples of the commonwealth government becoming drunk with power. Indeed, it has become arrogant. It wants to establish a form of dictatorship over the Australian people by controlling all levels of government. It is pretty clear to everyone that that is what it wants to do. The independent academic commentators know that that is what the commonwealth government wants to do, and that is what they are saying. Those of us who deal with the commonwealth on a day-to-day basis know that that is what it is doing. We must take a stand against it. This is a test for the Liberal Party, the National Party and the Independents. Do they support our federal system? Do they support the state of Western Australia, or do they support the Howard government, which is undermining and destroying the very basis on which Australia was created in 1901? That is the question before us today. I urge all members of this house to support this motion. We must send a clear and unambiguous message to the commonwealth from all sides of this Parliament about what we believe in. We in the Labor Party believe in what we are doing in this state Parliament, because we were elected to do a job. We believe in it, and we must let the commonwealth know that we are backing up that belief with a very strong resolution in this Parliament to defend our autonomy within the federal system to pass laws for industrial relations and to make sure that the current intrusion into our power is stopped in its tracks.

MR M.J. BIRNEY (Kalgoorlie - Leader of the Opposition) [3.18 pm]: A long time ago, a very wise man once said that the definition of a "fanatic" is somebody who will not change his mind and who will not change the subject. I suspect that he was talking about the Premier of Western Australia, because he will not change his mind and he will not change the subject. I do not know how many question times we have had to sit through and listen to the diatribe of the Premier and his ministers about federal-state relations. Interestingly, none of it seems to make it into the media. We all know that the Premier and his ministers run this line in question time in the earnest hope that a bored journalist might print it on page 198 of *The West Australian* or the *Sunday Times*. Of course, this issue hardly ever finds its way into the media. I suggest to the Premier that that is because it is a

completely irrelevant subject. The topic exists only in the Premier's mind. I can imagine the Premier and his ministers in a cabinet meeting trying to work out how they can do over the Liberal Party. They cannot do over this Liberal Party because we are rock solid. Therefore, the only thing they can think about is the other Liberal Party; that is, the Liberal Party in Canberra, the same Liberal Party in Canberra that this year allocated \$3.822 billion to Western Australia in goods and services tax payments. That is a windfall of some \$230 million.

I will take members back a little, Mr Acting Speaker. The states largely rely on the commonwealth for their funding. Under the old commonwealth grants scheme, this state received a certain level of funding. However, the state has received a \$230 million-odd increase in this budget under the goods and services tax scheme - it is a windfall of an extra \$230 million. If it were not for John Howard and Peter Costello, this mob opposite would be running close to deficits in Western Australia. My friend the Premier should fly to Canberra and say to John Howard and Peter Costello, "Thanks very much for saving us from the financial embarrassment that would come about if not for this GST windfall." That windfall did not apply only this year as there was a \$250 million GST windfall last year, yet this mob opposite has the hide to state that the commonwealth government does nothing for Western Australia.

An allocation has also been made of \$170 million for the construction of the Peel deviation and the extension of the Kwinana Freeway, which is an important infrastructure project for Western Australia. The Labor Party in Western Australia has the hide to chastise the federal government for imposing a time line on the building of the freeway extension. Members opposite think the federal government writes a cheque and attaches it to a carrier pigeon and sends it to WA with a note reading, "Good luck. Spend it wisely." That may have been the practice of the federal Labor government as fingers were crossed when cheques were attached to carrier pigeons to make the trip over to Western Australia. A prudent federal government ensures that money is wisely spent, which is exactly what John Howard and Peter Costello are doing. They have said that they will give the state government \$150 million for the Kwinana Freeway extension - it is not chicken feed - and another \$20 million will be provided if the state starts the project in 2006. The Prime Minister and Treasurer have stated, "We, as a federal government, recognise the worth of the Kwinana Freeway extension. We know what happens on long weekends when half of Perth migrates south and a bottleneck means people take hours to get through the Mandurah area; therefore, we, the federal government, have committed \$150 million and a further \$20 million, provided the project is started as a matter of urgency." This Premier has the hide to say on television that there is nothing in it for us. I suspect he has some difficulty counting because \$170 million is a significant amount of money.

The specific allocation for Western Australian road funding is in excess of \$200 million. This includes money for the Great Northern Highway, which is a particularly important road, the Eyre Highway, the Great Eastern Highway and the Kwinana Freeway. A heap of specific money has been allocated to Western Australian road transport in particular.

It does not stop there. A further \$8 million has been allocated for Western Australian Defence Force facilities. Again, this is a specific Western Australian commitment. If one considers all the other nationwide commitments, it follows that a helluva lot more money will be spent in Western Australia. I refer to the \$190 million-odd to tackle the insidious problem of cancer; I am sure that some of that money will be spent in Western Australia.

I had to laugh this morning when the Minister for Consumer and Employment Protection said the Leader of the Opposition could get a briefing from the federal minister, but little old he could not. The federal Minister for Employment and Workplace Relations thinks that this fellow is a joke. In fact, he thinks the entire Western Australian government is a joke. Every time somebody communicates to him the goings-on in this Parliament, he sighs and says, "Why won't these people talk to us about funding for their state and about a proper plan for Western Australia? Why do they want to communicate with me through the media?" He thinks that people opposite are very odd little fellows indeed. Perhaps it is not surprising that the Minister for Consumer and Employment Protection cannot beat a path to the door of the federal Minister for Employment and Workplace Relations.

While on the subject of workplace relations, I am on the record - I am happy to be on the record - as saying that we should have two industrial relations systems available to Western Australian employers and employees. The current industrial relations system we live under is diabolical - it is little more than a hollow carcass. Since the Gallop Labor government came to power in Western Australia in 2001, a mass exodus has occurred of employers and employees to the federal system. In short, Western Australians have voted with their feet against this state industrial relations system. If my memory serves me correctly, when the Labor Party came to power in Western Australia, some 7 500 federally registered workplace agreements pertained to Western Australian employees, and that figure has blown out - wait for it - to over 50 000 Western Australians. It is a massive jump.

Mr J.C. Kobelke: It's out of a work force that exceeds one million.

MR M.J. BIRNEY: If the minister wants it in percentage terms, I could do it that way, but it would not promote his argument. Western Australians have had a look at the Labor Party's industrial relations system and formed the view that it is stupid, ridiculous and heavily union based. No-one in this day and age should be forced to become a member of a union. The Labor Party's industrial relations system seeks to thrust that requirement on the people of Western Australia. Therefore, Western Australians have moved to the federal system. That is why I believe the federal system is one helluva lot better than the current state system in Western Australia. My only concern is that, God forbid, if the Labor Party were to take federal government, it would change the federal system and again deliver our work sites to the union movement. Make no mistake, that will be the first legislation the federal Labor Party would table should it win government. That is why Western Australian employers and employees should have the opportunity to go back to the state system in that circumstance. I hope that at such time the Liberal Party will be in power in this state. Believe me, we will provide an industrial relations system that gives freedom of choice. The Liberal Party will never force people to join a union, and particularly a militant union that runs roughshod over workplaces and the laws of this state, as the state Labor Party wants to be the case. That is why I support a dual federal-state system.

It is clear that the federal government is strongly supporting Western Australia. It is giving us a lot more money than ever anticipated before the GST system was introduced. It is windfall after windfall. Guess what, Mr Acting Speaker: at the same time as we are receiving windfall after windfall, we are seeing tax increase after tax increase at the state level from the Gallop Labor government. That is beyond dispute. The Australian Bureau of Statistics found that Western Australia is the second highest taxing state in Australia per head of population. The Treasurer came out with a funny little way of making calculations in an attempt to claw some ground back, but he clawed it in the wrong direction. This state has leapfrogged Victoria. We are now second only to New South Wales in terms of taxation imposed per head of population. From memory - I might stand corrected - Western Australia has had a 17 per cent growth in taxation. One figure I remember very clearly is the additional taxation burden that the state Labor Party has imposed on every man, woman and child in Western Australia since coming to power. That figure is etched in my mind. Taxation has increased by \$617 a person in Western Australia under the Gallop Labor government. Frankly, that is an embarrassment. With one sweep of Peter Costello's pen, half of that state taxation increase has been given back to even the lowest income earners in Western Australia, by way of federal income tax cuts. The state Labor Party has put taxes up \$617, and in one budget alone the federal government has given back \$300 a year to the lowest income earners in this state. That is half of the state tax increases. What a joke that is.

Dr G.I. Gallop: You are the first Liberal leader in WA history to capitulate to the commonwealth.

Several members interjected.

The ACTING SPEAKER: Order, members!

Dr G.I. Gallop: I am sure the branch members will love hearing this.

Mr M.J. BIRNEY: I am constantly frustrated by the Premier's comments about the federal government because it shows that he has a very shallow approach to politics. It shows that he is all about grabbing a headline on the six or seven o'clock news. He cannot belt us up because he cannot find a reason to do it. He is like a dog with a bone; he wants to belt up somebody so he has a whack at the poor old federal government - the same mob that gives us \$3.8 billion in goods and services tax payments.

One issue that is quite interesting is the federal government's National Water Initiative. The federal government has recognised that water is a significant problem in Australia. Australia has a very harsh and hot climate and water supplies continue to be a problem not only in Western Australia, but also all around Australia. That is why the federal government has allocated \$2 billion to the national water policy. Does the Premier think he will get any of that \$2 billion?

Dr G.I. Gallop: We should because we were promised it.

Mr M.J. BIRNEY: Does the Premier intend to sign up to that program?

Dr G.I. Gallop: We have our own water strategy.

Mr M.J. BIRNEY: He has his own water strategy! Here we have it! The federal government wants to give us a share of \$2 billion to build water supply infrastructure and the Premier says, "No, we're right thanks; we've got our own strategy." That is quite humorous when I think about it. The government has moved an amendment stating that the diabolical federal government gives us nothing and is trying to override this state; yet when it offers the Premier a share of \$2 billion, he says, "No thanks; we've got our own ideas about that." That is his response. Interestingly, the Labor Party is now looking at spending about \$350 million - it might even have blown out to \$400 million - on a water desalination plant. That money will come out of my pocket, members' pockets, your pocket, Mr Acting Speaker, and that journalist's pocket. Every Western Australian taxpayer will

contribute to that \$400 million water desalination program. Can I suggest an easier way forward? We could just say yes to the federal government, which wants to offer us a share of that \$2 billion, and therefore we would not have to increase state taxes by \$400 million to cover the cost of this desalination plant. We could just say yes. Why does the Premier not just say, "Yes, thanks very much; it's very nice of you to give us a share of the \$2 billion"? The Premier does not have a leg to stand on. He would rather increase state taxes in Western Australia than accept a handout from the federal government. In one fell swoop he has destroyed his own argument. He has destroyed the argument that the federal government does not look after and is not interested in Western Australia. In fact, Peter Costello has a chequebook in one hand, a pen in the other hand, \$2 billion in the kitty, and all he wants is for this fellow opposite to say, "Can we please have a share of it?" What was the Premier's response. We heard it five minutes ago: "We've got our own ideas." That involves the government putting its hand in your pocket, Mr Acting Speaker, and mine to the tune of \$400 million, and obviously that will necessitate a state tax increase. What a joke!

The federal government, in handing out multiple millions, if not billions, of dollars, has every right to insist on certain things happening on those construction sites. It has every right to ensure that that money is spent in the time frames that are set down in a normal fashion. That is why it has said that if Western Australia wants its money, Western Australia will have to subscribe to the national guidelines for the construction industry. The national guidelines are not that onerous. The national code deals with workplace relations on those work sites, occupational health and safety, procurement and the security of payment. Importantly, the federal government adheres to the principle that people should not be forced to join a union if they want to work on one of the sites on which it intends to spend millions, if not billions, of dollars. This mob is now saying that the federal government is trying to subvert the state's rights and is trying to ride roughshod over us. However, all the federal government wants to do is ensure, somewhat prudently, that the money it is allocating to this state for infrastructure projects is spent properly and wisely and within the time frames that are laid down. I support that. I certainly would not call on any government to allocate \$100 million, \$200 million or \$300 million to an infrastructure project and then have no more say in the matter. That is the Labor Party's carrier pigeon policy. That is the policy of attaching the cheque to the pigeon and hoping that it gets to the right state and the right infrastructure project. We certainly do not subscribe to that. If the state Labor Party is so hell-bent on this union mentality that it is prepared to push away the federal government and say that it does not want its money, the Labor Party has only itself to blame.

MR J.C. KOBELKE (Balcatta - Minister for Consumer and Employment Protection) [3.36 pm]: Amendments to the Address-in-Reply have been moved by the government before, but it is not a common practice.

Mr R.F. Johnson: By the government? When was the last time?

Mr J.C. KOBELKE: I will not go through history; I have limited time.

The issue is that since the Governor's speech at the opening of Parliament, the intentions of the Howard federal government have become, unfortunately, ever more clear; that is, it is about riding roughshod over the states, it is in an arrogant frame of mind and the Prime Minister believes that he can just push aside everyone and dictate what will happen in a range of areas. Members on this side of the chamber believe in federalism. We believe that the states have a very important role to play in the governmental structure of Australia. We recognise the three levels of government and we work with the other states and territories, the commonwealth and local government to get the best possible outcomes. From time to time there will be disagreement; we understand that. However, we are totally committed to a structure in which state rights mean something. It is absolutely astounding that, having lost the last election, members opposite have not understood this. I say to new members that when we sat on that side of the chamber and the Court government was on this side, we backed Richard Court every time he got up to fight for Western Australia. We might have disagreed, but when Richard Court went to Canberra and said that Western Australia got a bad deal from the Keating government, we supported him. When he went to Canberra and said that he got a bad deal from the Howard government, we supported him. We recognise that if a party does not stand up for Western Australia, it is not electable. During the past four years when the Gallop government's ministers have gone to Canberra, the Liberal opposition has not supported us. Members should consider that when they think about the issues that arose at the election and the lack of credibility of the Liberal opposition because it did not stand up for Western Australia. There were countless examples. I will give members one in light of the rantings and ravings of the Leader of the Opposition. Today he made another three or four statements that rank equally with his statement on the pope's partner. They bore no resemblance to reality. They were off the cuff remarks that might seem to the Leader of the Opposition to be good in debate, but they were absolute trivial nonsense, with absolutely no facts to back them up. There is absolutely no reality to a lot of the things that were said by the Leader of the Opposition. Clearly there will be times when the opposition does not agree with a position that this government takes with regard to the commonwealth. However, the position that the opposition is adopting - namely, of opposing this government at

every opportunity - puts it in the camp of being anti-Western Australian. I gave speeches on this during our last term in government; I said that the opposition would not be elected because of that, and I was proved correct.

I will give an example. The Leader of the Opposition said that we have received windfall after windfall from the commonwealth government. In our last term in government, we were battling Canberra, because under the Commonwealth Grants Commission we were getting a dud deal. Every time we raised that issue in the Parliament during our last term, and every time the Treasurer went to Canberra to argue for more money for this state out of commonwealth grants, the Leader of the Opposition said we were being greedy and we did not deserve it. Yes, we did get one windfall from the commonwealth because it readjusted the Grants Commission funding and we got more money. That was good for Western Australia. However, the Liberal Party opposed it. The Liberal Party cannot win in this state if it is anti-Western Australian. It is obvious from what we have heard from members opposite today that they are anti-Western Australian. Members opposite should do a bit of thinking before they speak. If they try to understand, they may be able to differentiate the political issues on which they can attack from the issues on which we are honestly and genuinely standing up for Western Australia. Our plea is that members opposite stand behind us on those matters, because then the state will benefit, and the Liberal and National Parties may gain some credibility. For the Leader of the Opposition to suggest that these matters are irrelevant clearly indicates that members opposite are not yet ready to form a government, because the Leader of the Opposition has no idea about the need to protect states' rights and stand up for the interests of the people of Western Australia.

I turn now to that part of the amendment that talks about the overriding of the Western Australian industrial relations laws. Members on the two sides of this chamber have different views on industrial relations issues. I accept that. We can argue those issues, and I will come to them in a moment. However, we know, because the Leader of the Opposition alluded to this, that the Leader of the Opposition is opposed to the federal government's proposal to take over the state's industrial relations system. The Leader of the Opposition said in an article in *The Australian* of 22 April this year -

“On Wednesday I received a full briefing on this proposal from the federal Government and yesterday I told Minister Andrews of my very strong opposition to it,” he said.

“I am concerned that this might just be the thin edge of the wedge which would eventually see the state governments become irrelevant, which I think would be a retrograde step, particularly for a state such as Western Australia.”

That is what the Leader of the Opposition is quoted as saying, and I think he has confirmed that that is correct. I will come in a moment to that area of industrial relations on which we differ. The area on which I hope we have common agreement and support for this amendment is that we do not want a commonwealth government to impose its industrial relations system on Western Australia, whether it be a Howard Liberal government with a right-wing ideological view by which it wants to reduce wages and working conditions and try to throttle the unions, or whether it be a left-wing union that might want to go in a totally different direction. Putting aside what might be the outcome of that, it makes good sense to ensure that our state industrial relations system cannot be overruled by the commonwealth so that its industrial relations system can be imposed upon us. Although there are inefficiencies and duplication in the state industrial relations system - there are ways in which we can address those without this move - there is a safeguard in having both commonwealth and state industrial relations systems, because it gives employers and unions a choice. From time to time they move one way, and they then move back the other way.

Mr T.R. Buswell: A lot of them are moving.

Mr J.C. KOBELKE: The member for Vasse has not been around for very long, and he might not know that under the Court government there was a huge exodus from the state to the commonwealth system. The number of individual contracts is now much smaller than it was in the days of the Court government. Does the member have a best estimate of the percentage of the Western Australian work force that is employed under the state system?

Mr T.R. Buswell: The number of Western Australians who have their wages determined under the state system is 15.5 per cent.

Mr J.C. KOBELKE: It is 60 per cent - six zero. The member does not know what he is talking about. The best estimate that I have been given is that 60 per cent of the work force in Western Australia is employed under the state system. We are not talking just about individual contracts, which is the figure the member is using; there are also awards, enterprise bargaining agreements and common law contracts. The best estimate is that about 60 per cent of the people who work in Western Australia are covered by the state system.

Mr M.J. Cowper: And they are getting out of it as quickly as they can. They are going federal.

Mr J.C. KOBELKE: The number of people who were working under state workplace agreements but have moved to federal workplace agreements because we closed them down is between six and eight per cent of the work force. It remains pretty constant at around that figure. The problem is that if a person registers for a job and is fired or leaves the next day, he is still counted in the numbers. That creates a difficulty in working out the figures.

I return to the issue of why it makes good sense structurally to have a state industrial relations system. It provides a counterbalance and a check. It allows people to choose between one system or the other. Furthermore, if the commonwealth uses its corporations powers to take over the state industrial relations system, it will not cover a range of public servants. It will not cover people who are self employed. It will not cover people who are not under a corporate structure. Therefore, it is likely that about 80 per cent of the work force will be covered by the federal system. It may be 90 per cent. My estimate is about 80. Clearly there will then be boundary issues, because employers will not know which system they should come under. Uncertainty is not good for business. Whatever we do, we need to give certainty to employers so they will not employ people on one basis and face a court action later and incur a huge bill because they have been paying the wrong amount in wages.

I return to the comments I made in question time today. If we do not have consultation with the commonwealth, and if it refuses to talk to any of the states or territories, we will not have a resolution and improve the system but will end up with confusion and uncertainty. That is clearly not good for business. Members opposite have attacked our industrial relations system. Our industrial relations system is delivering higher productivity in this state than in any other state in Australia. Comments have been made about the two systems. Members on both sides of this house have very different views. Our system guarantees basic minimum standards of employment. The commonwealth system does not. Our system, with its principle of good faith bargaining, provides a means of resolving conflict in a much shorter time. Under the federal system, conflicts tend to drag on and become complicated and litigious. The commonwealth system is clearly a second-rate system. The commonwealth system also does not abide by the rule of law. It is obvious from decisions of the Australian Industrial Relations Commission, legal advice that we have received and letters that I have written to several federal ministers that the commonwealth Workplace Relations Act is not being upheld and people who have recognised positions in that system are thumbing their noses at the law. Who would want a second-rate system that is not committed to upholding the rule of law? We believe our state system is better. However, that is obviously a matter for debate.

Dr K.D. Hames: Businesses are suing unions in this state because they are following the laws that you have put in place.

Mr J.C. KOBELKE: That is absolutely untrue. A number of the companies that are suing are suing under federal law, not state law. This is not a matter in which there has been a contravention of state law.

Dr K.D. Hames: What about all the people who are working on the Mandurah railway?

Mr J.C. KOBELKE: Most of them come under the federal jurisdiction.

Dr K.D. Hames: Most of the union blokes who are working there are under what I thought was the state system.

Mr KOBELKE: No; a lot of them are under federal enterprise bargaining agreements.

Mr T.R. Buswell: Some are state agreements.

Mr J.C. KOBELKE: Some are state agreements, but a lot of them are federal EBAs.

Dr K.D. Hames: What about the unions that are striking all the time over issues on the southern rail link and delaying the process, which has resulted in significantly increased costs? Are you telling me they are all under the federal system?

Mr J.C. KOBELKE: I am saying that it is my advice that a lot of them are under federal EBAs.

Dr K.D. Hames: I wouldn't mind seeing the percentage, because I don't believe that.

Mr J.C. KOBELKE: The point is that problems with industrial relations can be handled better at both state and federal levels. This debate is about whether we want the commonwealth to impose a single industrial relations system or whether we see benefit in two systems. That will no doubt lead to debate on which is the best system, and there our beliefs might part. Members opposite might like to think about the benefits of supporting Western Australia and acknowledging that we have a genuine fight with the commonwealth. In his press comments the Leader of the Opposition backed up the state government and pointed out that we do not want the commonwealth legislation to override state legislation. However, he came into this chamber and said that the matter was irrelevant. He must get his act together. Will he join with the Gallop government and stand up to

Howard's push to impose an industrial relations system on this state when, clearly, our constitutional powers have enabled us to do that for more than 100 years? That is the issue that has been raised with this amendment.

People must be mindful that if the commonwealth succeeds in using the Corporations Act to achieve its aim, its tentacles will be able to reach into all sorts of areas. The commonwealth would potentially be able to take over in areas such as education because it could twist the corporations argument to apply to schools. Western Power and the Water Corporation, which are corporate bodies, could be taken over by the commonwealth. It could take over department after department; states would have no jurisdiction. Nevertheless, the Labor government has been willing to cede powers to the commonwealth in a number of areas. When the government felt it was in the national interest and in Western Australia's interest, it was willing to cooperate with the commonwealth and, in some cases, to cede power. When it is not in Western Australia's interest, we are not willing to do that. Members opposite might begin to understand the difference, and I hope they will support this amendment so that we can send a very clear message to Canberra that we are about looking after the people of Western Australia. We seek to do that with the commonwealth but we will not be cowed by that government and allow it to walk in, take over and impose second-rate systems on Western Australia.

DR J.M. WOOLLARD (Alfred Cove) [3.52 pm]: It is a shame that this amendment did not read -

and informs Your Excellency that the Legislative Assembly opposes any attempts by the commonwealth government to undermine and diminish the state's right to govern

If the sentence had finished there, this chamber would have voted unanimously for the amendment. Members in this chamber know that many people in the community are unhappy with this government's industrial relations legislation. Although I supported some aspects of that legislation, I did not support it in principle. However, this debate is not about that legislation; it is about states' rights. Over the past 20 or 30 years, the commonwealth has gradually moved more and more towards taking over powers that traditionally belonged to the states.

The commonwealth has done that in a variety of ways, one of which was to use section 96, which I believe is the provision in the Constitution that allows the commonwealth to impose conditions on funding for the states. Regardless of which party has been in power, if states have wanted the money, they have had to toe the line. When the Constitution was first established, the federal government's powers were very limited. Over the past 30 or 40 years changes to the make-up of the High Court and its subsequent determinations have given the commonwealth greater powers. If the amendment had finished at the word "govern", I am sure every member of this Parliament would have said that it was a good motion and that they supported it. Some businesspeople are saying that the federal industrial relations laws are better than the state industrial relations laws. However, other people, particularly senior members and past members of the Liberal Party, have spoken out publicly and said that we should look not only at the present situation but at what could happen in five, 10 or 15 years should Labor win government federally. What would happen to the states then? We must consider that. At present, choice is available. If the commonwealth government takes over the state industrial relations laws, although some people might benefit from the initial changes, many more people could be affected down the track should the federal Labor Party be elected to office.

I support this motion because I think the commonwealth has encroached on too many states' rights. We heard an example in the house this week when the Minister for the Environment spoke about the application by BGC to build a brickworks on federal land. The commonwealth has indicated that it would not consider the state's environmental protection laws; it would assess the environmental impact of the works under federal laws. We know the commonwealth can override state laws. It overrode state legislation and ignored environmental concerns in the Tasmanian dam case. The state said one thing and the commonwealth said something else, and the state missed out.

This is a very serious motion. No doubt the opposition to this amendment is because many small businesses are not happy with the present industrial relations laws.

Mr T.R. Buswell: That is an understatement.

Dr J.M. WOOLLARD: I should say many, many people.

Mr P.B. Watson: That is why they voted us back in.

Dr J.M. WOOLLARD: The federal government's intention to take over state industrial relations has much wider ramifications. This Parliament should remind the commonwealth that when the Constitution was established, the commonwealth had some rights and all other rights were meant to remain with the states. The commonwealth should stop trying to take away the states' powers.

Debate interrupted, pursuant to standing orders.