



PARLIAMENT OF WESTERN AUSTRALIA

INAUGURAL SPEECH



Mr Fran Logan MLA
(Member for Cockburn)

Address-in-Reply Debate

Legislative Assembly, Wednesday 2 May 2001

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Motion

MR LOGAN (Cockburn) [4.20 pm]: Madam Acting Speaker (Mrs Hodson-Thomas), I begin by offering my congratulations to you, and also to the member for Burrup on his election to office, an elevation that indeed is appropriate, and they are positions which you both fully deserve. I also thank the Clerk of the Legislative Assembly, Mr Peter McHugh, and the staff of Parliament House for their assistance in helping me to settle in. In particular, I thank the staff at the Parliamentary Library for their prompt and pleasant assistance.

Before addressing the House, I will acknowledge those who gave me great help and assistance and without whom I would not be in a position to stand here today. First, I thank my former employer, the Australian Manufacturing Workers Union. I spent close to 15 wonderful years working for that organisation as research officer, industrial advocate and organiser. That body of working-class people is often recognised by the general public only when some of its members are on strike. Few appreciate the key role that union has played in achieving conditions that we now all currently enjoy and take for granted; for example, four weeks' annual leave; the 38-hour week; structured career paths for all workers, not just professionals; and training leave as an award right. The people of this State, and indeed the whole of Australia, owe a great debt to the work of the AMWU, formerly known as the Amalgamated Metal Workers Union, and I am proud that I can record this fact here today.

Another organisation I would like to thank is the Australian Labor Party, whose membership I have proudly carried for the past 19 years. I thank the party for the confidence it has shown in me by endorsing and supporting me for the seat of Cockburn. I thank in particular those members who assisted in significantly increasing the party's majority in Cockburn, namely, Martin Bolanca, Paul Ferreira, Les Richardson, Fiona Bennett, Tony Toledo and my campaign manager Dr Sally Talbot. Key campaigners such as Doris Burnham, Paul Burnham, Peta Hounslow, Terri Riley, Ray Smith, Steve McCartney, Richard Leather, Phil Vinci, Gerald Sturman, Geoff Harcourt, Bob Edwards, Gwen Barrett, Stan Jacks and the indomitable Ray Lees, former Mayor of Cockburn, are all thanked for their tireless efforts. I also thank the members and officials of the Maritime Union of Australia, in particular Dean Summers and Wally Pritchard, who have provided invaluable assistance throughout the campaign.

Dedication to Clive Hughes - Member for Cockburn 1985-86

This speech is a dedication to the memory of a former member for Cockburn, Mr Clive Hughes, his wife Elizabeth and his family. On Thursday, 28 February 1985, Clive stood in this Chamber and delivered his first speech. Like me, he was a former union organiser for the Kwinana-Cockburn area. However, little did he know on that happy day that the small black dot on his back was the melanoma of the cancer that would take his life only 13 months later. A special mention must also be made about the comradeship and humanity shown by Clive's fellow union organiser and former member for Cockburn, now the member for Peel, Mr Norm Marlborough. He and his wife Roz moved in with Liz to help nurse Clive during his physical decline right up until the day of his death. Clive was only 38 years old when he died. He had many years of parliamentary service ahead of him. I am sure members will all agree with me that his was a life that was taken all too soon.

In researching material for their first speech most parliamentarians seek inspiration from the speeches given by their predecessors, and I freely admit that I am no different. Therefore, at this point I acknowledge the former members for Cockburn, Mr Don Taylor, Mr Clive Hughes, Mr Norm Marlborough and Mr Bill Thomas, not only for the use of their first speeches but also for the work they did in the Western Australian Parliament on behalf of the people of Cockburn and the Labor Party. In particular, I thank Don Taylor and Bill Thomas for their personal assistance in my campaign.

Unemployment and the Future of Work

The theme that I seek to build this speech around is unemployment and the future of work. These issues are topical, controversial and of great importance to many Western Australians and of particular importance to the people of Cockburn and the south west metropolitan region. It came as no surprise when reading the first speeches of my predecessors that they too had made significant comment on these issues.

In 1968, the then member, Don Taylor, referred to the huge disparity in employment opportunities between males and females in the electorate. Clearly a man ahead of his time, he indicated that females should have access to work in the heavy industries that were emerging along the Kwinana strip. He also raised pertinent questions about the types of jobs that were being created in the area and the environment in which people would have to live and work. Unfortunately, the fears that he had about the problems that would emerge with the parallel expansion of housing and industry and the loss of access to a beautiful coastline have largely come true, and today are a source of major complaint.

In his first speech, the former member, Clive Hughes, called upon his experiences as an organiser with the Federated Miscellaneous Workers Union to highlight the human dimension of entrenched unemployment plaguing Kwinana and the south west metropolitan suburbs. "Plague" is the correct word to describe the appalling number of people without jobs at that time. Overall, the south-west corridor had 14.2 per cent unemployment and in Kwinana, which at the time was in the seat of Cockburn, the figure was 17.6 per cent. For youths between the ages of 15 and 19 years in Kwinana, the situation was disastrous; 37.6 per cent of this age group were looking for work - a figure 69 per cent greater than the average for Western Australia.

Hughes did not look for simple answers though. He poured scorn on employers in the community who claim that "to reduce youth unemployment, there needs to be a reduction in youth wages so as to make it more attractive for employers to employ younger people". Instead, Hughes, quite rightly, looked at the underlying structural problems in the Western Australian economy which were prevalent at the time, which are still with us today and which create severe fluctuations in the labour market. I will return to this issue later in my speech and quote Hughes further on his perceptive observations.

Prior to the electorate's current boundaries, the former member for Cockburn was Mr Norm Marlborough, now the member for Peel, to whom I referred earlier. In his first speech in June 1986, he too spoke at length about local unemployment and he put forward suggestions that remain as pertinent today as they were 15 years ago. The member for Peel raised the benefits that would arise from designating HMAS *Stirling* the Navy's strategic Indian Ocean base. He predicted that this boost to the shipbuilding industry would mean "a massive increase in job opportunities". More opportunities in this industry are again available with the decision to base Australia's Collins-class submarine fleet at HMAS *Stirling*.

However, the types of jobs that we should be encouraging as a result of this decision are those that fit clearly into the new knowledge economy. Electronic communications and weapons systems on the Collins-class submarines are highly sophisticated. They require a different form of factory, and a different type of worker, from that which is currently found in the area. I hope that our new Labor Government will provide incentives to attract the industries that manufacture and service these systems. By locating these industries in WA we will broaden both the technical and employment capacities of the Kwinana-Cockburn area and of the State. They will also fit quite neatly into the proposed high-tech clusters within the Wattleup mosaic industrial plan and maritime technology park.

Another concept the member for Peel raised in 1986, which I believe we should revisit, was the South West Corridor Development and Employment Committee. This tripartite body worked very effectively with the councils between Rockingham and Melville in initiating employment strategies aimed particularly at the local community level. A hands-on approach involving all stakeholder groups in addressing unemployment at the local level is just as relevant in 2001 as it was in 1986, and I will return to this concept later in my speech.

My immediate predecessor in the seat of Cockburn, Mr Bill Thomas, gave his first speech in June 1986 as the newly elected member for the seat of Welshpool. Although not physically connected to the area of Cockburn, this seat nevertheless came within the region of the southern suburbs and shared the same characteristics as were referred to by Hughes and Taylor. The former member acknowledged the emerging contradiction between industrial and urban expansion and the environment. He lamented the loss of bush and native habitat around the Swan and Canning River systems and criticised the chaotic urban and industrial sprawl through Kewdale and Welshpool. His answer to this problem was "the creation of the urban habitat". At the time it was a unique solution, and today it is a concept that is incorporated in modern, sustainable city planning techniques which address the key issues for this century; namely, where we live, how we live and the future of work.

Unemployment has been endemic to the Cockburn area for the past 30 years. Compared to the Western Australian figure as a whole, Cockburn's unemployment rate has consistently been between 1 and 2 per cent higher. The only time that this disparity with the average has changed has been when there have been local spikes, which have taken unemployment figures into double digits. For the rest of the south-west metropolitan region the picture is the same or worse. Is this a situation that we have to accept in the south-west metropolitan region? Is marginalised employment the lot in life for the people of Cockburn, Fremantle, Kwinana and Rockingham? This situation must not be accepted as the norm for this region or any other area in Western Australia or in Australia. I do not subscribe to the orthodox market economists' view that at this stage of capitalism, achieving 5 per cent unemployment means having reached full employment. An average 5 per cent figure across the nation still means massive unemployment for the suburbs of south-west metropolitan Perth. It means condemning thousands of people in our electorates to the possibility of lifelong unemployment and statistical non-existence. Apart from the moral and ethical questions about this view, it is, in economic terms, a waste of human resources. Contrary to the market economists' view, I argue that through a holistic government-led approach to job creation, sustainable

community development and technology policy that embraces the new knowledge economy, genuine full employment is achievable. To explain what I mean by a holistic approach to attaining full employment, a quick examination of the unilateral programs and methods used by former Governments, particularly Federal Governments, in trying to tackle unemployment and stimulate job growth is needed.

A Brief Summary of Unemployment Policy

Certainly the beginning of the decline in employment can be traced back to the early 1970s when, after the long post-war boom, Australia was hit by the double shocks of the oil price crisis and the removal of the link between currencies and the gold standard. This period, coincidentally, was also the last high point in employment in Australian manufacturing. It has never been the same since and it could be argued that the path to a state of permanent unemployment in the economy was laid by the Whitlam Government's response to the crises with its 25 per cent across-the-board tariff reduction decision in 1973. No amount of money poured into regional employment development programs could absorb the dislocated workers who lost their jobs as the companies they had been employed in collapsed as a result of the all too rapid change in circumstance. The RED schemes, although unique in their targeting of regional unemployment through providers such as local councils and shires, were not much more than blunt work for the dole instruments. Although well intentioned, their impact was not enough to combat the structural changes that were taking place in the economy.

Under the Fraser coalition Government, that pace of change accelerated. With John Howard as the Treasurer, a laissez-faire approach was adopted not only for the economy, but also towards the unemployed. A great deal of overseas investment took place with government encouragement, but this influx did not result in the establishment of job-creating industries. The money poured into purchasing equity or outright takeover of existing Australian companies. However, very little was done in the way of targeted job programs or structured training for the unemployed. It was a period when those without a job were left to fend for themselves.

The 13 years of the Hawke-Keating Labor Governments resulted in new initiatives in the fight against unemployment with an emphasis on promoting learning as a lifelong concept. Schools and colleges were restructured and their education curricula modularised to coordinate the pathway between the classroom and work. Thousands of traineeships were created and, for the first time, a national approach was taken to education with the creation of portable vocational training qualifications. It was a genuine belief held by numerous Labor education ministers that in order to both create and be prepared for the jobs that would emerge from new technologies, Australian citizens would have to be trained. The unemployed and employed were encouraged to gain a higher skill base to effectively use the new technologies as tools of production and communication. Despite all these efforts, unemployment stubbornly refused to drop below 5 per cent and at the end of Labor's federal term in office in 1996, 8.9 per cent of the work force was still looking for work.

It could be argued that under the Howard-led Federal Government, there has not been as much emphasis on labour market programs, but rather a belief that jobs can be created through labour market adjustments. Structural impediments in the marketplace, such as unions and awards, have been challenged and restricted in their operations. In this environment, if people cannot get a job, obviously their expectations are too high or they are asking for too much money. By allowing individuals to negotiate their own workplace agreements, so the theory goes, an equilibrium will emerge, balancing how much money the boss is willing to pay and how much money the worker is willing to accept, and goodness and happiness will reign. If this is repeated at every workplace across the land, a natural level of unemployment and a natural level of income will exist. Quite what the levels are, and what they will mean for the individuals and families involved, has never been explained.

A summary of the unemployment policies and strategies adopted over the past 30 years can be defined under three broad headings: Firstly, job creation whereby incentives are given to create employment; secondly, the training model under which, if the skills of the unemployed are raised, the unemployed stand a far better chance of gaining employment; thirdly, deregulation, whereby if conditions and other impediments to the market such as unions are removed or curtailed, wages will find their own natural level and jobs will be created.

New Approaches to Unemployment

The pattern that emerges from these three widely differing approaches to the issue of unemployment is that they are singular in their methodology. Little thought has been given to integration between unemployment programs, let alone attempts to reach agreement across government departments or agencies. Indeed, one of the main criticisms I heard during my years on a tripartite regional employment council - mostly from employers - was the confusion over the range of different programs and allowances that were on offer and the strings that were attached to them.

Long-term unemployment of the type that has blighted Cockburn and the rest of the south-west metropolitan corridor can be addressed through a whole-of-government approach to the issue. Although I acknowledge that the Federal Government is responsible for unemployment and social security payments and initiatives to address job creation, it falls on all of us in the community, and particularly on us as parliamentarians and decision makers, to assist in the fight to achieve full employment.

The Gallop Labor Government has announced the creation of more traineeships in the public sector and the repeal of the deregulatory approach to industrial relations within the service. This is a positive and encouraging start to a leading role in job creation and addressing unemployment. However, we can achieve significantly more if we are willing to adopt a mission objective that spans key government agencies and is focused on the single issue of job creation. For example, in education, schooling that has clear unambiguous credits towards vocational education has significant benefits to all in society regardless of whether a student will go on to higher levels of education or will leave at year 10 to look for work.

Training

Vocational training must provide for real jobs in the new knowledge economy. Technical and further education and college curricula must be linked to meaningful vocational outcomes and not become tools simply to achieve an income stream from unemployment programs and leisure courses. We must encourage the lifelong training concept. As it is now standard practice to hold three or more jobs in a working lifetime, all citizens should be encouraged by government messages to accept continuous education as part of life. Redundancy packages in both the public and private sectors should contain training clauses to assist in the transition to new jobs.

In local government, the links between state and local governments on employment projects should be enhanced. This relationship is particularly important in addressing localised unemployment black spots and regional job creation programs. The hands-on tripartite local employment committees I referred to earlier are a good example of these relationships in practice. In Newcastle and the Hunter Valley in New South Wales - areas like Perth's south-west corridor that have been blighted by unemployment, associations of business, tertiary institutions and local and state governments - are forging what Stephen Long of *The Australian Financial Review* calls "a kind of cooperative capitalism". He reports -

. . . small businesses in the Hunter region have joined in more than 23 industry 'clusters' in areas from agriculture and biotechnology to engineering, metal products and wine".

These networks have achieved million-dollar contracts and created significant numbers of jobs in these economically depressed areas.

Finance

In finance we must challenge the culture of downsizing. Everybody in this House has probably read stories about chief executive officers who are paid even greater salaries or bonuses if they are able to achieve targets of terminating employees. Unfortunately, this is not an urban myth; it has happened all too regularly and is still happening. A counter to this ridiculous situation can be instituted by government. The triple bottom line method of accounting as proposed by environmentalists can be modified and used by government to encourage positive employment practices. Instead of using the third bottom line to report on environmental benefits undertaken, government departments, agencies or recipients of government funds should be required to produce a third bottom line to identify how many jobs were created that year by their activities.

Industry Development

In state development we must firstly encourage investment in new technologies and system networks. Labor's \$260 million information technology commitment for Western Australian schools is an outstanding example of government leadership in expanding this State's involvement in the new economy. This investment alone will generate more jobs. Combined with an aggressive strategy of attracting high-tech and, in particular, biotech companies to establish in Western Australia, along with providing the critically necessary high-speed communications infrastructure, thousands of new economy jobs could be generated, and this State could leapfrog into twenty-first century manufacturing. Government incentives should particularly target industries that will manufacture the mechanical or electronic technologies for use in any production methods that emerge from biotech, DNA or genomic research. This is the work of the future and it can be ours if we move quickly.

Secondly, we should challenge the imbalance in Western Australia's economy. Riding on the proceeds of agriculture and mining has served WA well for the past 100 years. Those primary industries have created a wealthy, but unbalanced, economy. Their success has overwhelmed the emergence of a broad manufacturing base in this State; yet, as everybody knows, employment in those two industries is shrinking as new production methods reduce the need for manual labour. Also, when the industries are affected by fluctuations in demand and price for their commodities internationally, the multiplier effect on the local economy is dramatic - one has only to remember the recent Asian crisis.

The late Clive Hughes recognised this in 1985 and argued that had our industrial development planning in the 1960s been directed at labour-intensive rather than capital-intensive industries, the massive swings in unemployment in the south-west metropolitan corridor may have been alleviated. One method of challenging the imbalance is the strategy of attracting high-tech and biotech industries to WA, as I have mentioned. Another is by addressing the failure of local content policies.

The Importance of Manufacturing to Western Australia

Having spent my life up to now working in and around the engineering industry, I am familiar with its condition, and I can assure the House that today its health is critical. The industry's survival rests on the strengthening of this State's local content requirements. Claims of achieving 60 to 70 per cent locally sourced or manufactured components in a multi-billion dollar resource project are worthless if only 20 per cent of the entire project was contracted to WA companies in the first place. To overcome this and compete on a level playing field with Korea, Singapore, Dubai and Indonesia, we must have compulsory conditions written into agreement Acts, compelling the resource

developer to fabricate and source its engineering in WA. Of course, there will be screams of complaint from the usual crowd and threats that this will stymie international investment. However, I have been told privately by both international project engineering companies and a major resource developer that if Australian Governments were to take a strong stand on local content, they would have to comply, just as they do in other countries, because in the end, access to Australian resources is the key issue.

With over \$10 billion worth of projects planned for the offshore oil and gas industry over the next 15 years, local content policy must be a key tool in the whole-of-government approach to job creation, especially as we will soon have a world-class fabrication yard and load-out facility in my electorate at Jervoise Bay for those jobs to be located.

To those who believe that we should forget totally about dirty, blue-collar industries and concentrate only on the new knowledge economy, I remind them of two things: First, these projects create literally thousands of highly skilled and highly paid jobs in areas that at present have no capacity to attract industries in the new economy; and, secondly, despite amazing advances in new technologies, engineers have yet to come up with the oil rig or gas plant that welds itself together. Engineering construction and fabrication is a labour-intensive industry. It creates huge numbers of jobs and it must be encouraged to grow and thrive.

The Role of Community Planning

In planning, the future of work is ultimately related to our future communities where the new work force will live. Will it be a continuation of our urban growth in Perth and other Australian cities, where suburbs simply continue to expand further away from our traditional industrial centres, or is there an opportunity to think laterally about how new and existing communities can be related to industries of both the new and old economic type? Internationally recognised city planners, like Professor Peter Newman of Murdoch University, believe there is. He has advised both the British and United States Governments on the check lists that cities need to achieve sustainability. The elements of the check list include economic efficiency, social equity, environmental responsibility and human liveability criteria. All of these elements can be introduced to individual areas of an existing city through reorganising separated suburbs into organic communities, or, if the city is expanding, by creating clusters of urban villages, all within walking distance of workplaces and services, linked together by green belts of bushland or permanently protected open space.

This model of new urbanism is attractive to local councils and town planners, who are promoting this type of development through policies such as Local Agenda 21, and it also fits with the lifestyles and work environments of industries that are in the new economy. Technology Park at Bentley is an example of the workplace environment that fits within the new urbanism model. What it lacks, however, are the other crucial elements, such as housing, shops and civic services within walking distance, and protected open space.

If we work towards creating the type of urban villages promoted by Professor Newman, I believe we will not only provide a better social environment for the workers of the future, but also succeed in attracting international investment because of the work environment and lifestyle these communities offer employees, particularly here in the wonderful climate of WA. It is a concept I support and one that I will certainly be promoting for the mosaic industrial development in Wattleup, the maritime technology park and the degraded areas around my electorate of Cockburn.

I believe the elements of this holistic strategy, as I have outlined, can address the problems of both uneven economic development and the unequal distribution of employment opportunities which, in the end, are the underlying causes of long-term unemployment and the social problems it brings.

Towards a 35 hour Week

Of course, there is a more direct, if somewhat controversial, approach that a State Government can adopt if it has the confidence, and that is to prescribe by statute a 35-hour working week and a limitation on overtime. This idea drew savage attacks and howls of ridicule to the Lionel Jospin's socialist-led Government in France when it introduced such legislation in the form of the loi Aubry in June 1998. Now it is the socialist Government and the people of France who are laughing. As a result of that legislation, unemployment has fallen dramatically, tens of thousands of jobs have been created, the quality of working life for both workers and management, and particularly women, has increased significantly, and the economy is growing at a rate not seen in years. Even committed free market Governments like the United States Administration are sending delegations to France to study the phenomena.

I hope, Mr Speaker, that a dynamic, forward-thinking Government, like the type we have here in this House, led by our Premier, Geoff Gallop, will examine the proposals I have put forward as methods of addressing both long-term unemployment and the future of work. The people of Cockburn and the south-west corridor, who for years have been the victims of employment uncertainty, would fully support this investigation, and I know that if Clive Hughes were with us here today, he would too.

Finally and most importantly, I acknowledge the support and encouragement I have received from my partner, Vivienne Burnham, and our children, Alexandra and Henry. As every father and mother in the House knows, this job is particularly hard on the family. I am truly grateful for the cooperation and help I have had from my family to assist me in my new role. I thank the Speaker and my parliamentary colleagues.

[Applause.]
