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Tuesday, 7 November 2017

Legislative Assembly

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THE SPEAKER (Mr P.B. Watson) took the chair at 2.00 pm, and read prayers.

WEST AUSTRALIAN MUSIC FESTIVAL

Statement by Minister for Culture and the Arts

MR D.A. TEMPLEMAN (Mandurah — Minister for Culture and the Arts) [2.01 pm]: I rise to inform the house of the incredible Western Australian talent and creativity showcased as part of the West Australian Music Festival and awards, which took place from 1 November to 5 November in venues and public spaces across Perth and regional Western Australia. Better known as WAMFest, the annual festival is organised by the West Australian Music Industry Association Inc, with funding support from Lotterywest; the Department of Local Government, Sport and Cultural Industries; Healthway; and other funding partners, and showcases hundreds of local bands, musicians and other creative talents through events, awards, conferences and free public performances. This year included the WAMFest Live Lot Party. This free concert celebrated Western Australian music across two stages and was hosted at the new Perth City Link project.

I would particularly like to acknowledge the WA bands and individuals honoured at the annual WAMAwards, which celebrate the achievements of the best and brightest in the local music industry for the past year. This year's winners include rising star Stella Donnelly, winner of five awards, including best single, best female vocalist and most popular new act; Methyl Ethel, winner of best album, best pop act and best male vocalist; Nannup Music Festival director and Indigenous performance advocate Phaedra Watts, winner of the golden WAMI; and many other artists, managers and industry workers acknowledged by the public and their industry peers through the awards.

Western Australian bands, musicians and creative artists have long been seen to punch above their weight on the national and international stage, reflecting our unique and diverse cultural landscape and sharing our music and stories with the world. This government has confirmed its commitment to supporting the live music industry in Western Australia, as outlined in Creative WA, with measures to improve the regulatory environment for live music venues aimed at activating spaces with a diverse range of cultural activity, attracting more festivals and supporting the development of the local music industry. These measures include investigating planning measures such as the agent of change to protect existing live music venues and residents; the development of micro-festivals in Perth and regional centres; introducing public interest assessments to support live music and entertainment under the Liquor Control Act; and establishing a \$3 million creative music development fund to support the creative music industry in Western Australia. This government's support can also be seen in planning approval for the Perth City Link events program, which will include live music and entertainment events. This was announced on Friday by the Minister for Planning and will create additional event spaces and make it easier for organisers to stage live music and festivals.

Western Australia enjoys a richness of creative talent in music and other creative areas, and this government will continue its commitment to supporting its development, recognising its strong place in our contemporary culture, and sharing this talent with the world.

QUESTIONS WITHOUT NOTICE

GST DISTRIBUTION

621. Dr M.D. NAHAN to the Premier:

I acknowledge students from St Francis Xavier Primary School in the member for Geraldton's electorate who are in the public gallery.

Mr B.S. Wyatt: There's something different about the Leader of the Opposition.

Dr M.D. NAHAN: Yes, there is.

I refer to the Premier's commitment that he would be "forceful and unrelenting" in getting a better deal for Western Australia from Canberra on GST. Can the Premier outline his forceful and unrelenting actions that have led to a complete and absolute failure to get structural reform from Bill Shorten and his federal Labor colleagues?

Mr M. McGOWAN replied:

I think it is very clear to all people across Western Australia that the Western Australian government is determined to fight every battle on behalf of our state to secure a better share of the goods and services tax. Mr Speaker, Labor did not sign the deal. If we go back and look at who is responsible for signing the deal, it was the Liberal Party. It was the worst financial decision in the history of this state to sign the GST deal. I was here; three of us in this chamber were here at that time. We argued against it. There were votes in this chamber on this issue. One of the arguments we raised was that over time our share would decline significantly.

Dr M.D. Naham: Let's talk about the future, not history.

Mr M. McGOWAN: I think the Leader of the Opposition needs to understand the history. He is a newcomer to this chamber and he does not know the history.

Dr M.D. Naham interjected.

The SPEAKER: Leader of the Opposition, I call you to order for the first time.

Mr M. McGOWAN: In those debates in 1999 —

Dr M.D. Naham interjected.

The SPEAKER: Leader of the Opposition, I do not want to have to keep calling you, but if you keep interjecting, I will.

Mr M. McGOWAN: In those debates in 1999–2000, we were very clear that we thought the deal would be bad for our state. We said that, and the then government went and signed the deal anyway, and now look where we are. It was a Liberal Party deal—Liberal state government and Liberal federal government.

We have done two things in recent months that have made a significant difference on this issue.

Mrs L.M. Harvey: It was 17 years ago.

Mr M. McGOWAN: It might have been 17 years ago, but we told the then government what was going to happen. I was here. What the Liberal Party did that we predicted came to fruition. When the Liberal Party stands up and argues about these matters, look at the hypocrisy of the argument that it makes. Just on that matter, an article was shown to me yesterday or the day before. A few years ago, Julie Bishop, the current Deputy Prime Minister, was with a bloke dressed in a cow suit arguing that Western Australia was being milked by the then federal government. Our share of the GST at that time was in the vicinity of 60c to 70c; it is now at 34 cents in the dollar. What did she say last week? She said that you need all the states to join before there is an outcome. I note who the government is. It is a Liberal government in place in Australia today. The government of Australia will be the one that can fix the situation.

The state government has been involved in two things recently. First, I wrote to the Prime Minister and federal Treasurer calling for the Productivity Commission inquiry, and an inquiry happened. Secondly —

Dr M.D. Naham: They chose that; you didn't have anything to do with that.

Mr M. McGOWAN: I just explained to the Leader of the Opposition what happened.

Dr M.D. Naham interjected.

Mr M. McGOWAN: He asked me a question, but he will not let me get the answer out.

I wrote to the commonwealth government calling for the Productivity Commission inquiry, and it happened. Secondly, the federal opposition has come out with a 70c —

Dr M.D. Naham interjected.

The SPEAKER: Leader of the Opposition, I warned you before; I call you to order for the second time.

Mr M. McGOWAN: Federal Labor has come out with a 70c effective floor. That is the only thing on the table currently; that is it! There is no offer from the federal government. There is no support from the federal government; there is nothing. I urge all parties nationally to await the Productivity Commission inquiry outcomes and to make their further positions plain at that time. I note that at this time there is only one offer on the table, and that is by federal Labor for a 70c equivalent floor, which is double what we are currently getting. We are currently getting 34 cents in the dollar. That is all that is on the table currently. I urge the federal government, if it wants to get credibility in Western Australia, to at least match that.

GST DISTRIBUTION

622. Dr M.D. NAHAN to the Premier:

I have a supplementary question. Given the Premier's grandstanding on this issue, why is he being forceful and unrelenting only when it comes to the federal Liberal Party while he is being subservient and silent when it comes to the Labor Party, which is abandoning GST reform in Western Australia?

Mr M. McGOWAN replied:

The Leader of the Opposition is a relative newcomer to political life, so I will explain to him the way it works. There is the government and there is the opposition. The government has the opportunity to do things. When we are in government we have what is called executive power. All the ministers here have executive power. At a national level, all the ministers have executive power. It is up to the government of the day to do something. I will say this: both sides, nationally, will be held to account for what they do. That is clear, but the only party with something on the table currently is federal Labor. The federal Liberal–National government does not have anything on the table. It has no offer for Western Australia; it is bereft of an offer. When it comes out with something substantial, then the real debate between the two of them will begin.

Dr M.D. Naham interjected.

Mr M. McGOWAN: I want to make it absolutely plain —

The SPEAKER: Leader of the Opposition, I call you to order for the third time. Everyone else on your side is okay. You are the only one interjecting all the time. You should be setting the example.

Mr M. McGOWAN: I want to make this absolutely clear to all sorts of —

Mr A. Krsticevic interjected.

Mr M. McGOWAN: Please, Mr Speaker, honestly! The squawking.

Mr A. Krsticevic interjected.

The SPEAKER: Member for Carine, I call you to order for the first time.

Mr M. McGOWAN: I want to make it absolutely clear to everyone nationally in political life that the Western Australian government wants a better share of GST. This state deserves a better share of GST and all sides nationally when it comes to the next federal election will be judged according to how well they do on that issue.

SOUTH WEST RESCUE HELICOPTER

623. Mr D.T. PUNCH to the Minister for Emergency Services:

I refer to the south west rescue helicopter which, under the previous Liberal–National government, was only funded —

Several members interjected.

Mr D.T. PUNCH: Mr Speaker, may I repeat the question?

The SPEAKER: Yes, you may.

Mr D.T. PUNCH: I refer to the south west rescue helicopter which, under the previous Liberal–National government, was only funded until June next year —

Several members interjected.

The SPEAKER: Members!

Mr D.T. PUNCH: — providing deep uncertainty for my community.

Point of Order

Mr D.A. TEMPLEMAN: The member has attempted to ask the question twice; he is still unable to do that. I ask you to call the relevant interjectors to order.

The SPEAKER: Yes. Thank you. Can you start your question again, member for Bunbury, I want to hear it please.

Questions without Notice Resumed

Mr D.T. PUNCH: I refer to the south west rescue helicopter which, under the previous Liberal–National government, was funded only until June next year, providing deep uncertainty for my community. How has the McGowan Labor government provided certainty for the people of Bunbury and the south west and ensured this vital service is properly funded?

Mr F.M. LOGAN replied:

Mr Speaker —

Mr A. Krsticevic interjected.

The SPEAKER: Members! Member for Carine, I call you to order for the second time. You do not learn.

Mr F.M. LOGAN: Thank you, Mr Speaker.

Several members interjected.

The SPEAKER: Members of the National Party, I am sure you want to hear this because it is a regional issue.

Mr F.M. LOGAN: I would have thought he would. Can I first of all thank the member for Bunbury for being such a sterling and forthright advocate on behalf of Bunbury and all the people of the south west. He has done a great job. I was very pleased yesterday to be in the company of the Premier and the member for Bunbury at the Bunbury RAC helicopter base to announce funding into the future that has been properly secured by the McGowan Labor government. That funding announcement provides certainty and security for the people of the south west of Western Australia. For the first time it will provide certainty and security. In the 2016–17 financial year, that helicopter had 400 missions. Nearly 80 per cent of those missions were for road crash trauma, so it serves a very, very important emergency service in the south west. While I was visiting the base, previous to yesterday, not long after I had arrived, the helicopter took off to attend —

Mr D.T. Redman interjected.

The SPEAKER: Member for Warren–Blackwood, I call you to order for the first time.

Mr F.M. LOGAN: — a motorbike accident on Caves Road, so I saw in front of my eyes exactly what it does for the people of the south west. It is a very important service. I am very, very pleased to be able to have supported the Premier and cabinet in ensuring that the helicopter is funded into the future, unlike the previous government's action.

The straw man campaign, led primarily by the National Party with some support from the Liberal Party, about the funding of that helicopter was a disgrace. It upset and misled the people of Bunbury and the south west because it was just wrong. A media release from 2016 was put out by the then Minister for Regional Development, the member for Warren–Blackwood, saying quite clearly that that helicopter was funded operationally for four years. That was not true. When we broke down the funding for the helicopter, the \$29 million allocated to the helicopter included \$7 million for the construction of the helicopter base.

Mr C.J. Barnett interjected.

Mr F.M. LOGAN: There was only two and a half years, member for Cottesloe, of actual operational funding.

Ms R. Saffioti interjected.

Mr F.M. LOGAN: That is right. There was nothing in the forward estimates. There was only two and a half years of actual operational funding. The National Party has runs on the board for misleading people. It misled the people of the south west with regard to the actual funding of the helicopter and now it has misled the people of the south west in terms of our approach to funding the helicopter. We have given certainty and security to the people of the south west, unlike the government of members opposite and I am very, very pleased that we were able to do it.

GERALDTON SOBERING-UP SHELTER

624. Mr I.C. BLAYNEY to the Minister for Mental Health:

I refer to the Mental Health Commission's annual report, which states that sobering-up centres help to reduce the harm associated with intoxication for the individual, their families and the broader community and play a key role in response to family and domestic violence. Given the importance of sobering-up centres, why has he cut funding to Geraldton's sobering-up shelter, which will result in its closure?

Mr R.H. COOK replied:

I thank the member for the question. Of course, mental health issues in Geraldton are uppermost in our mind, particularly as we fund new step-up, step-down positions there. There is also the election commitment around establishing a mental health observation area at the emergency department as well as acute mental health beds at Geraldton Hospital. We are very much aware of, and acutely sensitive to, the issues of mental health in the midwest and the Geraldton area in particular.

We have reallocated some resources for the sobering-up centre. Essentially, for the sobering-up centre for the full period 1 January through to 31 December 2016, there were 1 447 admissions which, of itself, is fine, but we have discovered that those admissions were pretty much taken up by a very small group of people. One individual was admitted 143 times during the period. The top five users of the service were admitted for a total of 415 times between them during this period, and the top 10 accounted for over 600 of the total admissions—almost 50 per cent of the admissions during this period. We understand that there are some people with acute needs, and we are looking at ways that we can best allocate our resources to meet their needs, but also to make sure that we have sobering-up services or other drug and alcohol services that meet the needs of the broader community. I thank the member for Geraldton for the question. Having these sorts of services is important to the community, but it is also important that we drive an efficient dollar and make sure that they are providing the biggest possible bang for our buck.

GERALDTON SOBERING-UP SHELTER

625. Mr I.C. BLAYNEY to the Minister for Mental Health:

I have a supplementary question. Is the minister aware that the Geraldton sobering-up shelter was the thirteenth shelter to be built in Western Australia as a result of the recommendations of the Royal Commission into Aboriginal Deaths in Custody; and given the reasons for its establishment, will he reconsider his decision to close the shelter?

Mr R.H. COOK replied:

I will not reconsider it in that context. We have to continually make sure that we are meeting the needs of the community in relation to alcohol and other drugs. Obviously, when the royal commission's report was brought down 13 years ago, no-one had even heard of meth or the scourge that drug is having on our community. We have to continually update our services and make sure that they are meeting the needs of the community. I am happy to work with the member for Geraldton to continually examine those issues, but the Mental Health Commission is resolute in wanting to make sure that we have the best possible use of resources to deliver the best possible outcomes and will continue to do so.

WATER TREATMENT FACILITY — BUNBURY

626. Mr D.T. PUNCH to the Premier:

I refer to this government's commitment to creating more jobs for the people of Bunbury and the south west and the \$15 million commitment for a new water treatment plant that was announced yesterday.

- (1) Why is this project needed?
- (2) How will it support jobs in Bunbury?
- (3) What other jobs are being created in the south west?

Mr M. McGOWAN replied:

(1)–(3) Firstly, I thank the member for Bunbury for the question and for his outstanding service to the people of Bunbury and the south west. The cabinet had a great visit to Bunbury over the course of the last couple of days. What became very clear was that the member for Bunbury is a very popular and hardworking local member. It was terrific to be with him yesterday when we announced the commitment of \$15 million to Aqwest for the Bunbury water treatment facility to ensure that we enhance the water supply to people in Bunbury. This \$15 million will allow for a treatment facility to be built to ensure the highest quality of water comes out of the bore in Glen Iris. Some work had already been done, but, unfortunately, the treatment component of the project was not funded when we came to office. We allocated the \$15 million and workers were there yesterday doing the work. That treatment facility will allow water being drawn from the bore there to be put into the reticulated system to meet the needs of the people of Bunbury, of greater Bunbury and other parts of the south west. Of course, that reduces the pressure on the bores that are close to the coast, and therefore reduces the prospect of saltwater intrusion into the aquifer. Once again, my government—Labor in power—is fixing the problems left behind and ensuring that we create jobs for regional communities and making sure that the people of the south west have a decent water supply.

While we were there, we did all sorts of things. Members heard about the south west emergency rescue helicopter that the former government did not fund. We funded that for the long-term future.

Several members interjected.

The SPEAKER: Members!

Mr M. McGOWAN: We were able to talk about our plans for the Bunbury waterpark, our twelve and a half —

Mr R.S. Love interjected.

The SPEAKER: Member for Moore, I have given you a fair bit of lenience. I call you to order for the first time.

Mr M. McGOWAN: The member for Moore does not really understand Bunbury or the south west at all—not like the member for Bunbury. We announced \$34 million for the Bunbury waterfront, planning money for the Bunbury outer ring-road, and the \$3 million upgrade to the Halifax Business Park. The Labor government announced a whole range of initiatives over the course of the last couple of days —

Mrs L.M. Harvey interjected.

The SPEAKER: Member for Scarborough!

Mr M. McGOWAN: — to make sure that we create jobs and opportunities for people in Bunbury and the south west. The member for Bunbury has been instrumental in securing that support.

WA COUNTRY HEALTH SERVICE — FINANCE STAFF RELOCATIONS

627. Ms M.J. DAVIES to the Minister for Health:

I refer to the minister's decision to centralise regional WA Country Health Service finance staff.

- (1) How many positions will be relocated from within WACHS in the Kimberley, the Pilbara, the midwest, the wheatbelt, the great southern and goldfields regions into two hubs in Bunbury and Perth?
- (2) When did the minister make this substantial change to the organisational structure of WACHS finance?

Mr R.H. COOK replied:

(1)–(2) I thank the member for the question. Obviously, we will have an opportunity to delve into the detail of this in the matter of public interest this afternoon. I am looking forward to that debate.

In relation to the details that the member was asking for, the change will affect a number of existing WACHS financial accounting staff with 25 jobs moving from the regions to Bunbury and 13 jobs moving from the regions to Perth. All staff will be offered the opportunity to move to these hubs or will be provided with support for redeployment to alternative positions within WACHS. No staff member will be left without a job as a result of the decision that was made. In addition, there will be the creation of an

extra seven regional business analyst positions, which will reconfigure the financial aspects of the organisation from an inward transaction focused area to an outward business efficiency area. The member has asked me when the decision was made about this. It was an extent from a study undertaken by PricewaterhouseCoopers in 2012, which made recommendations to the government in terms of the way WACHS reconfigures its financial services. Those recommendations were captured —

Mr R.S. Love: Did you ask the member for Albany?

The SPEAKER: Member for Moore, you will be hearing from the member for Albany in a moment.

Mr R.H. COOK: Those recommendations were captured in the WACHS strategic plan 2015–2018. It was a plan that was put before the minister of the day. That minister was not me. In addition, the decision to move the staff was taken by the board of WACHS in 2016.

Several members interjected.

The SPEAKER: Members!

Mr R.H. COOK: I understand that all government departments have to strive for efficiency, particularly in health because we want to make the health system more efficient so that we can employ more doctors, more nurses and more allied health staff—more people on the front line. The fact of the matter is that if members of the National Party are looking for someone to blame for this decision, they should look across the aisle at our friends over here in the Liberal Party. I understand that National Party attendance at cabinet meetings was a somewhat infrequent affair. I understand that it was not completely engaged in the process of government —

Mrs L.M. Harvey interjected.

The SPEAKER: Member for Scarborough, I call you to order for the first time.

Mr R.H. COOK: It ran its own budgets and did not have to talk to its coalition partner in relation to the way it spent royalties for regions.

Mr V.A. Catania interjected.

The SPEAKER: Member for North West Central!

Mr R.H. COOK: The fact of the matter is that this is part of a broader efficiency drive within the department. It all started with members opposite.

WA COUNTRY HEALTH SERVICE — FINANCE STAFF RELOCATIONS

628. Ms M.J. DAVIES to the Minister for Health:

I have a supplementary question. Given that the minister is asking some people to move hundreds and sometimes thousands of kilometres to secure a job, will he be providing relocation assistance packages for these people or redundancies if they are unable to take up that offer?

Mr R.H. COOK replied:

Obviously, if people have to move, they will be able to take the opportunities to move to that position in these finance hubs consistent with the industrial agreements with the Health Services Union consultation and introduction-of-change provisions. I stress that no-one is losing a job out of this arrangement. If people do not wish to move, we will be finding them new roles within the area.

Ms M.J. Davies interjected.

The SPEAKER: Leader of the National Party!

Mr R.H. COOK: But if people want to take advantage of these jobs in these finance hubs, there will obviously be things in place to assist with that process.

TAXIS — ON-DEMAND TAXIS

629. Mr Y. MUBARAKAI to the Minister for Transport:

I refer to this government's historic reforms to the on-demand transport and taxi industry which will benefit many operators in my electorate.

- (1) How will these changes improve competition in the industry?
- (2) Can the minister outline the reasons the Liberal and National Parties should stand up for small businesses and support these changes?

Ms R. SAFFIOTI replied:

- (1)–(2) I thank the member for Jandakot for the question.

Mr S.K. L'Estrange: Oh, you're the minister!

Ms R. SAFFIOTI: I will get to that later.

Last week we announced the most comprehensive reform to the taxi and on-demand industry in the state's history.

Several members interjected.

The SPEAKER: Members, it is question time. You have asked the question, and then you just come in with your not-so-funny answers.

Ms R. SAFFIOTI: This is a very complex reform—a reform that the Labor Party is proud of. We believe we are going to get the balance right for consumers and for safety across all the industry. It is aimed at improving safety across industry and creating a level playing field so that taxis have the chance to compete. I thank the member for Armadale for his great work in undertaking the consultation.

Several members interjected.

Dr A.D. Buti: This is the minister who took on the challenge that the Liberals did not take on.

The SPEAKER: I am glad you took on the challenge, member for Armadale, but I have just given you another challenge. I call you to order for the first time.

Ms R. SAFFIOTI: It may surprise the opposition that the Labor Party works as a team, and that we develop policy together and sell it together. That is who we are. The Treasurer was explaining the taxi reform at great lengths on the radio on Friday, and we are proud that we are developing the best policy possible.

Mrs L.M. Harvey interjected.

The SPEAKER: Order, member for Scarborough!

Ms R. SAFFIOTI: I find this line of questioning from the opposition interesting. The opposition asked for a briefing on taxi reform and I said, “Of course, I’d love to come and brief you.” I tried to organise times, but the opposition said that it found it unusual that the minister would want to brief the opposition. There they go, saying that I do not lead on this issue, and then I offer members opposite a briefing and they reject it.

Mrs L.M. Harvey interjected.

The SPEAKER: Member for Scarborough, I call you to order for the second time.

Ms R. SAFFIOTI: We again went back to the Leader of the Opposition’s office saying that the minister had briefed the crossbench.

Mr A. Krsticevic interjected.

The SPEAKER: Member for Carine, I call you to order for the third time. You just do not learn.

Ms R. SAFFIOTI: I offered a briefing to the crossbench and many members took it up last week. I offered a briefing from the minister to the opposition, and members opposite said they did not want a briefing from the minister. I just do not understand why they would not want a briefing. Members opposite are all over the place, but I hope they deal with this sensibly. This is serious reform.

Several members interjected.

Mr S.K. L'Estrange: Why don’t you do your job and front the public on talkback radio?

The SPEAKER: I will do my job, and call you to order for the first time, member for Churchlands.

Mr P. Papalia interjected.

The SPEAKER: Minister for Tourism, I call you to order for the first time. This is becoming a shouting match across the floor, to see who can say the funniest things. I just want to hear the answer.

Ms R. SAFFIOTI: The opposition might be curious about what I was doing. Do they know what I was doing? It was a three-hour workshop designing a key project. Do they know what it was? It was the Ellenbrook rail line—that is what I was doing. I know that the opposition cannot handle ministers driving policy and the Labor Party working as a team. It cannot handle the government actually working as a team, but that is what we are doing. On this issue, I hope members opposite support this legislation, because I know that members on the other side —

Several members interjected.

The SPEAKER: Order, members!

Ms R. SAFFIOTI: I will give them a briefing. I hope the opposition supports it, because it is all over the place. The member for Scarborough said on 29 October —

When you are looking at compensating an industry because of disruption, you are setting a dangerous precedent.

On 23 August, when it related to her backyard, she produced a media release which stated —

Scarborough MLA and Shadow Planning Minister Lisa Harvey has thrown her support behind a push for compensation for businesses impacted by the Scarborough foreshore redevelopment.

Members opposite are all over the place. They should stand up for small business and the consumers of WA and let us get a good deal for the industry.

MINISTER FOR WOMEN'S INTERESTS — FEMALE SENIOR EXECUTIVE SERVICE WORKERS

630. Mrs L.M. HARVEY to the Minister for Women's Interests:

I first acknowledge, in the gallery, Mrs Kirsty Pratt, here on behalf of the many victims of child sexual abuse, waiting for the government to deliver on its election commitment to them.

I refer to the fact that the government has disproportionately targeted women in the Senior Executive Service cuts, with a reduction of 9.6 per cent of women in leadership roles, compared to a 1.76 per cent cut to male roles. Seventeen of the 23 SES positions the government has cut have been women. Can the minister confirm and explain why she has personally overseen a disproportionate loss of women in senior leadership roles in her portfolio, including Emma White, Amanda Gadsdon, Julianne Davies, Sandra van Soelen and Jennifer Matthews?

Ms S.F. McGURK replied:

I am surprised that the opposition has decided to continue with this line of questioning on our government's attitude to promoting women in Western Australia, because it is very clear from our policy as well as what we do that we have every intention of improving the status of women throughout the state, including in the public sector. The names of women who have resigned from the Department of Communities that the member for Scarborough read —

Mr C.J. Barnett: Or were pushed.

Ms S.F. McGURK: The member for Cottesloe, from the cheap seats at the back —

Ms S. Winton interjected.

The SPEAKER: Member for Cottesloe, I call you to order for the first time, and I also call the member for Wanneroo to order for the first time.

Ms S.F. McGURK: If the opposition has any evidence to contradict that those women resigned and elected themselves to go, I would be interested to see it. In the case of Emma White, for instance, I spoke to her and urged her not to not to resign, and she said that she had made up her mind. She would testify to that; there is no question about that. She was a very valued senior public servant. I make it clear that we not only take the promotion of women throughout the public sector and throughout our community very seriously, but also understand that there is a challenge in government when the overall number of women employed in the public sector is around 70 per cent but 30 per cent at senior levels. It is true that in the first tranche of machinery of government we lost a number of very capable senior women in the SES. We are conscious of that and we intend, through this period of government, to promote women as much of possible. We have said, for instance, that we will work towards having government boards and committees comprise 50 per cent women. We are on the way to doing that, and I said in question time last week that of the appointments that the government has control over since coming to power, two-thirds of those have been women. We have also set up the website OnBoardWA, which I understand has had about 500 expressions of interest, largely from women, who have lodged their interest in joining various government boards and committees. I am very determined that we will make a difference for women in Western Australia, including in the public sector.

Ms A. Sanderson interjected.

The SPEAKER: Member for Morley, I call you to order for the first time.

MINISTER FOR WOMEN'S INTERESTS — FEMALE SENIOR EXECUTIVE SERVICE WORKERS

631. Mrs L.M. HARVEY to the Minister for Women's Interests:

I have a supplementary question. By what date can we expect the proportion of women in senior executive positions to be returned to the levels this government inherited from the Barnett government and what will the minister do to stop the exodus of women —

Several members interjected.

The SPEAKER: Members!

Mrs L.M. HARVEY: Mr Speaker, can I repeat my supplementary?

The SPEAKER: You can.

Mrs L.M. HARVEY: By what date can we expect the proportion of women in senior executive positions to be returned to the levels this government inherited from the Barnett government and what will the minister do to stop the exodus of women who are apparently resigning from the senior executive service of the public sector?

Mrs M.H. Roberts interjected.

The SPEAKER: Minister for Police!

Point of Order

Mr S.K. L'ESTRANGE: I was finding it very difficult to hear the question because the Minister for Police kept interjecting.

The SPEAKER: I just told the police minister.

*Questions without Notice Resumed***Ms S.F. McGURK replied:**

I am not sure what members of the opposition claim. First of all, they said that we sacked those women in the SES; now they are saying that they resigned. I am not quite sure what their opinion is about why those women left. We value women throughout the public sector. We value women in the senior executive service. The Labor Party values women in all areas of government, including in this chamber. Members only have to look at this side of the chamber—in fact, they have to look three-quarters of the way across the chamber—to see how much we value women. Fifteen women represent Labor seats on this side, two represent the Liberal Party and one represents the National Party. It is shameful. So we will not be lectured by your side about how we promote women!

The SPEAKER: Minister, through the Chair, please.

Ms S.F. McGURK: We do not just talk about it; we actually promote women in our government and throughout our community.

SHARK DETERRENT DEVICES — SUBSIDY**632. Ms S.E. WINTON to the Minister for Fisheries:**

I refer to the McGowan Labor government's commitment to reducing the risk of shark attacks on Western Australians.

- (1) Can the minister update the house on the world-first rebate scheme for personal shark deterrents that was rolled out earlier this year?
- (2) How is this government helping Western Australians to protect themselves in the water?

Mr D.J. KELLY replied:

I thank the member for Wanneroo for her question. I note that she is a long-term member of the Yanchep Surf Lifesaving Club and I understand she is also the manager of the nippers program up there. I thank her for her active interest in this issue.

(1)–(2) I rise today to give an update on where we are in relation to this matter. I saw the reported comments by Leon and Julie Brouwer, who tragically lost their daughter Laeticia earlier this year after an incident in Esperance. It is hard to imagine how a parent would go through that experience, but I thank them for the comments that have been reported in the press and I thank them in particular for the scholarship that they have announced. They are supporting a scholarship that will encourage safety in the water for youngsters. I share their hope that that program will assist in saving lives in Western Australia.

They also made some comments about the importance of personal shark deterrents. I am pleased to advise the house that the world-first program introduced by the McGowan government whereby we are subsidising independently verified shark deterrents is continuing to go well. We initially funded 1 000 deterrents that attract a \$200 subsidy. Over 800 Western Australians have now taken up that subsidy. Clearly, Western Australians see that program as being of value. Given the tragedy of those incidents, certainly as a government, we want to do things that actually work. It is a failing if a government tries to do things that will simply get a headline. We want to concentrate our efforts on things that actually work. We picked up the research that was done by the previous government that showed that, in the marketplace, there is at least one device that is university tested to be effective nine out of 10 times. We think that getting those devices out there amongst the people who are most at risk—that is, surfers and divers—is the best thing we can do at this time.

Of course, it is not the only thing we are doing. I visited Esperance a couple of weeks ago and met with members of the local community. Although they were grateful that the government had extended the shark-monitoring network to Esperance by placing two satellite receivers at beaches down there chosen by the community, they raised with me the issue that if those receivers pick up a tagged shark and a person is already in the water, they would be unlikely to be checking their Facebook feed, and they asked whether it was possible that there be some sort of visual or audio signal to tell people that a tagged shark has been detected. That issue is now being considered by the Department of Fisheries. I have undertaken with the community down there that if that is technically possible, we will look at implementing that as an additional part of the shark-monitoring network.

It is worth pointing out that we also allocated an extra \$6 million to fund Surf Life Saving WA for its services over the next couple of summers, including its helicopter. It is interesting that when we came to government, we found that the helicopter service and other services of Surf Life Saving WA were funded

only to June 2017. There is a bit of a pattern here. We heard earlier about the south west rescue helicopter. We made that commitment. Amongst the many things that people in Western Australia appreciate, the shark surveillance that is provided by Surf Life Saving is seen as important, so we have given Surf Life Saving the funding it needs—an additional \$6 million—to continue those programs.

We are serious about doing it. We want to do things that work. My only comment to members opposite is to get on board with these initiatives, in particular the shark deterrent. I heard the interview with the member for Vasse, who described those shark deterrents as being like waving a toothpick. Given that those deterrents have been university tested to work nine times out of 10, it is very irresponsible of members opposite to discourage people from taking them up. Clarity in the marketplace about which products work and which do not is important to enable people to make a safe choice when they go into the water. I urge members opposite to encourage people to take up those deterrents and not try to muddy the water.

WA COUNTRY HEALTH SERVICE — FINANCE STAFF RELOCATIONS

633. Mr D.T. REDMAN to the Minister for Health:

I refer to the minister's decision to centralise regional WA Country Health Service staff into two hubs in Bunbury and Perth. Can he guarantee that employees will not tender their resignations as a direct result of this change?

Mr R.H. COOK replied:

I thank the member for the question. Jobs are something that we on this side of the chamber are very passionate about. I can assure the member that it was not a decision of the government; it was an operational decision by the WA Country Health Service, consistent with the strategic framework that it works under that was put together by the previous government. From that point of view, I cannot provide the member with any insight into the individual actions of the staff who will be affected by this decision, although I emphasise that no-one will be without a job as a result of the decision that has been made by the WA Country Health Service. In fact, seven new positions will be created in the regions to make sure that we have an outward-looking, modern financial services framework set up for the WA Country Health Service. All those staff will be given the opportunity to either work in their old positions in the new locations or continue to work inside the WA Country Health Service.

WA COUNTRY HEALTH SERVICE — FINANCE STAFF RELOCATIONS

634. Mr D.T. REDMAN to the Minister for Health:

I have a supplementary question. Given that the minister cannot guarantee that employees will not resign as a product of his decision, I ask again: will he offer redundancies to those who do?

Mr R.H. COOK replied:

As I said, I cannot provide the member with any insights into the thinking of individual employees. I can say, though, that the WA Country Health Service is very cognisant of its obligations as an employer under the industrial agreement it has with the Health Services Union and it will do everything consistent with that agreement to make sure that it upholds the rights of those individual employees. I stress that these changes were made under an operational framework that was put in place over at least the last five to six years. As a result, the Parliament is trying to get more efficient, making sure that it has business processes that will produce a better outcome for the WA taxpayer and making sure that people have a longer and more strategic outlook rather than financial transactional outlooks in their roles. As I said, the WA Country Health Service made the decision as part of its operational framework and it will certainly uphold the rights of those particular employees under their industrial agreement.

JOONDALUP RAIL LINE — YANCHEP EXTENSION

635. Mr T.J. HEALY to the Minister for Transport:

My question is to the incredible Minister for Transport. I refer to the minister's media release on 21 August, which states, and I quote —

Business cases for two key METRONET projects—the Joondalup line extension to Yanchep and the Thornlie Line Extension—have now been submitted to Infrastructure Australia.

I ask on behalf of the member for Scarborough, is that correct?

Point of Order

Mrs L.M. HARVEY: I do not believe that a member can ask a question on behalf of another member.

Several members interjected.

The SPEAKER: Wait, wait, wait! The point of order will be heard in silence.

Mrs L.M. HARVEY: I am not sure that a member can ask a question on behalf of another member who is present in this place.

The SPEAKER: What standing order is it under?

Mrs L.M. HARVEY: I am seeking your advice, Mr Speaker. You are the expert on the standing orders.

The SPEAKER: My advice is: it is not a point of order.

Questions without Notice Resumed

Ms R. SAFFIOTI replied:

I thank the member for Southern River for the question. I understand this issue was raised last Thursday and, as members will be aware, I was not in the chamber for a number of reasons. I thank members on my side who offered me their support through those days.

This is a serious issue, but I was surprised it was raised on Thursday, one of the only questions times I have never been here. I was here on the Tuesday and I was here on the Wednesday and the question was not asked; but it was asked on the Thursday. Although this issue was raised a number of weeks previously, the opposition chose the only question time I was not here.

Several members interjected.

The SPEAKER: Members!

Ms R. SAFFIOTI: They chose to ask the question on the only day I was not here. The member for Scarborough says that is when they got the information. The member for Scarborough put out her media release on 24 October. That is when she put out the media release on this issue! The whole issue was in relation to the business case. The opposition has a new-found interest in business cases. Of course, in government, it did not like business cases; it actually was proud of the fact that it never developed business cases. Remember when we asked about the stadium? Remember when we asked, “Where’s the business case for the stadium?” “We don’t need a business case,” the former Premier said, “that’s where I want to build the stadium and we’re building the stadium.” That was their attitude to business cases.

Mr D.C. Nalder interjected.

The SPEAKER: Member for Bateman.

Mr W.J. Johnston interjected.

The SPEAKER: Minister for Mines and Petroleum!

Ms R. SAFFIOTI: I am surprised that the question was asked. I thought I would take this opportunity to clarify. The member for Scarborough went out and said on 24 October that no business case has been received for Metronet projects. I saw the media release at the time and I thought: hang on; that does not correspond with my version or my idea of what had happened. As I recall, we sent some business cases to Infrastructure Australia. I know that because I actually met and briefed Infrastructure Australia on the business cases.

Mrs L.M. Harvey interjected.

The SPEAKER: Member for Scarborough!

Ms R. SAFFIOTI: I rang Infrastructure Australia after the member for Scarborough’s media statement, to clarify. Infrastructure Australia’s response to the media was that Infrastructure Australia had received preliminary business cases for parts of the Metronet project and that they included strategic analysis, options assessment, deliverability assessment and economic analysis. They were the business cases for the Thornlie and Yanchep extensions.

I know the opposition does not support Metronet. I know that. The member for Scarborough would fill up the tunnel between Forrestfield and Bayswater if she had her chance.

Mr D.C. Nalder interjected.

The SPEAKER: Member for Bateman!

Ms R. SAFFIOTI: The National Party rips up rail lines, just as it did with the tier 3 rail lines when it was in government. Do members remember that? Let me make it very clear: Infrastructure Australia is working with the Western Australian government to deliver projects in WA. We are in constant contact with the federal government and in constant contact with Infrastructure Australia. Member for Scarborough, the business cases are being assessed. We are doing further work on land-use development, because again that is what we have brought to the table—significant land use—and we are on track to deliver our election commitments. Just because the opposition hates Metronet, it should not be so negative and talk it down at every situation.

**SALARIES AND ALLOWANCES AMENDMENT (DEBT AND DEFICIT REMEDIATION) BILL 2017 —
LOCAL GOVERNMENT CEOs**

636. Mr A. KRSTICEVIC to the Premier:

I refer to an article in *The Sunday Times* that raised the chronic under-reporting of salaries paid to council chief executives. Why is the government not amending the Salaries and Allowances Tribunal legislation to both improve transparency and to also freeze the salaries of the local government CEOs, as it promised?

Mr M. McGOWAN replied:

As members will recall, we announced earlier this year that we are going to freeze the salaries of members of Parliament, members of the judiciary, senior public servants and the like. At that time it was our intention to do the same with senior officers in local government. That was certainly the intention. The drafting process began. An issue arose and apparently it was very difficult to deal with senior members of local government and there were complications in the drafting process. I queried that on a number of occasions, because I wanted to get that legislation to the Parliament as soon as possible. I was advised that it would be very difficult to include senior local government officers as part of that process. That was the reason.

Between now and the member's supplementary question, I will get advice from the Minister for Local Government as to the exact complications, but they were there. I was quite frustrated and I had to make a decision about whether to just wait, bearing in mind a range of Salaries and Allowances Tribunal decisions needed to be made in the coming months because if that particular savings measure was unwound, it would potentially expose the state, or whether to bring in legislation that would basically deal with the finances of the state and not deal with the finances of local government. I made the call that it would be best to deal with what is within our control rather than trying to do something that applies to local government. Local governments are actually sovereign entities. If they want to deal with these issues, I expect that they can apply internal processes if they want on this sort of thing. In any event, between now and the member's supplementary question, I will get some advice. I am sure the Minister for Local Government is seeking it urgently. In any event, I pose one question —

Mr A. Krsticevic: Are you going to work on that?

Mr M. McGOWAN: I am happy to work on it. I am actually happy to work on it and maybe we can make that a stage 2. But, of course, stage 1, which is the legislation applying to members of Parliament, members of the judiciary, senior members of the public sector, is currently before the upper house. We would like that legislation to be dealt with expeditiously. We would like that legislation through in the next week if possible so that that matter can be dealt with. I am more than happy to work with the opposition on that, on local government, if that is what it would like to do, but we would like an assurance from the Liberals and Nationals that our legislation in the upper house will be passed as a matter of urgency.

**SALARIES AND ALLOWANCES AMENDMENT (DEBT AND DEFICIT REMEDIATION) BILL 2017 —
LOCAL GOVERNMENT CEOs**

637. Mr A. KRSTICEVIC to the Premier:

I have a supplementary question. It is good to hear that the government can put amendments through the upper house, and I am sure that it can put additional amendments if necessary, but why should ratepayers carry the additional cost of the government's inability to draft legislation to rein in pay increases for local government CEOs?

Mr M. McGOWAN replied:

I am more than happy to work on that, but the issue is around the fact that in local government there are a range of bands—B-A-N-D-S—in which a local government CEO is paid. They are paid within a “band” depending on the size of the particular council, and then they have a broader package that might be contractually negotiated. Those issues mean that the drafting process has been difficult. It might surprise the member for Carine, but the minister and I do not sit down to draft legislation. There are experts who deal with this and we take their advice. The member should remember that drafting legislation is a complex business and there are all sorts of unintended consequences if legislation is not drafted properly. We accepted the advice that it was difficult to deal with, but if the member is offering to work together with us on it, I look forward to a bit of correspondence from him to take some action and get some further advice on that.

Mr A. Krsticevic interjected.

The SPEAKER: Member for Carine!

Mr M. McGOWAN: But, I repeat, we look forward to and we request the support of the Liberals and Nationals on the pay freeze legislation currently before the upper house, because we want that dealt with as soon as possible.

The SPEAKER: That is the end of question time.

PAPERS TABLED

Papers were tabled and ordered to lie upon the table of the house.

BILLS*Notice of Motion to Introduce*

1. Heritage Bill 2017.

Notice of motion given by **Mr D.A. Templeman (Minister for Heritage)**.

2. Land Tax Assessment Amendment Bill 2017.

Notice of motion given by **Mr B.S. Wyatt (Minister for Finance)**.

3. School Curriculum and Standards Authority Amendment Bill 2017.

Notice of motion given by **Mr P. Papalia (Minister for Tourism)**.

INFRASTRUCTURE — McGOWAN GOVERNMENT*Notice of Motion*

Dr M.D. Nahan (Leader of the Opposition) gave notice that at the next sitting of the house he would move —

That this house notes the failure of the McGowan government to properly plan for major infrastructure projects, highlighted by the lack of funding in the budget for infrastructure, the blowout in costs of projects, the lack of business cases and the failure to identify the ongoing costs to be imposed on Western Australian taxpayers.

EDUCATION CENTRAL POLICY**PERTH FREIGHT LINK — COMMONWEALTH OFFER****McGOWAN GOVERNMENT — JOBS POLICY****SHARK MITIGATION POLICY****McGOWAN GOVERNMENT — ELECTION PROMISES****McGOWAN GOVERNMENT — LAW AND ORDER POLICIES***Removal of Notice — Statement by Speaker*

THE SPEAKER (Mr P.B. Watson): I advise members that private members' business notices of motion 1 to 6, notice of which was given on 13 June 2017, will be removed from the next notice paper unless written notification is provided to the Clerk requiring that the notices be continued.

WA COUNTRY HEALTH SERVICE — FINANCE STAFF — CENTRALISATION*Matter of Public Interest*

THE SPEAKER (Mr P.B. Watson) informed the Assembly that he was in receipt within the prescribed time of a letter from the Leader of the National Party seeking to debate a matter of public interest.

[In compliance with standing orders, at least five members rose in their places.]

MS M.J. DAVIES (Central Wheatbelt — Leader of the National Party) [3.04 pm]: I move —

That this house calls on the McGowan government to reverse the decision to centralise WA Country Health Service jobs into Perth and Bunbury and rule out removing further government jobs from regional WA.

Every regional member of this house on this side and the other side, bar the member for Bunbury, should be listening very carefully to what this government has planned. There seems to be some confusion about whether the government and the Minister for Health have control over the portfolio, because there did not seem to be an awareness that the decision had been taken. During question time, the minister stood behind his department and said that it is an operational decision. I was very interested to hear the minister point to a strategic document that was commenced under the previous government. He is correct: work was absolutely done on the restructure of the finance section of the WA Country Health Service under the previous government, but it is not the model being delivered by WACHS or this minister. Today we question that it was not the model that was being worked on while we were in government. The model was that there would be a number of units across the region so that there would be a specific unit for audit for people who are employed in those regions. They would all be in the same place, so that those people employed in Northam would not be forced to shift to Bunbury or to Perth. There would be an audit team within the overarching finance team of the Department of Health's WACHS. Has this government and the minister intervened? The minister quite clearly said he had no idea what was going on in his department. It is a very interesting decision by WACHS to come up with this new model, given that, from the advice and information that we have received, it was well on track to implement a completely different model. The model that this government is now presiding over sees jobs shifting to Bunbury—conveniently—and Perth. It seems as though this minister is saying, ‘To hell with jobs in the Department of Health for every other region. We think that you don't deserve to have your job if you have given 20 years in the finance section of WACHS in health in Northam, Narrogin, Katanning, Moora, Geraldton, Mt Barker or Albany.’ These are people who have, on some occasions,

given long service and have imbedded themselves in that system. They would say that there was a requirement for some of that to be made more efficient, and those people whom we have spoken to did not deny that changes were needed to the way that the finance section of WACHS was being run. But it certainly was not their understanding that they would be given a “Don’t come Monday if you’re not prepared to move to Bunbury or Perth.”

Several members interjected.

Ms M.J. DAVIES: That is absolutely how they have been told. I have the media statement that the WA Country Health Service chief executive issued. I would also question some of the statements made in this and would like the minister to provide us with a response, because it states that all staff affected have been consulted by the change. Every public servant should be considerably worried if this is the type of consultation that the following 3 000 public servants who are about to be slashed from the public service are going to be afforded. My advice is that they were told by the chief finance officer of the WA Country Health Service. They were not consulted at the level that this indicates, which is that all staff affected have been consulted about the change. They were certainly not aware of a shift away from the model that was being discussed and worked on under the previous government for implementation whereby there would still be discrete units spread across the entire state. There has been some interesting decision-making, and it was interesting that the minister said he had no idea that this was to be brought about. That indicates to me that he is not across his portfolio. This is a significant matter for regional jobs. This government came to power on the promise of creating regional jobs, but it seems that unless a person lives in Bunbury, and now Perth seems to be considered a region —

Mr D.J. Kelly: Bunbury is not a region.

Ms M.J. DAVIES: But there are a significant number of other regions, member for Bassendean.

We do not know whether for some political rationale this matter has been linked to the government’s withdrawn promise of the Department of Parks and Wildlife building and the promise of a significant number of jobs in relation to that. We do not know whether it is a payoff for the member for Bunbury for losing the significant project that was planned under the previous government to relocate staff to Bunbury, and so the Department of Health is the first cab off the rank in that regard.

The minister needs to answer the following questions: why was a decision made to shift away from the model that was being discussed and implemented by WACHS and centralise those positions in Bunbury and Perth; and when a number of golden handshakes are being handed out to senior executives and directors general across the public service to fit in with the machinery-of-government changes that this government has brought in, why is it fair that those on levels 2, 3, 4 or 5 are not being assisted to relocate to another region sometimes hundreds or thousands of kilometres away from their home, family and community? It is simply unfair. It is very distressing for the communities involved. I can tell the minister that people in the central wheatbelt will resign because they will not be moving to Bunbury or Perth. It is not a real option. It is a Clayton’s offer. The minister who is presiding over this is part of a government that said that it will be creating jobs for regional Western Australia, and he has fallen short in this case.

MR V.A. CATANIA (North West Central) [3.10 pm]: We have got Roger’s razor gang at it yet again, targeting regional Western Australia. The sneaky Premier, “Sneakers” McGowan, is going around ensuring —

Withdrawal of Remark

Mr D.A. TEMPLEMAN: The member is fully aware that when you refer to a member of this place, you refer to them by their title or their seat. I ask him to withdraw.

The SPEAKER: Member, can you —

Mr V.A. CATANIA: I am talking about the razor gang of the Minister for Health and the sneaky approach —

Mr D.A. Templeman: He didn’t withdraw.

The SPEAKER: Member, I ask you to withdraw that.

Mr V.A. CATANIA: I withdraw.

Debate Resumed

Mr V.A. CATANIA: As I said, the Minister for Health has a razor gang. The Premier is getting around with his sneakers—sneaking around saying one thing about jobs growth in regional Western Australia but it is suddenly starting to become clear that the Labor government set out to get rid of 3 000 public service jobs over the next 12 months. We have now worked out the plan: they are all from regional Western Australia. More importantly, those jobs are coming from the central wheatbelt, the midwest, the Pilbara, the Kimberley region and the goldfields. These jobs are going to Bunbury or Perth. It is quite clear that the Minister for Health’s razor gang and the way that the Premier sneaks around regional Western Australia indicates that he intends to cut jobs and undermine the health system. This side of the house has worked so hard to rebuild hospitals right across regional Western Australia and to put doctors into towns that have never had doctors. We have been fixing the health system after years of neglect.

Mr R.H. Cook interjected.

Mr V.A. CATANIA: The minister is right; the system was rebuilt by the previous government—the Liberal-National Party—thanks to royalties for regions. During the election campaign, the Labor Party said that it was going to keep royalties for regions, and it is now cut; it is like the razor gang. The Labor Party said that it was going to create jobs in regional Western Australia but now they will be cut. We are now seeing jobs being centralised back into Perth. We are seeing it in health and we will see it in other departments, such as the Department of Agriculture and Food and the Department of Primary Industries and Regional Development. Jobs in Fisheries and every other government department are being centralised in Perth.

One MP from the government side of the house said it is a kick in the guts. One Labor MP said that this is unfair for regional Western Australia because he wants to see jobs stay in his town of Albany, yet those on his own side, with the Minister for Health's razor gang and the Premier sneakily getting around regional Western Australia, are saying everything is going to be alright, but they come back to this place and we see the jobs going from regional Western Australia.

What is the commitment of this Labor government to regional Western Australia? We have now seen royalties for regions disappear. We are now seeing projects such as aged care in Carnarvon being canned so that money can be directed to projects in Perth such as the marina in Ocean Reef and car parking in Mandurah. We are now starting to see the true colours of this government—the Labor government that has no respect for regional Western Australia. It has no respect for those living in the north of the state, those living in the central part of Western Australia, including the central wheatbelt, or those living in the goldfields, the Pilbara or the Kimberley. It is disrespectful. The Labor Party went to the election with a lie of keeping jobs in regional Western Australia and keeping royalties for regions. The people of Western Australia are starting to see its true colours.

We rebuilt the health system in regional Western Australia after 40 years of neglect. We are starting to see that eight years of work being undone by the government's incompetence, the promises that it is not keeping and the disappointing way that it is treating regional Western Australian people by taking jobs away, relocating them to Perth and Bunbury and forgetting about every other town that exists outside those two areas.

MR P.J. RUNDLE (Roe) [3.15 pm]: I rise to make a short contribution because I am very worried as the member for Roe. I would like to recount some of last week's events. I was aggrieved when I asked the Premier a question about his government forcing regionally based public servants, such as staff from the Western Australian Country Health Service, to move to either Perth or Bunbury or lose their job. The Premier replied, in part —

The government is deeply committed to providing more jobs and opportunities for Western Australians.

...

For the member for Roe to come up with something in here and make out like it is fact without any evidence whatsoever indicates to me that he needs to learn a bit before he opens his mouth in here. If the member has a particular concern that he would like to bring to my attention, he should feel free to do so. If he has a particular concern that he wants to bring to the attention of the Minister for Health, he should feel free to do that too.

As far as I am concerned, the process is called questions without notice. That is the way we do these things. It is disturbing to me that despite the Premier having 24 on staff, he was still unaware of the situation.

Mr V.A. Catania: Disrespect.

Mr P.J. RUNDLE: It is disrespectful, member for North West Central.

The Premier suggests that people will happily move hundreds or thousands of kilometres. I ask the Minister for Health: should a WA Country Health Service employee with kids settled at schools and a wife or husband happily in a job be redeployed with no notice and be happy under the threat of having to either move or get sacked? That is really what it comes down to.

It also concerned me when we heard on the ABC Great Southern today that the Minister for Health said he was not consulted before the WA Country Health Service announced it was centralising, but he was sure that it would improve efficiency. When you, Mr Speaker, the member for Albany, were interviewed, you said that you were very disappointed and you would be lobbying the minister. You did not want to see people moving out of Albany to Bunbury or Perth. I fully agree with you, as a member with many towns in my electorate in the great southern. Finishing his interview, the health minister said that he admires the member for Albany for his advocacy, but he is probably not going to do anything about it as far as I can see.

In finalising my comments, I point out that we have the likes of the \$35 million hospital redevelopment in Katanning and also the one in Narrogin. These great projects came about under the previous government through the royalties for regions program. I am concerned that we may not have the staff to not only enjoy, but also use those new developments and get things going in our regional centres. In summary, we have a Premier who does not know, we have a minister who was not consulted and we have the local member for Albany who is disappointed. That is not good enough for regional WA.

MR D.T. REDMAN (Warren–Blackwood) [3.19 pm]: This government has form. So far this year there have been significant cuts to royalties for regions, which has been debated on numerous occasions in this house this year, and cuts to projects despite signed financial assistance agreements with proponents—that is, cuts to programs despite contractual agreements being in place, such as cuts to the volunteer fuel card. Last week and today we heard about the operational funding for the south west helicopter that the minister said would go before the midyear review, but of course they had a mad rush to get it through cabinet in order to announce it while cabinet was in Bunbury. Again, it is policy on the run. Of course, the big policy from the Labor Party is local jobs. Mr Speaker will know this very well because he made comments about it on the south west and great southern ABC radio program on 7 November. The transcript states —

... we went to the local election about local jobs; there will be local jobs for Bunbury and Perth, but not for Albany.

Clearly, there is a massive issue in government from the point of view of its advocacy for regional Western Australia. As has been mentioned, there is a target for a 3 000 FTE reduction in the public service. Today, the Minister for Health was asked how many people he expected would resign. He said that he expected them all to have jobs. The government is asking people to move hundreds of kilometres in many cases to hold the same job, but it is not expecting anyone to resign. To add insult to injury, they will not be offered a redundancy. That is a nice, clandestine way to save money: asking people to move 400 kilometres to hold their job. When they say no and have to resign, the government saves a whole redundancy program and can start to chalk up little targets off the target of 3 000 by early next year. That is absolutely deplorable. To me, that is an underhand strategy. What is more, people are being told to move. Beside the health staff here, who by videoconference were told by the chief finance officer of Health, “You will be moving”—that is the consultation that has occurred—other areas, such as the agricultural sector in the south west, first heard about it in a letter they got in the mail stating that they would no longer be working from the Busselton region; they have to move to Bunbury. The only winner in this house is the member for Bunbury! Everyone else loses, and I do not know who the hell is standing up for regional Western Australia, because it is a tight little spoiler —

Mr V.A. Catania: He is.

Mr D.T. REDMAN: The member for Bunbury is; clearly he is a winner—not a bad outcome for him.

The Department of Health's media statement headed “Financial service consolidated with no job losses” states —

“While this change will result in some jobs moving between regions and to Perth, over the past three years WACHS jobs in regional areas have grown by more than 343.

Over the last three years, under a Liberal–National government, the level of regional WA Country Health Service jobs has grown. It seems that the argument being made is that there is a bit of a buffer there because of what the former government did. The government is going to start peeling a bit off to where it was before and make some savings on the way through. This centralisation theme is a threat to regional Western Australia and regional communities, and this government has form as far as that is concerned. This is only the thin edge of the wedge. We already have questions on notice about the Department of Agriculture and Food because of what we are hearing on the ground. We have questions on notice about the Department of Fisheries as well. The Minister for Fisheries is not exempt in this case; he is looking at consolidating his staff. Of course, we are hearing from the parks and wildlife component of the new big super agency that it is being asked to take cuts. We are yet to see that played out. This is the thin edge of the wedge of a whole regional development wipe out, and that concerns us.

It is also really concerning that under questioning the minister says he knows nothing about it. He comments in the media that he knows nothing about it. The first he heard about it was probably when he got a call from the member for Albany, which is really interesting.

The SPEAKER: Members, I am in the Speaker's chair and cannot answer you in any way, so if you look at me and refer to me, I am the Speaker.

Mr D.T. REDMAN: Thank you, Mr Speaker.

I make the point that the minister probably received calls from concerned regional members in the Labor Party, and that was probably the first he heard about the changes, but the letter sent to all the respective employees states —

... will see a substantial change to the organisational structure of WACHS Finance.

A substantial change that the minister knows nothing about, local members know nothing about and therefore they are absolutely on the back foot here and, once again, showing form in regional Western Australia; they are ready to centralise everything and take away jobs from regional Western Australia. That is an absolute disgrace.

MR I.C. BLAYNEY (Geraldton) [3.25 pm]: I will speak briefly on this matter of public interest motion. It follows a continued pattern; that is, for regional Western Australians, restructuring always means that people move out of the regions and into usually the capital city, but in this case, of course, our second city, Bunbury. When are

we actually going to start addressing the population imbalance in Western Australia and start moving people the other way? It is always one-way traffic. We keep being told that technology makes it easy to centralise; surely, it makes it easy for someone in the north of the state to deal with issues in other parts of the state using the same technology.

Mr D.J. Kelly: Stop farmers buying those big new tractors that take away jobs.

Mr I.C. BLAYNEY: I would be quiet if I were the Minister for Water, because I am sure he does not know anything about it.

Mr D.J. Kelly: Go on, nail me!

The SPEAKER: I will nail you, Minister for Water. I call you to order for the first time.

Mr I.C. BLAYNEY: Thanks for that, Mr Speaker.

The other concern is that we are talking about financial issues. Will this have a flow-on effect on local purchasing decisions, which are quite critical in a lot of regional centres? There is also the issue of a flow-on modifier effect. If a new job is put into an area, it will result in more jobs. Of course, the multiplier works in reverse. In Geraldton, we have been told we will lose six jobs. At the end of the day, how many jobs will that mean? It tends to once again demonstrate that if we are serious about regionalisation and getting jobs into the regions, an issue I have spoken about a number of times that does not seem to get any traction is standardising government departments' boundaries and regionalising more jobs, so more high-level decisions are made in the regions.

I had a pretty good week last week with Iluka announcing 30 new jobs, with more next year. That is the news I want to have; I do not want to hear about jobs being lost. Another series of jobs we have missed out on—we hope they are still coming—were from the Barnett government's commitment to spend \$138.5 million at Geraldton Hospital, which was the newest hospital when we came into government. We had an unusual situation whereby we could buy as many beds as we wanted from St John of God Health Care, and it also worked by contract. However, two issues needed addressing, which we addressed. Each bed in Geraldton Hospital emergency department averages 3 000 presentations versus about 2 000 at Broome and 1 800 at Albany. Our proposal would have taken emergency bed numbers from 11 to 21, added an additional operating theatre and a 43 per cent increase in beds. We would also have spent \$49 million on an integrated mental health facility. It is well known that if we treat patients locally, they have much better health outcomes. Once again, there are more jobs in that. The new government was to commit \$45 million for the hospital, focusing on the emergency in mental health. However, no funds were committed in the budget, although the government has pulled about \$80 million from the Mid West Development Commission, and \$50 million of that was actually earmarked for the new hospital. The government took from us the money we had for the hospital.

Finally, I will talk about the sobering-up shelter that opened in 2003. It was an ALP election commitment in 2001. It ran under the eight and half years of the Barnett government. It had some financial issues last Christmas that I helped to sort out. It is the thirteenth shelter built in WA since the Royal Commission into Aboriginal Deaths in Custody. I am very disappointed that this service is to close and once again, regional health jobs will be lost. What will replace it?

In conclusion, people in the midwest have the right to feel disappointed and let down by this government.

MR R.H. COOK (Kwinana — Minister for Health) [3.29 pm]: I thank the member for the opportunity to debate this important issue. I think the member for Central Wheatbelt is correct; this is an operational matter that took place on my watch so, ultimately, I am the one responsible for it. I understand that and I do not resile from that issue. The fact is that, ultimately, the health system has to become more efficient and more accountable, and it has to be able to dedicate as many resources as possible within its budget to frontline services—doctors, nurses and allied health staff—those things that make a difference to the lives of the patients who use the facilities. The WA Country Health Service is a billion dollar business. For that reason it requires significant, ongoing strategic reform to make sure we are looking at modern business practices and taking opportunities to engage staff in meaningful and strategic roles that make a difference to the system so that it can continue to adapt to the changing environment in which we are trying to deliver health. This is an ongoing process. It is not something that is unique to our government. All governments confront this issue. Indeed, the previous government confronted this issue when it undertook a review of the WA Country Health Service in 2012, which was undertaken by PwC Australia at the time. In summary, in its report PwC identified seven main problems with WACHS functions, including ineffective budgeting processes with inadequate controls in place; absence of timely and accurate reporting, leading to a lack of credibility with senior management; inadequate FTE controls and management; inability to track expenditure and FTE by funding source; traditional accounting approach not well prepared for the activity-based funding model; no standard approach to business cases for new funding; and the structure and capability of the function not aligned to the business needs. It is not surprising, when confronted with those issues, that the previous government looked to modernise the accounting and financial management practices of the WA Country Health Service. I understand that that process has been ongoing and remains active today.

Part of that was the striking of new strategic principles for the Department of Health under its document “Strategic Directions 2015–2018”. It states —

WACHS will rigorously review its governance, management, financial and business practices to identify opportunities for sustainable improvements.

WACHS understood the challenges it was confronting and the lessons to be learnt from the PwC review and that it needed to improve its financial management framework and practices to continue to drive efficiencies within the WA Country Health Service. Obviously, these things took place under the previous government. To some extent, that work was necessary and we see the fruits of that labour coming to bear. As I said in question time, the decision around the restructuring of the financial management arrangements for the WA Country Health Service was taken in 2016 about seizing opportunities to create a more outward looking financial management operation to make sure that we have a strong, strategic decision-making structure in the regions but devolving the big transactional and more mundane processes to a larger central unit so that the whole operation could be more efficient. No government would resile from the responsibility of taking a series of actions that would see those outcomes.

I hear from the member for Central Wheatbelt that that is not the approach the government was going to take. I wonder whether it had that level of granularity in its view of it. However, as I said in my answer to a question earlier today, WACHS was operating under what it believed was the operational framework handed to it by government—not necessarily this government, but by government generally. I noted the comments from the member for Albany, who, as I said in my comments in the media, stands up for local jobs and for his community. He continues to do so and I commend him for making those comments on this issue. The fact is that our health system must become more efficient because we want to continue to employ more doctors, more nurses and more allied health staff to provide stronger services at the coalface. That is what we will do. It is borne out by the fact that there will be no job losses as a result of this decision. This is not an opportunity to slash jobs. This is an opportunity to realise greater efficiencies in the system and a better financial and business management framework going forward. Throughout each region hub, we have created seven new business analyst positions so that we can continue to devolve strategic decisions into the regions while consolidating the transactional or finance number-crunching processes to these main hubs.

A number of comments have been made about the level of consultation on this decision. Obviously, with seven months in government, I do not have the full experience of what consultation took place. However, I am advised that the changes are being introduced and managed in accordance with clause 54, “Consultation/Introduction of Change”, under the WA Health–Health Services Union of Western Australia (Union of Workers)–PACTS–Industrial Agreement 2016. I understand that all staff impacted by the finance consolidation project were advised by letter that outlined key dates, the over-arching strategy, their rights, and how the project may impact their future role within WACHS. Formal communication was provided to the Health Services Union on 26 September in accordance with the industrial agreement requirements and this provided the HSU with notification that WACHS had made a decision to introduce changes in the finance area and the time frames for the changed management process. Comprehensive information forums were held with all the affected staff, and the HSU and employees were also provided with written communication that outlined the changes tailored to their specific circumstances.

We are trying to work as closely as possible with the staff in relation to this. I emphasise my earlier remarks in question time that staff will not be sacked as a result of this decision. There will be opportunities for them to work elsewhere in the system within their current areas of work. If they want to continue to pursue the jobs they are in in these finance hubs, obviously they will have the opportunity to do so, although the positions are moving to the consolidated areas of Bunbury and Perth. The member for Warren–Blackwood asked me to guarantee that no staff would resign. Obviously, I cannot give that guarantee but I can guarantee that no staff will lose their employment as a result of this decision. I can guarantee that we will continue to work closely with the staff to make sure they have every opportunity to have all their rights respected and all their employment opportunities realised. We will continue to make sure that WACHS remains one of the largest employers of people right throughout our regional community.

Ms M.J. Davies interjected.

Mr R.H. COOK: I am not sure what the member for Central Wheatbelt has against people in the south west region.

Several members interjected.

The SPEAKER: Members! I want to hear what the minister is saying. Your speech was heard in silence as were others. I want to hear the minister’s reply.

Mr R.H. COOK: As I said, no staff will lose their job as a result of this decision. We will continue to work with all staff to make sure they continue to have careers in the WA Country Health Service, although the positions themselves will go to those finance hubs. I reject the member for Central Wheatbelt’s notion that somehow Bunbury is not in the regions and that to be in the south west is not to be in the regions. It is extraordinary that the National Party would take that attitude.

Ms M.J. Davies interjected.

The SPEAKER: Leader of the National Party!

Mr R.H. COOK: That really underpins exactly the sort of attitude —

Ms M.J. Davies interjected.

The SPEAKER: I have warned you quite a few times, Leader of the National Party. I call you to order for the first time.

Mr R.H. COOK: It really underpins National Party members' attitudes when they try to talk up the rights of the regions, because they do not mean regions, as such—they mean their regions. They mean their little bits, which have benefited so royally from the royalties for regions program.

Ms M.J. Davies interjected.

The SPEAKER: I call you to order for the second time, Leader of the National Party.

Mr R.H. COOK: I remember —

Ms M.J. Davies interjected.

The SPEAKER: Leader of the National Party, just listen. You might learn something.

Mr R.H. COOK: The member for Central Wheatbelt cannot have it both ways. She cannot say that I did not know what was going on and then invent some grand conspiracy that I am sending health employees to Bunbury. The member can have one or the other, but she should have a consistent narrative, at least.

Mr V.A. Catania interjected.

The SPEAKER: Members!

Mr R.H. COOK: Members of the National Party cannot have it both ways. They cannot say that I did not know what was going on, but then say it was part of a grand conspiracy to send employees to Bunbury.

Ms M.J. Davies: I think you're hiding behind the public service and you knew very well.

Mr R.H. COOK: I am not hiding behind the public service. I am defending it on the basis of the framework that members opposite put in place. The previous government demanded that WACHS create greater efficiencies in the system and improve its financial management framework to drive efficiencies and create savings. That is exactly what is going on.

Mr V.A. Catania interjected.

The SPEAKER: Member for North West Central, I call you to order for the first time.

Mr R.H. COOK: Those are the facts of the case. The department operated under a framework that the opposition put in place and under a mission to find greater efficiencies created for it by the previous government. It is a bit rich for members of the National Party to come into this place and say that even though all these decisions took place under their watch, it is somehow part of a magnificent conspiracy on our behalf to send all those employees to Bunbury. Quite frankly, that is just not the way the world works.

I want to talk briefly about the member for Geraldton's comments. He had the gall to talk about the lack of progress on the redevelopment of Geraldton Hospital. I simply ask the member for Geraldton: Which was the last government that did any substantial redevelopment or upgrades to Geraldton Hospital? Which government was it? It was the previous Labor government, was it not? The member for Geraldton had eight and a half years in government —

Mr V.A. Catania interjected.

The SPEAKER: Member for North West Central, not only did you misquote me before—it was the member for Geraldton's quote that you quoted me on—but also I will call you to order for the second time.

Mr R.H. COOK: I remember being shown around Geraldton Hospital very early on in my time as shadow Minister for Health. I heard that the upgrades Labor undertook were really good, but that the hospital was really under pressure for space and had important needs. Having a Liberal member of Parliament as the member for Geraldton, I would have thought that we would have seen that the next phase of the Geraldton Hospital redevelopment took place. But for eight and a half years the member for Geraldton did nothing. He cannot come into this place and criticise us for having failed in our first seven months in government to address the redevelopment needs of Geraldton Hospital, given that he did nothing in his eight and a half years in government. Let us please leave the hypocrisy out of this debate.

We want to see more resources put into the front line of our health services. We want to see more doctors, more nurses and more allied health staff delivering services that put the patient first. Unless the health system becomes more efficient and is capable of implementing modern business practice and systems to make sure that it can engage staff at the local level in strategic roles rather than transactional roles, we will not get the efficiencies that

we need. The WA Country Health Service is doing its best to meet the challenges of a changing environment and the needs of WA country patients. It made these decisions under a framework that the Liberal–National government put in place. The decisions took place when the opposition was in government. These are the same decisions that would have been made if members opposite were in government today. The fact of the matter is —

Mr V.A. Catania interjected.

The SPEAKER: Member for North West Central, I know you want to get thrown out, but I am not throwing you out.

Mr R.H. COOK: This decision was made under a strategic framework put in place by the previous government. It was made with the best possible intention of creating a more efficient hospital system to provide the opportunity to put more resources on the front line. Not a single member of the WA Country Health Service will lose their job as a result of this decision. We will provide new business analyst positions in each of the —

Mr V.A. Catania interjected.

The SPEAKER: Member for North West Central!

Mr R.H. COOK: The member for North West Central has to be honest. No employee of the WA Country Health Service will lose their job as a result of this decision. This is a decision that has been made in the best possible interests of the WA Country Health Service. It has been made to provide more resources on the front line. The resources that will be freed up will be reinvested back into the health system to continue to drive improvements and efficiencies. This decision was made under a framework that was put in place by the previous government. It was an in-principle decision under the previous government. Members opposite would have made this decision in the same way that we have.

MR D.T. PUNCH (Bunbury) [3.47 pm]: The WA Country Health Service has to be one of the finest regional organisations in the state. It is totally committed to providing primary health services, services for people who are chronically ill, acute services and emergency management services across one of the most diverse geographic areas in Western Australia. Its primary job is to deliver health services; that is its primary role. Under the Public Sector Management Act 1994, it has an obligation to deliver those services in the most effective and efficient way it can, which means that the senior management of WACHS has to make decisions on the best way to deliver services.

The previous speaker spoke about some of the challenges of ensuring that regional agencies across the bush are supported by effective financial management systems. He highlighted some of the major problems. The problems are not new in regional WA; they are not new at all. It may surprise members to find out that over the last four years or so chief financial officer positions in regional development commissions gradually disappeared and were taken up by the Department of Regional Development. Where is that department located? It is located in Perth. It is located in Perth because there was a recognition that getting those skills into regional WA took away the focus of what the regional development commissions were about—that is, delivering regional development services, not financial services.

Back in 2008, when there was a change of government, there was not a Department of Regional Development. Regional development was delivered solely through regional-based agencies. In the 2016–17 budget, it was a central department with an full-time equivalent cap of 189. Where are those jobs? They are mostly in Perth. How many FTEs did regional development commissions get during that period?

Several members interjected.

The SPEAKER: Members!

Mr D.T. PUNCH: They got very few. Most regional development commissions were crying out for positions to support services in the regions.

Ms M.J. Davies: You're a disgrace.

Mr D.T. PUNCH: The Leader of the National Party can hardly call me a disgrace when she looks at the history of what has happened in regional development over the past eight years. She talks in this place about taking jobs from the bush and putting them into Perth but 189 full-time equivalents —

Ms M.J. Davies: You were happy to take a pay cheque.

The SPEAKER: Look, this is ridiculous. Everyone listened to the opposition's point of view, now listen to the member for Bunbury's point of view. That is what Parliament is about..

Mr D.T. PUNCH: I did take a pay cheque for 35 years in the public sector, and I worked very hard during that period in an absolutely nonpartisan way to deliver better services for regional Western Australia. I have taken on this role because I want to represent my community. In doing so, I have been very mindful of the fact that I have worked for both sides of politics over that period, and I have tried to respect the information that I have obtained. This information is on the public record. The department has 189 full-time equivalents in Perth and hardly any in the development commissions. The Peel Development Commission at one stage had fewer staff than board members. Kalgoorlie was screaming out for service staff.

Mr D.T. Redman: The regional development agenda prior to 2008 was deplorable.

Mr D.T. PUNCH: I will take that interjection. An awful lot of regional Western Australia was built before royalties for regions. Royalties for regions was a particular tool that had a time and a place and continues to have a time and a place, and will be utilised very effectively.

This proposal consolidates staff from a number of separate organisational units across regional WA, in the interests of providing a far more efficient and effective health service across the whole of regional WA, so that time is not spent having to follow up on unnecessary audit problems, and tracking down financial issues. It is consolidated in one place and, importantly, the staff who were spread out across regional WA, with very limited opportunity for professional development, joint training and career development will be able to do that in a like-minded unit.

Mr V.A. Catania interjected.

The SPEAKER: Member for North West Central, I call you to order for the third time. I cannot understand that, when you ask a question and want an answer, you put your point of view across.

Mr D.T. PUNCH: I cannot understand why on earth anyone would not want to see improved services across regional Western Australia. We should focus the energy of the agency on what it is there to deliver, and make sure that the backup services are of high quality, supported and well organised.

There has been some conjecture about where Bunbury sits in the regional scheme of things, and I accept that there is a very broad vista of regional Western Australia, and that Bunbury is a small part of that, but when I got up at five o'clock this morning to drive to this place, I drove through some forest and some rural areas, and I did not get to any suburban areas until I came to outer Rockingham. That suggests to me that there is a certain rural and regional ambience to Bunbury.

Mr D.J. Kelly interjected.

Mr D.T. PUNCH: Yes, there are no central area transit buses from my office to the Parliament.

It is a major city of the south west, and it has a major WACHS component to it, so there is a certain logic behind what the agency has done. I can absolutely assure members that until today I have never spoken with anybody about this, so the conjecture that some members opposite put together earlier, that this was a deal stitched up to support Bunbury, is totally incorrect. This is an agency operational decision. I am sure that my constituents in Bunbury will be very interested to know that the party that is supposed to represent regional people is arguing against putting additional jobs in Bunbury.

Mr R.H. Cook: Isn't that extraordinary?

Mr D.T. PUNCH: It is extraordinary. Bunbury was one of the first cities to benefit from the growth plan devised by members opposite as the previous government. The Bunbury–Geographe growth plan clearly identifies opportunities for public sector growth. The "State Planning Strategy" clearly identifies Bunbury as a rural setting. There is a significant regional component to Bunbury, and the consolidation of services to a major part of WACHS, which is based in Bunbury, seems to me to make some operational sense, but the agency has made the decision—not me, not the Minister for Health, as far as I am aware, or anybody else in this chamber. This is an operational matter that has been developed under the framework of the Public Sector Management Act, which places a clear obligation on agencies to deliver efficiencies.

I conclude by once again acknowledging the fantastic work that the Western Australian Country Health Service provides. I see that time and again—I have been into the emergency management services in Bunbury—and I am sure this is replicated right across the state. People are absolutely dedicated to what they do, and the last thing they want is to be caught up in political debate and argument when they are trying to deliver effective and efficient services. If the senior managers of WACHS are saying that this is the best way forward for delivering services that benefit all constituents, we should be supporting them, not knocking them.

MR D.J. KELLY (Bassendean — Minister for Water) [3.56 pm]: I rise to respond to some of the issues raised by the Leader of the National Party in this debate. I want to point out a few things. When a party does one thing in government and then does the complete opposite in opposition, people figure it out. They realise that the party is just making a point. I was the shadow Minister for Water during the Liberal–National government, and I sat and watched the then Minister for Water cut jobs out of the Water Corporation—not just jobs in the metropolitan area, but jobs in country areas as well. I will just provide the house with some figures. The member for Central Wheatbelt became the Minister for Water on 11 December 2013.

Point of Order

Mr V.A. CATANIA: Mr Speaker, the Minister for Water is speaking about water, when this motion is about health, and how the jobs have been taken from health. Can you please bring the minister back to the motion?

The SPEAKER: The motion that the National Party put up said "rule out removing further government jobs from regional WA", so it is not a point of order.

Debate Resumed

Mr D.J. KELLY: In June 2013, there were 819 Water Corporation jobs in regional Western Australia. Two and a half years later, in January 2016, there were 712 regional jobs in the Water Corporation. The then Minister for Water, in two and a half years, cut 107 jobs from regional Western Australia at the Water Corporation. It affected the south west, the great southern, the goldfields and agricultural regions, the midwest and the north west. For her to come in here today and complain about job losses in regional WA—I will not say it is hypocrisy, I will just say it is very inconsistent. It is very inconsistent for the member for Central Wheatbelt to complain about the loss of jobs in regional WA when, during her time as Minister for Water, she cut, like a knife through butter, regional jobs in Western Australia.

Mr R.H. Cook: Some would say that was extraordinary.

Mr D.J. KELLY: The inconsistency is extraordinary. During that time, I did not hear the member for North West Central or the member for Geraldton complain. I certainly did not hear the member for Warren–Blackwood make any complaints about that. I suggest to members opposite that people will figure them out. When they were in government they were quite happy to cut over 100 jobs from regional Western Australia at the Water Corporation. These were not job cuts that gave people an opportunity to relocate to another location to keep their jobs. These people were given a “don’t come Monday” notice. These were compulsory retrenchments. Compulsory retrenchments were made at the Water Corporation. The previous government cut 100 jobs in regional WA, and the then Minister for Water was an expert at doing it. Sitting here today and listening to this lot complaining that we need to defend regional jobs in WA just does not cut the mustard.

Finally, it was a great pleasure to be in Bunbury the other day. I can see why the new member for Bunbury is so popular; he achieved a 23 per cent swing at the last election. What opposition members have said today just shows that, for all their talk, they simply do not like the people of Bunbury. They knew it and they elected an outstanding new member, and he will do a very good job for that region for a very long time.

MR R.S. LOVE (Moore) [4.00 pm]: I would like to finish this debate by making a couple of observations and asking a couple of questions. First of all, what is the motivation for this change? We have been told that the 41 staff—

Mr D.J. Kelly interjected.

Mr R.S. LOVE: The member had his go.

The SPEAKER: Minister for Water!

Mr R.S. LOVE: We have been told that the 41 staff who are to be asked to move on will be able to reapply for 33 positions. I assume that either some people have part-time positions or job share or people will not get another job with the WA Country Health Service. The first question is: how will 41 fit into 33? It does not make sense, unless people who are job-sharing also will be asked to relocate. It is most unlikely that someone in, say, Geraldton in the midwest with a part-time job will be able to relocate to Bunbury; it is probably 600 kilometres or more away. It is quite unlikely that they would move in those circumstances.

We have been told that no financial savings have been identified because, apparently, there will be no total job losses. What is the motivation? What is the reason for doing this? What is the efficiency that is thought to be gained from this change? We have heard some nebulous talk about innovation incentives to get people to undertake certain tasks. Basically, WACHS is a decentralised organisation in the sense that it has major facilities located right across Western Australia, from the very north to the very south, and it works very well around those diverse sites. I am sure that WACHS is quite capable of incorporating its finance function in a diverse range of locations. We are not saying today that Bunbury is not important as a regional centre. Of course Bunbury is a regional centre and of course it is important. But these jobs are being relocated not just to Bunbury; they are also being relocated to Perth. I dare say that the lion’s share of them will go to Perth, not Bunbury.

What about the families who will be asked to move hundreds of kilometres? We have been told that consultation took place but, realistically, it does not sound as though there was any consultation. What took place was a little bit of information sharing: “This is what is happening to you and if you don’t like it, you will have to get another job somewhere else, because your job will be in Bunbury or Perth.” That is not consultation; that is direction. One of the first things we learn about consultative processes is that just giving information to someone is not consultation, and that is all the government has done in this case as far as I can see.

What is the reason for the move to Bunbury and to Perth? This announcement has come to the fore at a time when the government had a community cabinet in Bunbury, so it is a bit hard for us to believe that the minister had no idea that this was happening —

Mr R.H. Cook: A conspiracy!

Mr R.S. LOVE: Absolutely. What would be the motivation for that little pearl of wisdom being dropped right at this time? Might it be to try to save the skin of the member for Bunbury, who showed himself to be completely

incapable of rescuing the relocation of the former Department of Parks and Wildlife to Bunbury and lost that major change and investment that would have taken place in Bunbury? Now he has been scattered a few bits of wheat. He is now getting a few jobs at the expense of Geraldton, Northam, Carnarvon and a range of other regional areas. In other words, it is robbing Peter to pay Paul. That is a great way to run a regional development program. I take a bit of umbrage with the member for Bunbury. The member for Bunbury happily took part in one of the greatest episodes of regional development that has ever taken place in this state as a very senior member, so it is a disgrace for him to come into this place—it is not the first time he has done it—and try to trash the legacy of what took place under the previous government over the last eight years. I would not expect anybody with any moral background to do that.

Mr D.A. Templeman interjected.

The SPEAKER: Member for Moore.

Mr R.S. LOVE: Thank you, Mr Speaker. I am glad that I am able to make a contribution in some degree of silence. You guys complain when anybody interjects on you, but you have been speaking constantly since I stood up!

I do not believe and I do not accept that this is some sort of accident that took place, or that the minister did not know that this was happening and that he was not consulted, or that it just happened to come about when the government had a cabinet meeting in Bunbury. It is incredible that we are expected to believe that this is not a completely political decision by the government. This decision is not about efficiencies in WACHS; this decision is about shoring up the position of the member for Bunbury because he lost the relocation of the DPaW facility to his town. The Department of Agriculture and Food, the WA Country Health Service and a range of other services will be expected to lose some of the people from other regional areas to Bunbury so that the member's job can be kept safe for the next four years, when he has in fact lost one of the greatest regional development opportunities for Bunbury that has been put forward in recent years—the relocation of DPaW.

Division

Question put and a division taken with the following result —

Ayes (15)

Mr C.J. Barnett	Mrs L.M. Harvey	Mr W.R. Marmion	Mr D.T. Redman
Mr I.C. Blayney	Mr Z.R.F. Kirkup	Dr M.D. Nahan	Mr P.J. Rundle
Mr V.A. Catania	Mr S.K. L'Estrange	Mr D.C. Nalder	Mr A. Krsticevic (<i>Teller</i>)
Ms M.J. Davies	Mr R.S. Love	Mr K. O'Donnell	

Noes (33)

Dr A.D. Buti	Mr W.J. Johnston	Mr S.J. Price	Mr C.J. Tallentire
Mr J.N. Carey	Mr D.J. Kelly	Mr D.T. Punch	Mr D.A. Templeman
Mrs R.M.J. Clarke	Mr F.M. Logan	Mr J.R. Quigley	Mr R.R. Whitby
Mr R.H. Cook	Mr M. McGowan	Mrs M.H. Roberts	Ms S.E. Winton
Mr M.J. Folkard	Ms S.F. McGurk	Ms C.M. Rowe	Mr B.S. Wyatt
Ms J.M. Freeman	Mr S.A. Millman	Ms R. Saffioti	Mr D.R. Michael (<i>Teller</i>)
Ms E. Hamilton	Mr Y. Mubarakai	Ms A. Sanderson	
Mr T.J. Healy	Mrs L.M. O'Malley	Ms J.J. Shaw	
Mr M. Hughes	Mr P. Papalia	Mrs J.M.C. Stojkovski	

Pairs

Mr P. Katsambanis	Mr M.P. Murray
Ms L. Mettam	Mr P.C. Tinley
Mr J.E. McGrath	Ms M.M. Quirk

Question thus negated.

PAY-ROLL TAX AMENDMENT (DEBT AND DEFICIT REMEDIATION) BILL 2017

Consideration in Detail

Clause 1: Short title —

Mr D.C. NALDER: Clause 1 deals with the short title. The opposition accepts that this is a payroll tax amendment bill, but the title also includes “debt and deficit remediation”. The opposition is concerned about “debt and deficit remediation”, particularly given that debt will increase by 34 per cent or 35 per cent over the next four years, and the interest expense on that debt will increase by some \$500 million a year over the next four years. The opposition is concerned that the justification for the title of the bill is debt and deficit remediation, when in fact we will not be seeing any remediation of debt and deficit. The opposition is suggesting that this tax is to pay for the unfunded election commitments of the government, and the bill should be titled accordingly. The opposition would probably accept the bill straight up if it did not include “debt and deficit remediation” in its title, but given that I have just said that the bill will not be providing for debt and deficit remediation, the opposition would like to understand the basis upon which the Treasurer has put this forward in this place—that it is such a thing.

Mr B.S. WYATT: I thank the member for the question. Unsurprisingly, titles of bills have proved contentious over the years. When I sat on that side of the chamber in the chair next to the member for Bateman, over the years I sought to change a few titles of bills that the government of the day put up. I understand the member's argument. I do not accept the member's argument. If this bill does not make it through the Parliament, both the debt and deficit will be \$435 million higher—and that is worse. I understand the member's position. If he wants to move an amendment, so be it. I would fully understand that; it is something I did whilst I was on his side of the chamber.

Mr D.C. NALDER: Does the Treasurer accept that the revenue to be generated by this bill will not actually cover the increased interest expense on the new debt that will accumulate during this term of government?

Mr B.S. WYATT: It also will not cover the interest accumulated under the previous term of government—nowhere near it. What we need to do, member, is to do all we can. There are no revenue sources left that I can look to easily that will provide me with an ongoing, reliable, large income. That is the reality. There is none left. That is why we are looking at all these others, including this bill—the payroll tax levy we are introducing now. Regardless of what people may think, it will ensure that both the deficits and the amount of debt across the forward estimates are \$535 million at least.

Mr D.C. NALDER: The Treasurer is correct when he says that the debt will not contribute to the current debt—that interest expense is around \$975 million a year—but by the end of the term, the interest expense will be up to about \$1.485 billion a year, or up by about \$510 million, based on bond rate forecasts shifting from three to 3.4 per cent. The increase in debt will be from around \$32 billion to \$43.6 billion or thereabouts. Therefore, we are seeing an interest expense growth by \$510 million. I come back to the point that the title of the bill refers to “debt and deficit remediation”, but debt is still out of control and is continuing to grow. It is beyond what was estimated in the *Pre-election Financial Projections Statement* for the end of this term. There may be legitimate reasons for that, but this bill will not tackle the debt and deficit the government has inherited. We acknowledge that debt got to a point at which it needed to be dealt with. The Under Treasurer said going into the last election that irrespective of who wins government, they will need to deal with the debt. This bill is not dealing with that debt and, therefore, the title of the bill is somewhat misleading.

Mr B.S. WYATT: I will say it again: I think the title is accurate because it means that the debt and deficit of \$435 million is less than it otherwise would be. By way an aside, when I gave my second reading reply, the member was not in the chamber. As a critique, he asked a specific question about a labour hire firm. I have an answer for that. I will not do it here, but at some point I will come to that if the member reminds me.

The ACTING SPEAKER: Before we carry on, Attorney General, when you enter the chamber, you are required to seek the leave of the Chair.

Dr M.D. NAHAN: This is not a semantical issue. Generally, when alterations are made to longstanding bills, such as payroll tax or land tax bills, the bill would not include in its title the parenthesis “debt and deficit remediation”. This opens up politicisation of the bill. The title is simply not accurate because, irrespectively, in this budget the government increased recurrent expenditure over the forward estimates by \$816 million. Most of that was by additional decisions by the government of the day to increase expenditure following its election commitments. Okay, that is what the government did. If, in fact, it did not do that—there were a few choices—it would have had \$815 million or \$816 million less to play with. It would not have to do this because it would not have to do this more significantly. The bill is not actually about debt and deficit reduction; it is about meeting election commitments. Of course it is fungible; it can be used everywhere. The government is not tying this to anything specific because each dollar of expenditure and borrowing is not tied to a specific action. But if we look at this, it can be seen it does not reduce the deficit. The deficit this year, properly measured, especially if the government does that one-off fiddle—it adjusts for that one-off fiddle of \$300 million from the electricity industry—and puts it back, the deficit in 2017–18 will be higher than that of last year, and the highest in the history of this state. Second, debt will go to the highest level, and the government will have \$816 million worth of additional expenditure. Where is the restraint on this? Where are the deficit and debt payments? Yes, the government has to fund that somehow. It has to fund it either by borrowing more, which means deficit funding in our case, and borrowing more. This is being driven by a policy initiative in this budget to increase expenditure. That is the reality. If the government wants to, as the member for Bateman has indicated, we would prefer that “debt and deficit remediation” be taken out altogether, because they are clearly a misnomer. Otherwise, put in something like “Payroll Tax (Meeting Election Commitments) Amendment Bill 2017”. That is a more accurate description of what the money is going to be used for or for the need for this payroll tax.

Mr B.S. WYATT: The Leader of the Opposition can move that amendment and we will vote on it, but I will not move an amendment to change the title from “debt and deficit remediation”. The Leader of the Opposition is right: expenses increase across the forward estimates as they did when the former government got into power in 2008 and when it was re-elected in 2013. That is the reality. Of course, we are projecting—I am saying “projecting” because we have not achieved them—much lower expense growth as the former government did in both of its maiden budgets in 2008 and 2013. If the Leader of the Opposition wants to move an amendment to that, so be it, and we

will deal with that in due course. I understand the point he is making. I do not accept the point he is making, but that is the title of the bill as the government puts it.

Mr D.C. NALDER: For two years whilst in opposition, before he was in government, the Treasurer prosecuted arguments in this house that the issue was an expense issue, and not a revenue issue. We talked about that if we took the position of the previous government up to the election, the issues with the debt and the deficits were an expense issue, according to the Treasurer's arguments. He prosecuted them very well for two years. He has come into government and introduced new taxes while the government has increased spending, deficits and debt. The Treasurer can understand our question and position that this is not about funding the previous administration. This title insinuates that the bill is about the past and that the Treasurer is dealing with a legacy that he has inherited from a former government, when in reality—we have to point out factually—it is about funding the increased spending and level of debt that this new government is creating. It does not remediate what it has inherited from the previous administration because it does not even meet the commitments of the new expense liabilities that the government is generating for this state at this point in time.

We are highlighting the concerns we have around the title and they are legitimate concerns. We do not think it reflects what this bill stands for. We have said we will not get in the way of this bill, we are going to let it through, but we do not believe that the title reflects what it is designated to do. Whatever the government wants to call it, just call it the “Pay-roll Tax Amendment Bill”—do not worry about “debt and deficit”. The reality is that it is funding Metronet, the government’s unfunded election commitments or its increased spending. Whatever the Treasurer wants to call it, it is not remediating what the government has inherited from the previous administration, which is what is implied in the title of this bill. We would implore the Treasurer to consider changes to the title of the bill

Mr B.S. WYATT: Again, I understand the opposition’s argument; we are not going to change the title of the bill. I was unsuccessful so many times—probably half a dozen, I dare say—over eight a half years, and I tried to change the titles of bills. I was very unsuccessful in that regard. I understand the argument that the member is making. I am not agreeing with it, but I understand the argument that he is making. The title is the title and it is will not be reconsidered by the government.

Mr V.A. CATANIA: I, too, like the member for Bateman, see that this short title, the Pay-roll Tax Amendment (Debt and Deficit Remediation) Bill 2017, is misleading to Parliament when it has nothing to do with paying down debt or the deficit. In the Treasurer’s projections he wishes to gain \$435 million over the next five years from this payroll tax amendment bill of 2017. Revelations have occurred over the last few days over the “Paradise Papers”, in which companies hold their accounts offshore; talk about Singapore trading hubs; and, Rio Tinto possibly employing another person to oversee its operations in Singapore.

Mr B.S. Wyatt: Member, can you just clarify? Did you say “paradise”? I am not familiar with that.

Mr V.A. CATANIA: *Four Corners* reported on the Paradise Papers and companies that hold offshore accounts in countries that are known to be quite beautiful, hence why we say “the run to paradise.” We are also seeing companies such as Rio Tinto and BHP have their trading hubs in places like Singapore, growing their workforce offshore, automating their workforce as much as possible and therefore reducing the workforce. The Treasurer says that this bill will get more money off the bigger end of town, being Rio Tinto and BHP. We are seeing the decline of payroll tax from those companies over the years through automation and trading hubs occurring offshore in places such as Singapore, the Bahamas and so forth; that was reported by *Four Corners* last week and in *The West Australian* today. Is it not going to have a dramatic impact on this bill? The forecast of \$435 million over five years, in my mind, seems to be a figure that has been plucked out of the air, because the companies that the government wants to reap the most off are moving away from employing locals in Western Australia and Australia, and making sure that automation is the key to their success. How is this short title going to impact on debt and deficit when we see this type of behaviour from the big end of town, the core that the government’s payroll tax amendment bill is trying to target? How are these changes going to impact on the \$435 million over the next five years?

Mr B.S. WYATT: As I understand it, there are a couple of parts to the member’s question. Firstly, what do we think the impact of automation is likely to be on the payroll tax take? That is a question that probably needs to be applied to the entire payroll tax take, not just this levy increase. This levy increase is simply an analysis made by Treasury on individual employers that we know. It is not a huge number of payroll taxpayers that will be impacted by this but, I guess, over time the member is right. A threat to the payroll tax base is automation. I dare say that if, for example, significant employers such as Bunnings or Coles got heavily into automation, that would have a more dramatic impact than the miners do now because of their nature and the size that they take. We are trying to focus on the big end of town. Interestingly, the member expressed a concern about the ability to be delivered, but my understanding is that the National Party is opposing this levy on large corporations, which is an interesting position for the National Party to take. The National Party is supporting these big businesses paying less payroll tax. That is its position, so be it. Overall, automation will have an impact on the payroll tax base regardless of where automation is occurring.

Mr V.A. CATANIA: This short title is going to impact small businesses, as the National Party has stood up for in this place. It is going to create debt and deficit for small business, because that is the impost that this title is imposing on businesses in Western Australia. The argument that the National Party put forward was that we should be increasing the threshold that generates greater productivity in this state. That has a concertina effect by making sure that the bigger end of town can ultimately pay more. We oppose this bill because of the effect that it will have on small business and because we have an alternative revenue source due to automation, trading hubs overseas and tax evasion occurring, and the scenario in which we have been shafted by both sides of politics when it comes to the GST. Today we debated whether the federal Labor Party will ever fix our GST, and the answer was no. We are in a massive predicament, hence why the National Party went to the election with a policy to ensure that the big end of town, being Rio Tinto and BHP, paid more by way of royalties.

The Payroll Tax Amendment (Debt and Deficit Remediation) Bill, under the guise of covering up debt and deficit, is really about paying for the Labor Party's election commitments by imposing another tax—an increased tax for small businesses—which will ultimately hit those people employed by small businesses, which is mums and dads. Our point is that it did not have to be this way, hence why we are opposing the payroll tax bill. There are alternatives that would raise, as I said in this place before, not just 5c, 10c, \$100, \$1 million or \$1 billion. Billions of dollars are needed to repair the state's position, not \$435 million over five years. In the Treasurer's words, that will not pay down debt or have an effect on the deficit. When cost blowouts with Metronet are occurring, there goes the \$435 million pretty quickly. It will have no impact. We are debating something in this place that will have a negligible impact on the state's finances, both debt and deficit, because the Labor Party had no financial plan when it got into government to try to repair the state's finances. That is why we said we believe that looking at the special lease rental is the only alternative.

Point of Order

Dr A.D. BUTI: Mr Acting Speaker, I ask for your ruling on relevance. I am not sure what the issue about policy considerations of the National Party and the plan that they took to the election has to do with the short title of this bill.

Mr D.T. REDMAN: The title makes clear reference to debt and deficit. I think the member for North West Central is clearly articulating an argument with respect to that.

The ACTING SPEAKER (Mr R.S. Love): I have allowed quite a bit of discussion on this from other members as well, particularly around the issue of the appropriateness of some of the wording. Member, could you wind it up, because we have heard you.

Debate Resumed

Mr V.A. CATANIA: As I said, we had an alternative. We were going to raise the money that was needed to ensure that debt and deficit would be under control. Clearly, this bill and this impost on small business will not fix the debt and deficit. The Treasurer says that this state is under a huge amount of pressure. We do not support the bill because there are alternatives. The Treasurer and this Labor Party have failed in their duty to ensure that they can get the money needed from the miners who are automating, who have offshore trading hubs and who are not paying the right amount of tax. The resources belong to everyone who lives in this state. The Treasurer is failing to look at alternatives to ensure that we get the best deal possible.

Mr D.T. REDMAN: On the back of the comments made by the member for North West Central and with respect to the title of the Pay-roll Tax Amendment (Debt and Deficit Remediation) Bill 2017, I think the points he makes are very relevant. It is interesting that we have this bill in the house at the moment, which seeks to increase payroll tax paid by the big end of town, raising \$435 million over the four-year forward estimates. At some stage—I am not sure whether it will be in the latter part of this week—the Iron Ore (Channar Joint Venture) (Hamersley Range) Agreements Amendment Bill 2017, which is about a state agreement that the Premier introduced recently, will be debated. It is very clear that the government has rolled over that agreement. There is a point at which we can assess and take up an argument with the company about the conditions under which it is able to mine iron ore in this state. There has seemingly been little argument about that for a company—in this case, Rio Tinto—that will contribute, along with the other iron ore companies, about 20 per cent of the payroll tax increase that the government is commanding through this bill. For those iron ore companies, it is effectively a rounding error of \$50 million or \$60 million a year.

When introducing that state agreement, there was no pressure to look at the very old conditions that have been in place and under which those companies operate. Yet there was a point when the government was able to exert that pressure. I am making the distinction between a bill that will put a clear imposition on business—a signal that was not put during the election—versus the alternative of a company coming to the state seeking support from government to set some positions in place for rolling over or renewing the conditions that are currently in place at a point when the government can exert some pressure. It is nothing to do with an election commitment; it is to do with the operation of the big miner. The National Party historically took up some debate about the state agreement being an important way of exerting pressure from the government in order to look at other ways of getting revenue for the state because of conditions that we feel are somewhat outdated.

Mr B.S. WYATT: I will deal with a few issues. We are not revisiting the lease rental fee. That argument has been had. The member for Warren–Blackwood made the point that the payroll tax increase—the levy increase—and the impact on iron ore miners will, in effect, amount to a rounding error and it will have a very small impact on their total revenue. He is quite correct, hence my surprise that the National Party will be voting against the bill to protect those iron ore miners from having to pay this rounding error increase.

This bill will have a much smaller impact on employment, which the member for North West Central worries about, than increasing the lease rental fee from 25c to \$5, which presumably is why the Liberal Party does not support that either, because that will have a dramatic impact on employment and the rush to automation et cetera. As he pointed out, our increase is effectively a rounding error and is unlikely to have an impact on jobs. We are not revisiting the question of lease rental fees. The issue around the joint venture legislation is an issue for the Minister for State Development, Jobs and Trade, who also happens to be the Premier.

Some points made by the member for North West Central also raise the question: what is a small business? The National Party defines a small business as a business with wages of \$100 million plus. I do not. I describe that as quite a large business. We could spend the next hour talking about what determines a large and a small business. The Australian Securities and Investments Commission describes a small business as an organisation with revenue of less than \$25 million and fewer than 50 employees, whereas the Australian Taxation Office describes a small business as one that has annual revenue turnover, excluding GST, of less than \$2 million. Clearly, if the wages are \$100 million, it is a large business, and that is what we are focusing on—over \$100 million in respect of the payroll tax levy.

I understand the position that the National Party took to the election. I do not agree that it is a sustainable source of revenue because ultimately it is all redistributed. The question that the National Party never answered was: once it is redistributed and those payroll tax cuts and other spending has been locked in, what taxes will be increased to fill the hole? We had that argument during the state election and I do not intend to revisit it in great detail now.

Dr M.D. NAHAN: The problem we have with the short title is essentially the word “remediation”. Remediation means to remedy something, particularly reversing or stopping, not going ahead but stopping and giving remedy to something. It implies that we are reversing an action that is going to take place without this bill. The reality is that this bill will raise more money to stop or limit, not remedy, the inheritance, but stop the growth in debt and deficit under the government’s own policy rules. It is not remediation at all; it is basically a bill to raise payroll tax to fund the Labor Party’s election commitments going forward. As the member for Bateman indicated, the bill is not addressing the deficit or debt that the government inherited. It is not doing that. I know the government’s tactic is to use words to blame us, or the past, for all its fiscal predicaments, but this will not do that. Yes, if the government does not raise the money, it will have to fund it somehow. But that additional funding—this money or the debt that will replace it—is not addressing the debt levels and the deficit the government inherited. It actually addresses the government’s actions and its responsibilities. Some of the government’s actions are additional expenditure, both recurrent and capital, that the Labor Party promised during the election campaign. The Labor Party manipulated the assessment process in the run-up to the election so that it was not scrutinised, and it made promises it could not meet. We all knew that. Secondly, the government inherited the softening of own-source revenue that the previous government had experienced for four years. That is just the process of governing in Western Australia.

This bill tries to address those two things, but it is not a remedy; it will not fix the problem the government inherited. It is trying to address revenue that the government needs to address its own governance issues—policy decisions to spend more and policy decisions to deal with the softening of revenue flows. That is the problem we have here. I know the government has the numbers and that this is a consistently cute mechanism to try to say that all the government’s problems are somebody else’s fault, but this payroll tax amendment does not address the inheritance at all; it essentially gets larger each year. The problem we have is that this legislation is inaccurate and misrepresents to Parliament the purpose and the need for this bill. The government will say, “So what?” because it has the numbers to put this propaganda forward, but this legislation will not remediate anything. If the government was being truthful, it would just take out “(Debt and Deficit Remediation)” and title it “Pay-roll Tax Amendment Bill 2017” and get on with life and govern. We ask the government to accept an amendment to take “(Debt and Deficit Remediation)” out of the title of the legislation.

Mr B.S. WYATT: I think the Leader of the Opposition and I are in agreement that I have had to deal with the softening of our own-source revenue—absolutely. I dare say that if revenue were coming in as expected in the *Pre-election Financial Projections Statement* we would not be debating this bill. There would be no need to introduce this legislation because the revenue would have held—hopefully. I think we will probably see in the midyear review some further downgrades of own-source revenue, particularly around property taxes. That is the reality, and that is the reason we have introduced this legislation. The Leader of the Opposition is right: to quote him, it is not fixing a problem that I inherited. That is a big problem and it will take time to fix that problem. But I dare say we will agree to disagree on what remediation is and whether it should be applied to the debt and deficits that I inherited versus the debt and deficits that were accumulated post-election day. It is not one that I agree with, but, perhaps for the purposes of debate tonight, we can agree to disagree on.

Dr M.D. NAHAN: One of the issues we have is: yes, the government has softening revenue—that is just part of governing in Western Australia in our current times. Because it is not always possible to do so during the consideration in detail and second reading speech debates, may I ask: has Treasury done a distributional impact of what businesses actually pay—the incidence of this? We know that firms that earn over \$100 million have higher payroll tax, because that is the way the bill works, but that is the first payment and then the incidences paid filter through the system onto contractors. Certain assumptions can be made about how the firm paying the tax will respond. Has Treasury estimated what economists call the dead-weight loss of this or the loss of jobs and distributional impact on small business? As the Treasurer has no doubt been informed, the Chamber of Commerce and Industry of Western Australia has done some of that work; it has done some modelling on the impact of the government's payroll tax and identified that 5 297 jobs will be affected. Has Treasury done similar modelling? Most regulations require a regulatory impact statement—the Department of Finance does it. Has Treasury done this for this payroll tax increase, given that the general acceptance in debate in this chamber in the past has been that payroll tax is a tax on jobs and that businesses respond by reducing employment somewhat? Many big businesses that will be impacted by the legislation hire contractors, which is probably the most easily adjusted area of their wages or purchase bill. Has Treasury tried to find an estimate of the net impact on jobs and economic activity of the proposed increase?

Mr B.S. WYATT: That is a good question. I dealt with this issue to some extent in my reply to the second reading. I will make a couple of points. The Leader of the Opposition is right: ultimately, payroll tax will be dealt with in a range of ways. I had a conversation across the chamber with the Deputy Leader of the Opposition who, in her contribution to the second reading debate, went through in some detail the example of someone in her electorate with a large construction company. He told her that he would just have to deal with it because he is in an environment in which he is not going to pass it on. Bearing in mind my response to the member for Churchlands' contribution to the second reading debate that we are in an environment of increasing consumer confidence, so forward-looking work is now starting to be reasonably significant, particularly in the construction and mining sectors; so is it likely to all fall to businesses not employing staff? I do not think so. I acknowledge the CCI analysis that we discussed during the second reading debate. Ultimately, from what I can gather—I have not seen all its assumptions—it seems that to get to its figure of 1 300 jobs, the CCI assumed that the reaction of all employers will be to pass it all on to their employment assumptions. I do not think that is correct because ultimately with any cost impost—whether it is a form of tax or whatever, including a payroll tax increase—businesses can seek to maintain their profit margins by passing the impost on to customers in the form of prices, in which case this increase will have an almost insignificant impact. Secondly, businesses can accept a reduced profit margin, which is the point I think the Deputy Leader of the Opposition was making during her contribution to the second reading debate, and therefore pay a lower dividend to shareholders, which, again, is unlikely to be very significant at all. Thirdly, businesses can pass the cost on to employees in the form of lower wages, in which case that is likely to have very little impact. I think the CCI has assumed that the total burden will fall around passing the total cost on to consumers.

On the Leader of the Opposition's specific question, Treasury's analysis was on the cost impact of the measure on individual employers and industries, as opposed to creating a range of assumptions around where the incidences will fall, which is the more specific part of the question.

Dr M.D. NAHAN: In our briefing, Treasury officials gave us a breakdown of the sectors that are expected to pay this increase. My memory is that the largest will be the mining sector, which is a price-taker, so it cannot pass it on. The second is the construction sector. In the short term, I would assume that businesses in that sector are mostly on contracts, so they cannot pass it on. Then there are the other sectors, which is quite a large group. I would assume that is Woolies, Coles and the banks in particular. It would be useful to have a breakdown of the composition of the impact of this tax, by sector, to see which ones are price-taking, which means their ability to pass on the increase to consumers is about zip, so they have to absorb it in either profits or output—production—and lowering costs. Most of the time "cost" means either wages or other things. It would be good if the Treasurer could do that. I know it is a little bit outside the terms of reference for this short Pay-roll Tax Amendment (Debt and Deficit Remediation) Bill, but it is probably most convenient to do these things here rather than later during the detailed part of the bill.

Mr B.S. WYATT: That is fine. The Leader of the Opposition is right: 20 per cent of the contribution will be from large iron ore miners; mining, oil and gas as a whole will be 35 per cent; the construction industry just over 10 per cent; and all other industries are expected to contribute less than 10 per cent each. It is that group the Leader of the Opposition wants a breakdown of. Can I give that to him by way of further information—I guess?

Dr M.D. Naham: Yes.

Mr B.S. WYATT: I understand the question. I am pretty sure that it is easy enough to get; I think I have seen it somewhere. I think Treasury will have it. I will not be able to get it to him tonight, but I will get it to him.

The ACTING SPEAKER: Leader of the Opposition, I remind you that we are still on the short title.

Dr M.D. NAHAN: We are stretching it here —

The ACTING SPEAKER: You are stretching it, yes.

Dr M.D. NAHAN: We are stretching the debate.

The ACTING SPEAKER: Yes, I would agree.

Dr M.D. NAHAN: It is hard to get the specific information during second and third reading debates because of the mechanism, and the rest of the bill contains the detail.

The ACTING SPEAKER: Some of the stuff you are asking for is quite detailed. Perhaps if you directed yourself at me, it would make it much easier for Hansard and the Treasurer to hear what you are saying.

Dr M.D. NAHAN: Yes. One of the issues—when we go into this later—is the grouping regulations. There might be a very large national firm. Let us say it pays, nationally, \$100 million worth of wages but in Western Australia it pays very little. Let us say it is entering the market. Let us say Aldi is coming into the market. Under this bill, if it is \$100 million nationally, an additional surcharge will be put on the 5.5 per cent tax.

Mr B.S. Wyatt: On the WA wage base.

Dr M.D. NAHAN: Yes. It will go from 5.5 per cent to six per cent. That is a very large impost on entry. When we impose progressive payroll tax and there are grouping regulations, they can cause really big distortions for new entrants to the market, because the grouping is on a national basis and the state-based operations are quite small. In fact, in some of the grouping arrangements a WA business can be very distinct from the interstate businesses. Can the Treasurer ask Treasury to discuss some of those grouping arrangements and see whether there are any distortions in that to inhibit new competitors coming into the market because of the national groupings when their Western Australian operations might be quite small? This has been a problem in the past.

Mr B.S. WYATT: It is a problem regardless of progressive scale. It will still be a similar issue. Effectively, the flat rate we have had now since—the Leader of the Opposition will know—Eric Ripper's review changed from a progressive scale to a flat rate in the early 2000s.

Dr M.D. Naham: That is why he did it.

Mr B.S. WYATT: Yes, that is right, and that is one of the other reasons I want it to expire. The Leader of the Opposition knows what it is like. It will be there forever unless there is a mechanism in the legislation for it to expire. We will see, as budgets come, that it will expire in the forward estimates. We will see that reflected in the revenue going forward, but by then, of course, our GST, subject to global commodity prices, will be back at a much more sustainable level than it is now. I would say that is subject to all the things that influence that. There is an opportunity to deal with some more specific groupings, but on the issue the Leader of the Opposition raises, he is right about new entrants—large corporations with a large national wage base entering WA for the first time will face the same issue whether it is a flat rate or a progressive rate.

Dr M.D. NAHAN: Not necessarily. Say Aldi comes in with a few stores. They are grouped in Western Australia; their operations will probably be less than \$100 million but once they are added nationally they might be competing with operations in Western Australia with the same scale of 5.5 per cent, so it becomes six per cent. That is why Eric Ripper levelled it off, among other reasons.

I would like to deal with a couple of other issues that come up later. When discussing payroll tax, the Premier indicated that discussions had been held with the Chamber of Commerce and Industry of Western Australia and that at the next budget the government would consider increasing the threshold from \$850 000 to some other figure. The Premier said he had been lobbied by CCI to consider increasing the threshold from its current level of \$850 000 to a higher figure. Can the Treasurer confirm that consideration of that will be reflected in the next budget, which I assume will be May, and it will be before this increase in tax comes into effect? What kind of consideration will he give to that?

Mr B.S. WYATT: This legislation will come into effect on 1 July 2018. I made some points in my second reading speech. The Leader of the Opposition is right: I can confirm that is what the Premier said—we would consider, potentially, increasing the payroll tax threshold in the 2018–19 budget. I also made the point in response, I think, to the member for Warren–Blackwood. I do not think he was here when I gave my reply to the second reading debate. I think he asked whether we can afford it. The Deputy Leader of the Opposition said that of course we cannot because we are operating a large deficit. So can we afford it? No. If we are going to have some form of tax cut, what will be the biggest economic impact? If we are going to borrow to fund it, let us make sure it will have a good economic impact. One thing I would like to look at—the Leader of the Opposition may recall the abolition of payroll tax grouping provisions that Eric Ripper introduced. You guys had a global financial crisis; they delayed and now it is still there. Maybe that is a better outcome; I do not know.

Dr M.D. Naham: Or the rebates.

Mr B.S. WYATT: That is right. I do not know yet, but now that we have made this commitment, I am keen to look at what may be the best around that payroll tax area because it is not going to wander off and do something in some other space. It might have a bigger economic impact. It may be that lifting the threshold does; I do not yet know. It will be a useful conversation to have.

The ACTING SPEAKER: I remind members that we are still on the short title and a lot of questioning is going on that is relevant to clauses that are further on in the bill.

Mr D.C. NALDER: I agree, Mr Acting Speaker, and I intended to ask my question during another clause, but because it started around this I have to close that off. The CCI raised some interesting economic analyses, including that there will be a flow-on effect through the supply chain. The intent of this bill is to target the large end of town—\$100 million plus and \$1.5 billion plus. The CCI's argument, in its analysis, is that job losses will be created. The real impact on jobs is always arguable but the CCI's analysis suggests that 68 per cent of the flow-on effect will go down to small and medium enterprises. I am interested in the Treasurer's thoughts on that economic analysis by the CCI and whether he acknowledges that is one of the potential ramifications of this bill. Therefore, in light of the Leader of the Opposition's question around the Treasurer considering an increase in thresholds to support a negative impact that is likely as a result of this bill, will he do something in the next budget in advance of this coming into effect?

Mr B.S. WYATT: In terms of timing, if we did it for the 2018–19 budget, it would effectively come in at the same time as this, assuming it applied from 1 July 2018. I have seen the CCI analysis. I have not seen all its assumptions under it, and this is the point I tried to make before. The assumptions drive all the outcomes. I think the rate of 68 per cent of the flow-on effect going down the supply chain is probably high. I base that on simply a suspicion more than anything else because, as I said, there are three types of impact any cost impost will have on business, and that includes payroll tax. It can hit profit margins or be passed onto customers, or companies can accept a reduced profit margin, so it affects shareholders' dividends or it can affect employees in the form of lower wages.

Mr D.T. Redman interjected.

Mr B.S. WYATT: Or in that; that is right, which is down the supply chain, effectively. With all three, due to the size of the increase and the temporary nature of it, I suspect the effect will be very insignificant.

That is the view of the Department of Treasury and the government. I understand the Chamber of Commerce and Industry of Western Australia's arguments. It is presenting an analysis. In the long term, it has been consistently hostile to payroll tax; I get that. It is not happy about this payroll tax levy. I understand and I accept a lot of the arguments that it makes about payroll tax. I am not disputing the arguments that were raised by the opposition during the second reading debate. Indeed, I have raised them here myself. Ultimately, because of the size and the temporary nature of this increase, it is my view that it is unlikely to have a significant impact on any one of those three ways it could be dealt with by the organisation that pays the payroll tax.

Dr M.D. NAHAN: I would like to move a very simple amendment to the short title. I move —

Page 2, lines 2 and 3 — to delete —

(Debt and Deficit Remediation)

We have gone through the argument for this, which is that the title is misleading. Remediation means to fix something that has been inherited or has been foisted upon someone and they have adopted—that is, this budget. This bill will not do that. On all the indicators, the governments' debt and deficit is going up relative to its forward estimates. It has had some further reduction in revenue but that is basically a non-policy decision; the government has had some deterioration. The budget has a substantial increase in capital and recurrent expenditure that is a result of policy decisions. We could, of course, have done a cute thing and called it something like the "Pay-roll Tax Amendment (Meeting the 2017 Election Commitments) Bill" or we could have called it the payroll tax amendment bill to fund Metronet or something like that. When the government was in opposition it came up with some cute titles, which were sometimes rude. This amendment brings the title back to what the bill is. It is a decision of the government to break election promises and to increase payroll tax in a manner targeted at the high end of town, with a five-year limit, which we support. This is a very important amendment because for the first time, I think, ever Western Australia's top payroll tax will be the highest of any state.

Mr B.S. Wyatt: South Australia, I think, might still have a higher rate. I know the ACT's is.

Dr M.D. NAHAN: No-one pays payroll tax in the ACT. I do not think that its largest business pays tax. Its second-largest business may be the computer business. It used to be, as members will remember, pornography.

Nonetheless, I think that for the first time Western Australia is, if not the highest, close to the highest. It is a significant move that will lead to a very high payroll tax during a period of downward pressure on wages. A range of businesses, large and small, are under stress to pay their wage bills. Members may disagree with the details of the CCI's modelling—as the Treasurer indicated, it has been at this game on payroll tax for a long time. It has

honed its arguments and they are consistent with arguments elsewhere. A lot of this tax will be borne by smaller businesses. Particularly in the construction and contracting sectors, smaller businesses are under real stress to pay their wages bills. This is a very large increase at a very important time in a targeted area that we on this side and, I assume, the government side, are most concerned about—that is, job creation in the small to medium industry sector. This is an important bill and the amendment goes to the task. The bill will not fix the inheritance. It will address the commitments made in this budget by this new government from 1 July 2018. This amendment takes the cuteness out of the title and makes it accurate for what it is—a payroll tax increase.

Mr B.S. WYATT: Ultimately, the argument of remediation versus previous debt and future debt et cetera has been had tonight. I am not surprised that this amendment has come. I would have been disappointed if it had not. The Leader of the Opposition is quite correct. Over the years, I moved a few amendments to the titles of bills and I was unsuccessful with those. The government will not support the proposed amendment.

Division

Amendment put and a division taken, the Acting Speaker (Mr I.C. Blayney) casting his vote with the ayes, with the following result —

Ayes (14)

Mr I.C. Blayney	Mr Z.R.F. Kirkup	Dr M.D. Nahan	Mr P.J. Rundle
Mr V.A. Catania	Mr S.K. L'Estrange	Mr D.C. Nalder	Mr A. Krsticevic (<i>Teller</i>)
Ms M.J. Davies	Mr R.S. Love	Mr K. O'Donnell	
Mrs L.M. Harvey	Mr W.R. Marmion	Mr D.T. Redman	

Noes (32)

Dr A.D. Buti	Mr W.J. Johnston	Mr P. Papalia	Ms J.J. Shaw
Mr J.N. Carey	Mr D.J. Kelly	Mr S.J. Price	Mrs J.M.C. Stojkovski
Mrs R.M.J. Clarke	Mr F.M. Logan	Mr D.T. Punch	Mr C.J. Tallentire
Mr M.J. Folkard	Mr M. McGowan	Mr J.R. Quigley	Mr D.A. Templeman
Ms J.M. Freeman	Ms S.F. McGurk	Mrs M.H. Roberts	Mr R.R. Whitby
Ms E. Hamilton	Mr S.A. Millman	Ms C.M. Rowe	Ms S.E. Winton
Mr T.J. Healy	Mr Y. Mubarakai	Ms R. Saffioti	Mr B.S. Wyatt
Mr M. Hughes	Mrs L.M. O'Malley	Ms A. Sanderson	Mr D.R. Michael (<i>Teller</i>)

Pairs

Mr P. Katsambanis	Mr M.P. Murray
Ms L. Mettam	Mr P.C. Tinley
Mr J.E. McGrath	Ms M.M. Quirk

Amendment thus negated.

Clause put and passed.

Clauses 2 to 5 put and passed.

Clause 6: Section 5 amended —

Mr D.C. NALDER: I have some simple questions on the administration of this.

Mr B.S. Wyatt: I will try to find you some simple answers.

Mr D.C. NALDER: This one should be fine, I am fairly sure. I refer to proposed section 5(4), which states —

Pay-roll tax on wages paid or payable on or after 1 July 2023 is imposed at the rate of 5.5%.

That is just going back to the old threshold—we did all that—but does it require, just to ensure that we do not trip over anything, the initial thresholds that are published, so that it does not just become 5.5 per cent across the whole board? It does not state that the old thresholds are to be reinstated, but thresholds are not included in this clause.

Mr B.S. WYATT: The thresholds remain the same, at \$850 000, unless we make a change on the way before 2023, as set out in the Pay-roll Tax Assessment Act. That stipulates the threshold, which is not being amended. So I can confirm exactly what the member wanted me to confirm.

Dr M.D. NAHAN: This deals with non-group employers. Are group employers treated differently?

Mr B.S. WYATT: Clause 6 applies to all employers, group and non-group. This clause effectively deals only with what happens post-2023, going back to the threshold, and then we deal with non-group employers in proposed section 7 and with group employers in proposed section 10, in proposed division 1 and proposed division 3, respectively.

Clause put and passed.

Clause 7: Part 3 inserted —

Dr M.D. NAHAN: Rather than going through these things step-by-step, we made some changes under which we moved the initial threshold. After \$7.5 million, we phased it out.

Mr B.S. Wyatt: It phases out at \$7.5 million.

Dr M.D. NAHAN: At \$7.5 million—okay. Has there been any change to that phase-out on the list? The only changes are the introduction of those top-ups—over \$100 million by 0.5 per cent, and then an additional 0.5 per cent at \$1.5 billion, for a five-year period. Those are the only effective changes.

Mr B.S. Wyatt: Correct.

Dr M.D. NAHAN: In terms of computation, is everything else the same?

Mr B.S. WYATT: That is right. I want to confirm that there is no change to the progressive phasing out of the payroll tax threshold from \$850 000 through to \$7.5 million. That was done through a pretty good amendment last year. There is no change to that—absolutely not. However, as the Leader of the Opposition made the point, I am fairly relaxed with him wandering around with the questions that he has. I am not going to worry about a particular section because this is a broad conversation around payroll tax.

Mr D.C. NALDER: Has the Treasurer actually tried to read through clause 7 and work out what on earth it is saying? The reason I ask is that, generally, mathematics is my strength, but it did my head in reading through these. I acknowledge that the explanatory memorandum was very helpful, and I cannot help but suggest that that explanatory memorandum perhaps could have been part of the bill, so that people would actually understand what the issues are. It goes through all these different formulas with different initials. The question, I suppose, is: why did we leave it so complex in the bill, and not actually allow the layperson to pick up the bill and read it and understand it?

Mr B.S. WYATT: The member is right; it is incredibly complicated, but I just want to make one point. The Department of Finance and Treasury also understand that it is complicated, and when I first got it, I was asking what I was supposed to do with it. I was thinking straightaway of consideration in detail—good luck with that. However, importantly for people outside of this place, taxpayers are no longer required to manually calculate their payroll tax liability when they lodge their payroll tax returns. I did not know this until I was preparing for this debate. All taxpayers now lodge payroll tax returns through Revenue Online, which is an online lodgement portal enabling registered payroll tax clients or their agents to assess and pay payroll tax using electronic lodgement of payroll tax returns. Currently—this is what I was surprised by—there are no employers who lodge manual returns. I did not know that, as I said, until I was preparing for this. A taxpayer is only required to enter the details of taxable wages and exempt wages in their online return, and the system will calculate the rate applicable to determine the payroll tax liability for that return. I dare say that the companies we are dealing with here would pretty much know what that is going to be before they plug into that, because they will have professionals telling them exactly what it is going to be, to the nearest cent. But, helpfully for those who do not have that army of staff, an online calculator available on the Office of State Revenue website will also be updated to calculate the estimated tax payable by employers using the new progressive payroll tax scale. The member is right, this proposed section is incredibly complicated. I am just looking for something to help update the member on how the formulas work, and how they land on the two different rates. I will look for it while the next question is being asked, because I found it quite interesting. When that is plugged in with our own calculators, the numbers are slightly different, but that is taken account of in how we work our way through to 6.5 per cent.

Mr D.C. NALDER: While the Treasurer is looking for that additional information, can he just clarify that these formulas are exactly what sits behind the online system for employers? Are they the formulas that feed into the system so, as they calculate their payroll, it will push them down into those appropriate formulas and punch out the exact payroll tax requirement?

Mr B.S. WYATT: I will read something out that I am sure is not going to be helpful to anyone, but I will read it out anyway. This is about the issue of the marginal rate that is in the legislation —

The formulas in the proposed amendments are the simplest way to incorporate the three effective marginal rates in the legislation. To reflect the marginal rates in the legislation would involve more formulas and calculations in the proposed amendments. The proposed amendments are based on the principle that a single equation can be used to take into account all relevant factors, such as whether the employer operates interstate, operates as part of a group, or operates for only part of a financial year. The rate determined based on Australian taxable wages is then applied to the employer's Western Australian wages. The use of this formula also minimises the compliance and administration cost. A similar formula was used to incorporate effective marginal rates into a sliding scale for the previous progressive tax scale regime, which applied prior to 1 July 2003.

There is the date I was trying to think of before. I am not sure whether that has helped, but it is good to get it on the record.

Dr M.D. NAHAN: Again, using this as an information collection point, there are effectively, at the state and federal level, and maybe also local government, a raft of other payroll taxes, and there have been others in the past. There used to be a training levy, and other levies on payroll. Of course, we have superannuation, to some extent, which is effectively a payroll tax. Does Treasury know any of those that exist now so that we can calculate at least the total payroll tax of large businesses? We have this as six per cent at over \$1.5 billion. We know that. Do we have any of those left?

Mr B.S. WYATT: Off the top of my head, other than payroll tax, there is the Building and Construction Industry Training Fund levy, which is only on construction payrolls. I assume that the Leader of the Opposition is not referring to workers' compensation.

Dr M.D. Naham: No.

Mr B.S. WYATT: The only thing I can think of now is the BCITF and payroll tax. I am not aware of any.

Dr M.D. NAHAN: In the 1990s, there was a very large training levy and it got up to about two or three per cent.

Mr B.S. Wyatt: Presumably, that applied on all payrolls.

Dr M.D. NAHAN: It was a cut-off, but it was on most payrolls. It was not progressive like this threshold. When they were all added up, the top payroll tax rate was pushing nine per cent. None of that has changed. Does this amendment bill make any change in the act to the treatment of the assessment of payrolls, the groupings arrangements or the treatment of employees?

Mr B.S. WYATT: No; there has been no change to any of that. The bill is very specific to the progressive scale. This is the only payroll tax bill we have dealt with since the election. We are not dealing with anything else in this legislation. Today I gave notice of the Land Tax Assessment Amendment Bill, which deals with something very specific about public statutory bodies that the Leader of the Opposition might recall. That bill will deal just with that matter. Next year I will probably bring in another land tax bill that will encompass some other bits that you guys had slowly coming through the system. This bill is very specific, just like the land tax bill that will be second read tomorrow. It is on a very specific issue and there will be no broader consequence.

Clause put and passed.

Title put and passed.

Leave granted to proceed forthwith to third reading.

Third Reading

MR B.S. WYATT (Victoria Park — Minister for Finance) [5.23 pm]: I move —

That the bill be now read a third time.

I thank members and I look forward to a more comprehensive third reading debate on the second of the cognate bills.

Question put and passed.

Bill read a third time and transmitted to the Council.

PAY-ROLL TAX ASSESSMENT AMENDMENT (DEBT AND DEFICIT REMEDIATION) BILL 2017

Second Reading

Resumed from 2 November.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clauses 1 and 2 put and passed.

Clause 3: Act amended —

Mr D.T. REDMAN: I may have this somewhat wrong because it can be a little confusing with two bills, but my understanding is that anything that relates to tax has to be treated very distinctly, and that is why we have the tax bill. Of course, the application of other payroll tax measures have to be picked up in a separate amendment bill and that is why I rise on this occasion to talk about an amendment that the National Party would like to move to the changes to the threshold. I want to quickly go over a couple of things before we get to that point. I highlight that the Nationals will not support this bill. We gave a range of reasons for that during the second reading debate and no doubt I will refer to those comments in the third reading debate. Given that this bill will go through both

houses, we thought it appropriate to put up an amendment to try to soften the impact on small business. I note that in some comments on the previous bill, the Treasurer talked about the definition of small business and a range of views came through about that. He said that the definition of a small business is one with a payroll that does not exceed \$100 million. I do not think anyone would consider a business with a payroll over \$100 million to be a small business—it is a considerably large business. The point was made in the second reading debate that the flow-on impact of these changes on small business, contractors and a range of other groups that engage with bigger businesses, and the capacity of big businesses to take that down the supply chain of finance, is strong. Therefore, one opportunity exists that could change the thresholds to give some relief to small businesses. It is for that reason I would like to move the amendment in my name.

The ACTING SPEAKER: Member, we have to deal with clause 3 first. The amendment comes in after clause 3.

Mr D.T. REDMAN: I will conclude my remarks and wait until we get to the end of clause 3 and pick up the new clause then.

Clause put and passed.

New clause 3A: Section 8 amended —

Mr D.T. REDMAN: I move —

Page 2, after line 12 — to insert —

3A. Section 8 amended

- (1) Delete section 8(1)(b) and insert:
 - (b) the financial years beginning on 1 July 2016 and 1 July 2017 is \$850,000; and
 - (c) a financial year beginning on or after 1 July 2018 is \$1,000,000.
- (2) Delete section 8(2)(b) and insert:
 - (b) the financial years beginning on 1 July 2016 and 1 July 2017 is \$70,833; and
 - (c) a financial year beginning on or after 1 July 2018 is \$83,333.

I move new clause 3A because of the flow-on impact this bill will have on small business. I note the Treasurer's comment, if I have it right, that he believes the flow-on impact of this bill will be minimal. Even one of the great tax commentaries, the Henry review, "Australia's future tax system: Report to the Treasurer" in December 2009 stated that in the long run businesses will pass the burden of payroll tax onto workers ultimately through, as described by the Chamber of Commerce and Industry of Western Australia, reduced wages and reduced headcount in organisations, and by contracts being cut. Cutting contracts has a clear flow-on effect on businesses and all those engaged in the big end of town. In fact, an interesting comment was made about the impact of payroll tax on the mining sector and on those contractors in the resources sector. Having a range of different scales will have some impact. We are making the point that the target of this amendment is to reduce the impact on smaller businesses—by definition, those in the \$850 000 to \$1 million range—and provide full relief to 1 000-plus businesses and some relief to 10 000 others, given the flow-on effect of the diminishing threshold as it goes through to \$7.5 million. We believe that there is scope to reduce the burden on small businesses.

There will be a cost. It is expected that it will increase the government's bill to \$435 million. Although it is pretty difficult to accurately assess the implications of this from where we sit, it is our understanding that it will probably impact the revenue by about half—something along those lines. Yes, there will be an impost on the bigger end of town. We know there will be a flowthrough impact on smaller business. The changes we are putting in place as a product of this amendment will carry through a smaller impost on quite a significant number of small businesses. I think even the member for Bateman commented in the debate last week that there is a sort of increasing impact. A lot of small businesses are captured by a small change. As we get further up the line, a smaller and smaller number are impacted. We believe this is an appropriate response. Although we are not going to support the bill, it is incumbent upon us, on the way through, to reduce the impact this is likely to have on small businesses and, therefore, put some concessions in for the small business end of town.

I noted that the Premier, when he was making some comments—they might have even been around the budget—said that he does not like payroll tax because of its negative impact on employment. Here is a chance—it probably does not fit the Treasurer's numbers very well. Nevertheless, it is incumbent upon us in this place to try to reduce the impact on those who at a point in the economic cycle are going to take a fair bit of pain, and, indeed, the pain that is going to come from the impact of this payroll impost, albeit at the big end of town. The flowthrough impact is well commentated on by those who talk about the flow-down impact. I put the amendment to the chamber.

Dr M.D. NAHAN: From the Liberal Party's perspective I want to comment on the amendment. As the member for Warren–Blackwood has made clear, this tax will impact small businesses because it will be passed on, I would say in many industries, through to contractors, and many of those contractors are small businesses. There is no doubt about that. That is what the Chamber of Commerce and Industry of Western Australia has estimated and that is probably the case. We do not know exactly how much it will be, but it will have an impact.

When we were in government our policy was to increase the threshold from \$750 000 to \$850 000. Indeed, I think we went to the last election with a policy to increase the threshold even further. Having a threshold helps a lot of businesses, particularly small businesses that have faced significantly large wage inflation and are hitting that threshold. Without that threshold, a lot of businesses would have been captured. Small businesses can withstand it. But our position is—the Premier made it quite clear, and it was reiterated by the Treasurer—that in the run-up to the next budget it will come down to what it was prior to these changes being put into place, and that the government would consider the threshold issue. We will hold the government to account on that to the extent that we can.

We know that there is a complicating factor and we have no intention to block money bills. This is part of the budget and it will come down in the budget. However, we need to look at how to increase the threshold so small businesses are looked after. It can be done, as the member is suggesting in this amendment, by increasing the threshold—as we have done in the past. It could also be done through a rebate, the differential for which we estimate would be \$4.5 million—\$45 million for just increasing the threshold. That is how the thing works—there is a big difference. It is our view that the government of the day has decided to break its promise not to increase payroll tax and it has to be held to account for that. It indicated that it would seriously look after small business in some form or fashion. That requires an assessment that we cannot do in opposition. The government has access to the Treasury people who can estimate the optimal way of doing it.

This is just a transition in a five-year program to temporarily increase payroll tax from 5.5 per cent to 6.5 per cent for businesses with large salaries. We would like a response from the Treasurer about what change to the threshold the government will consider and whether anything they implement at budget time will go beyond five years. I say that the impact of this bill is temporarily transitional—that is, it will raise payroll tax for five years and then it will be brought down. We would like consideration to be given to assistance being available for small businesses who pay payroll tax permanently down the track. The Liberal Party is going to leave it to the government to make those decisions. It expects the government to keep its word that it will seriously look at doing something on payroll tax for small businesses.

Mr D.T. REDMAN: One point I did not make was that going into the last election, the Nationals took a fairly aggressive approach to payroll tax. Obviously, we have to find a way to fund that. That did not come to bear but that was obviously linked to it. We do not have many tools in opposition; one of them is to look at the bills before us. I guess that is one of the reasons we have chosen to move this amendment. I am not sure that I share the Leader of the Opposition's confidence in the Treasurer considering this in 12 months.

Mr B.S. Wyatt: Less than that.

Mr D.T. REDMAN: Less than that, yes.

Mr B.S. Wyatt: Early in the new year!

Mr D.T. REDMAN: In the context of budget challenges, the Treasurer says, sitting at the end of the table, that what he brought down took our net debt back by \$600 million or something like that. The government's election commitments had that impost on the budget. The government's election commitments flowed through. Faced with the challenge of trying to wind that back even beyond the imposition that the government put on the current budget, it is going to be very difficult for the Treasurer to find some concessions in the small business sector, whether it be rebates or other mechanisms. I have sat around that table so I know exactly what the Treasurer has before him. I would have thought that would have been a difficult challenge. Here is an opportunity that is consistent with our policy settings. Although we clearly took a much more aggressive position, this will take some of the sting out of the inevitable flow and impact that small businesses will get out of this payroll tax.

Mr V.A. CATANIA: This amendment was moved by the member for Warren–Blackwood on behalf of the National Party. As the member for Warren–Blackwood said, we do not support the bill but we are trying to make sure that we can improve it wherever possible. From the comments made by other parties, it is disappointing that they may not be supporting our position of giving some benefit to small businesses. I think over 1 000 small businesses will benefit from this change moved by the member for Warren–Blackwood. Overall, over 10 000 businesses will benefit in a positive way to try to ensure that we can give small businesses the ability to employ more people by freeing up the amount of government taxes being imposed. As the Leader of the Opposition said, we went to the election not wanting to increase payroll tax. The government is doing that, amongst many other taxes that it is imposing now. We went to the election with a clear policy of lifting the threshold not only to the \$1 million that we put forward today, but also moving that threshold up to \$5 million. We had an avenue to pay for that concession, which was going to affect over 12 000 businesses in Western Australia. It would have helped to kickstart the economy and enabled businesses to employ more people. This way, the top end of town will pass on those costs to contractors, as members have said in this house. As I said before, Treasurer, there are alternatives, hence why we do not support the bill. We are trying to make it a little easier for small business.

There are alternatives to taxing small businesses in Western Australia. There are alternative revenue sources other than taxing mums and dads and everyone else in Western Australia. This bill states it is about debt and deficit

remediation, but clearly it is not. It is about paying for the election commitments that the Labor Party made during the election campaign. This bill does not raise enough money to even pay out, or pay for, the cost overruns and blowouts for Metronet. It does not make a dent in the state's finances. Although this small change obviously impacts on that \$435 million, it gives small business a greater opportunity to survive during tough economic times. It also helps with the government's jobs plan for businesses to reinvest in employing people or more research and development. Businesses will generally invest in R and D to improve their competitiveness right across the board. If they have an extra \$30 000, \$40 000 or \$50 000, if not more—if the government does not take it off them—they can reinvest in their business or employ people. That is something that suits the government's policy of jobs for Western Australia.

I hope that the Treasurer considers this amendment and helps small business. The National Party opposes the bill. This amendment has been moved to make it easier and better for small business. Ultimately, the policy that we took to the election of lifting that threshold even further, from \$1 million to \$5 million, would give a greater benefit to businesses in Western Australia, particularly small and medium businesses. That is something that I think the Treasurer will consider in the future. The sooner he does it, the sooner it will benefit mums and dads. I share the Leader of the Opposition's concerns. There is a lot of faith in the Treasurer in ensuring that this tax will be wound back. I fail to see governments wind back taxes. It is very hard to do, hence why the Treasurer needs to look at a revenue source that will make sure that he does not keep on increasing taxes, particularly on small businesses.

Mr B.S. WYATT: I thank all members. I thank the member for Warren–Blackwood for the amendment. I understand his amendment, but I am not supporting it. One of the best parts of Parliament is consideration in detail. I found that when I sat on the opposition side of the house as well, because members get a chance to have a conversation around some other issues not specific to the legislation. I assure the member for Warren–Blackwood and the Leader of the Opposition that the commitment of the Premier and me to look at this for the 2018–19 budget is sincere. But I make the point as well that it is clear—we all know the deficit position—that we cannot afford it. We have to borrow to fund it. If we are going to do that, we need to make sure that we deliver the best economic outcome. That may be a threshold increase. The Leader of the Opposition has made the point, quite validly, that it may be a rebate mechanism. It may be something around the grouping provisions; I do not yet know. But if we are going to borrow to fund, to be frank, a tax cut, we have to ensure we get the best economic outcome that we can possibly get. We are in an environment now, fingers crossed, in which consumer confidence is increasing and employment has been trending the right way for 10 to 11 months. If there is something we can do that might have a more positive impact on that activity, I am keen to look at it. Believe me, it is one of the more positive things I get to look at between budgets. It is generally an environment in which we can consider these things. We will do, and I am looking forward to that. I will ask Treasury for that work. The Leader of the Opposition asked a specific question that I want to deal with. If we go down the path of a threshold change—an increase—if we are to get benefits out of that, it has to be permanent, in my view. Ultimately, we will have this in due course. I think the National Party's position was for a two-year increase of the threshold to \$5 million and then it was to come back to \$850 000?

Mr D.T. Redman: There is the challenge with the GST clawback in the provisions.

Mr B.S. WYATT: This is right. This is the key problem with the GST clawback. Although the member for Warren–Blackwood says that \$7.2 billion would have been raised by the lease rental fee increase, nearly 90 per cent is then gone through the GST. I do not know and I have not asked Treasury to do the work, but I question whether a two-year increase in the threshold from \$850 000 to \$5 million, then back to \$850 000 would change any activity at all. Why would an employer employ a bunch of people, bearing in mind two years later the threshold is going back to \$850 000? I am not sure that it would have any significant impact on economic activity. Is a threshold increase to \$1 million, or some other change in the payroll tax base, going to have the biggest long-term economic benefit? That is what we need to understand. The Leader of the Opposition is right: if we are going to do a threshold change, clearly it is permanent, because ultimately if we increase it and bring it back, that sort of decision is not going to create employment.

I want to clarify this. If we increased the threshold to \$100 million, the impact across the forward estimates would be \$139 million but the impact across the life of this budget is about half that amount. The member for Warren–Blackwood is right about that. About 1 200 taxpayers of the 18 500 taxpayers who pay payroll tax at the moment would drop out of the base if the threshold was increased to \$1 million. The point the member made is valid. At the higher end, not many in raw numbers are paying a significant amount of payroll tax. We are not supporting this new clause but the commitment has been made with respect to the budget process for 2018–19 and we are sincere about it. For the purposes of this bill, we are not looking at any change to the threshold.

Mr D.T. Redman: No committal?

Mr B.S. WYATT: No.

Dr M.D. NAHAN: One of the things we have had with our payroll tax threshold is a massive increase in wages over the last 10 years. My colleague the member for Scarborough employs about 50 people. She is now paying about \$1 million. Ten years ago, it would have been half that. Bracket creep is significant. I understand that Treasury will hate this if we increase the threshold at the wage price index.

Mr B.S. Wyatt: That will not lock it into that.

Dr M.D. NAHAN: It would just have a policy to go up. Right now WPI growth is pretty low—1.5 per cent or so—but that would be one way to give assurances relating to the threshold in terms of employees and that is what counts, the number of employees. Those are the things that governments have to do. We are not in government, unfortunately. The government has to look at these things. That is why the Liberal Party is taking the government at its word to look at these issues and seriously look at increasing the threshold for small businesses. It is not just the fact that it will help a lot of small businesses; if we do not do those sorts of things, more and more small businesses will get trapped in the payroll tax issue. That is our decision.

We support the National Party's approach but in this instance we think it should be done by the government of the day in the budgetary process.

Division

New clause put and a division taken, the Acting Speaker (Mr I.C. Blayney) casting his vote with the noes, with the following result —

Ayes (4)

Ms M.J. Davies

Mr D.T. Redman

Mr P.J. Rundle

Mr V.A. Catania (*Teller*)

Noes (40)

Mr C.J. Barnett
Mr I.C. Blayney
Dr A.D. Buti
Mr J.N. Carey
Mrs R.M.J. Clarke
Mr M.J. Folkard
Ms J.M. Freeman
Ms E. Hamilton
Mrs L.M. Harvey
Mr T.J. Healy

Mr W.J. Johnston
Mr D.J. Kelly
Mr Z.R.F. Kirkup
Mr A. Krsticevic
Mr S.K. L'Estrange
Mr F.M. Logan
Mr W.R. Marmion
Mr M. McGowan
Ms S.F. McGurk
Mr S.A. Millman

Mr Y. Mubarakai
Dr M.D. Nahan
Mr D.C. Nalder
Mr K. O'Donnell
Mrs L.M. O'Malley
Mr P. Papalia
Mr S.J. Price
Mr D.T. Punch
Mrs M.H. Roberts
Ms C.M. Rowe

Ms R. Saffioti
Ms A. Sanderson
Ms J.J. Shaw
Mrs J.M.C. Stojkovski
Mr C.J. Tallentire
Mr D.A. Templeman
Mr R.R. Whitby
Ms S.E. Winton
Mr B.S. Wyatt
Mr D.R. Michael (*Teller*)

New clause thus negated.

Clauses 4 to 7 put and passed.

Clause 8: Part 2 Division 5 inserted —

Dr M.D. NAHAN: I want to use this minute or so in order to finish this and do the third reading after tea. Payroll tax is one of those vexed taxes that we have struggled with for a long time. It was given to the states in 1971 by the commonwealth. There were no exemptions. It came in at about two per cent. The Treasurer will find after talking to his fellow Treasurers that there will be immense pressure to do something about this, including from the Productivity Commission.

Point of Order

Mr S.K. L'ESTRANGE: There is a fair bit of noise in the chamber.

The ACTING SPEAKER (Mr I.C. Blayney): Members in the gallery, you are very welcome to observe proceedings but I ask you to be quiet please.

Debate Resumed

Dr M.D. NAHAN: In his discussions with other Treasurers, does the Treasurer see reform of the payroll tax more generally? Is there any appetite for that in the capacity for tax reform?

Mr B.S. WYATT: I will try to be brief. There is probably not. There has been some discussion, pushed by Queensland, but I think we are in agreement around potentially trying to get some of the income tax and getting rid of a lot of the national partnership stuff. The Leader of the Opposition knows what it is like; the devil's budget is all over the country. We are trying to wait on that. I might have a better go at that in the third reading because it is a useful conversation to have.

Sitting suspended from 6.00 to 7.00 pm

Clause put and passed.

Clauses 9 and 10 put and passed.

Title put and passed.

Leave granted to proceed forthwith to third reading.

Third Reading

MR B.S. WYATT (Victoria Park — Minister for Finance) [7.02 pm]: I move —

That the bill be now read a third time.

MR D.C. NALDER (Bateman) [7.02 pm]: I want to highlight some key points regarding the Pay-roll Tax Assessment Amendment (Debt and Deficit Remediation) Bill 2017 and reinforce the points of concern the opposition has with this bill.

Several members interjected.

The DEPUTY SPEAKER: Excuse me, members; could you please stop the muttering.

Mr D.C. NALDER: Thank you, Madam Deputy Speaker. I will speak as long as my voice holds up at the moment; it has been going for the last few nights—too much cricket on Friday!

The first point I would like to reinforce is that the government has introduced a new bill to increase a tax on businesses. The tax is applied to organisations for employing people. It should be a tax that both sides of the house find abhorrent and would work on removing altogether for the overall benefit of the Western Australian economy. This is a negative tax. We need to do everything possible over time to remove it. I understand the dependence of the Western Australian government on the revenue stream that is generated by this measure and that it is not an easy thing to walk away from, but it is something for which, over time, both sides should take responsibility to lessen the burden on Western Australian businesses for employing people, which should be seen as a positive impact for the state economy. To put any brake on future employment is something that should be frowned on by future governments.

The second point I would like to make is that the title of this bill is around debt and deficit remediation. As we pointed out through the consideration in detail stage, payroll tax revenue does not contribute to either debt or deficit remediation. We are seeing an increase in the deficit this year to a record level. We are seeing an increase in debt over this term of government to record levels. When the new government talked about remediation, it implied to the broader community that it had to undertake these activities because of what it inherited from the previous government. The reality of the situation is that if a government is generating a new tax and that new tax does not go towards reducing debt or deficit, and in fact does not even cover the increased interest expenses that will be accrued by this new government, it can hardly call it a remediation of debt and deficit. The Under Treasurer made it very clear to both sides during the election campaign that irrespective of who won government, the issue of debt would need to be tackled. The government would have us believe that these measures are necessary to tackle that, yet at the same time, debt is growing by some 34 per cent towards \$43.6 billion, up from the debt of \$32 billion that the government inherited. The ramification is that there will be an increase in interest expenses, which will shift from around \$975 million a year to approximately \$1.485 billion a year—an increase of \$510 million a year by the end of this term of government. It is an additional \$510 million a year in interest expenses. When we combine the revenue the government will generate from this new payroll tax, what it would have achieved if the gold royalty increase had gone through, what it has achieved from all the increases to household charges in the latest budget, and what it has taken away from self-funded retirees in terms of their rebates across council and water rates, the revenue generated from all those measures equates to around \$280 million a year. If there is an increased interest expense of \$510 million a year by the end of the term, and if all of these measures generate only \$280 million a year, the issue is not the debt that the government has inherited; the issue is becoming the government's own expenses and the debt it is accruing during this term of government.

We heard for the two years leading up to the election from the current Treasurer, when he was shadow Treasurer, that revenue was not the issue for the former government; it was expenses. The opposition went into the election claiming that expenses were the issue. The then Leader of the Opposition, who is now the Premier, made the promise to the people of Western Australia that there would be no new taxes and no tax increases. The Labor opposition knew the state of the financials—it had been complaining about them for a minimum of two years, and pretty much the whole term—yet it went into the election and made this categorical promise that there would be no new taxes or tax increases. After it won government, all those promises were literally thrown out the window. What we are seeing with this new bill is an increase in taxes and an increased impost on larger businesses within Western Australia. From my perspective, this government has no mandate from the Western Australian people to introduce new taxes at all, given the promises it made during the election.

It is interesting that the government has tried to position this legislation as targeting only the top end of town—the large businesses in Western Australia. It has made the argument in the community that they are the businesses that can afford to pay and it is protecting small and medium enterprises. This is where it gets really interesting, because some people have pointed out that the government needs to be aware of unintended consequences. For the government to assume that if we apply a tax at the top end of corporations, it will not have an impact on jobs within those corporations or it will not flow through the supply chain to the small businesses that work for those corporations, it is mistaken. The Chamber of Commerce and Industry of Western Australia has undertaken an

economic analysis of this payroll tax and has concluded that there will be a large impact on jobs in Western Australia, and that 68 per cent of that impact will be felt by small and medium enterprises. Although this government claims that this legislation will not impact small businesses, an industry body that has put a body of work into the public forum says that it will impact small businesses. One of the things discussed during this debate has been around whether the government would consider—an amendment was put up by the National Party—that if we target the top end and there is a risk of the impost flowing through to the bottom end, we should increase the payroll tax threshold and preserve a lot of the jobs that would be lost in the small and medium enterprises. The Chamber of Commerce and Industry has identified that by lifting the payroll tax threshold by \$100 000 from \$850 000 to \$950 000, we can retain 65 per cent of the revenue that would be generated through the payroll tax amendment, but it would preserve 65 per cent of the jobs that would otherwise be lost. We believe it is something the government should seriously consider because the opposition believes that it needs to do further analysis on an unintended consequence of this bill.

We understand the intent of trying to target the larger end of town, but the reality is that it will flow through the supply chain to the small and medium enterprises. Will it flow exactly how the CCI predict? I have not seen the underlying assumptions and the Treasurer has indicated that he has not seen them either and we will need to further interrogate them to have a degree of confidence. But between now and the implementation of this bill on 1 July 2018, we implore the government to fully investigate this potential risk of a flow-on effect to small and medium enterprises and bring a measure in the 2018 budget that can be implemented on 1 July if it is proved that the CCI assumptions and underlying economic analysis hold water. It is something we need to give serious consideration to.

I have talked briefly about the issue of the title of the bill, debt and deficit, and that we are not seeing a reduction in debt and deficit due to the introduction of these bills. I have shared with the chamber that although a perception has been portrayed that these measures are necessary due to the financial situation the previous administration left the government, we can prove that the revenue generated from this will not meet even the new interest expense being accrued by this government on top of the interest expense from the previous administration. We have a government that made a whole lot of assurances to the people of Western Australia, but, in winning the right to govern, broke a large number of promises to the people of Western Australia. Although it has broken a promise around new taxes and tax increases, it has broken a lot more promises than that. We are seeing it through increases in household charges, through not including in its budget all its unfunded election commitments and through a raft of other issues that come as a result of that. As an opposition, we have a fundamental problem with increasing payroll tax due to the impost it will put on organisations employing people—yet we understand that the government has won the right to govern. We will not block this bill but we do not support it for those reasons. The government promised people it would not do it. It will have a negative impact on business and on employing people and it is designed to fund a lot of unfunded election commitments.

People might forget that this government refused to put its costing through Treasury before the election. It can say whatever it likes about why this legislation had to be put up, but the reality is it would not submit its election commitment costings to Treasury for formal assessment. It is interesting that until the delivery of the budget in September, the Labor Party would not submit any of its election costings, even when it came to government, for assessment by Treasury. It is interesting because this is the first government in recent times that has done that. In the previous two elections, both sides submitted their commitments for funding assessment by Treasury. As I say, it is interesting that, according to Treasury assessment, the Labor promises had a \$1.1 billion larger negative impact on debt than what the Liberal promises had in the 2008 and 2013 elections. Again, the government may complain and believe they inherited a financial situation with high debt, and we acknowledge that it did. We acknowledge that it needed to be dealt with when there was pretty much a perfect storm with an economy shifting from construction to production, the lag effect of the GST was biting and the bottom fell out of iron ore prices, which no-one had forecast at that time. Those three scenarios created the perfect storm and it meant that we needed to address that issue. We went to an election committing to deal with the debt issue. We had Treasury cost our projection that by 2019–20 net debt would be down at \$28.8 billion. That was the net debt costing by Treasury. The member for Cannington should look at the formal assessment.

Mr W.J. Johnston: That's not true and you know it.

Mr D.C. NALDER: I beg your pardon! The member for Cannington is stating it is not true and that I know it.

Mr W.J. Johnston: It's not true and you know it.

Mr D.C. NALDER: That is funny, member for Cannington; I appreciate that interjection because I have on me Treasury costings for the 2008, 2013 and 2017 elections. I can sit here and go through each one if he likes. I will share with him that in 2008 and 2013 —

Mr W.J. Johnston: How much of the proceeds from Western Power were to be reinvested? Answer the question. It's a simple question. How much of the net proceeds were to be reinvested? It's an easy question.

Mr D.C. NALDER: The member for Cannington is proving himself to be a fool. I am going on the Treasury costings.

Mr W.J. Johnston: The Treasury costings did not reflect your policy.

Dr M.D. Nahan: So you say Treasury manufactured it?

The DEPUTY SPEAKER: Excuse me, members! I know this is a heated debate that members want to contribute to. However, rather than have an exchange of views across the chamber, does the member wish to take an interjection from the member for Cannington?

Mr D.C. NALDER: Thank you, Madam Deputy Speaker. I will deal through the Chair. I state on the record that the member for Cannington has just misled Parliament, because asset sales were taken into consideration as part of Treasury's assessment of the debt impact of the election commitments.

Mr W.J. Johnston interjected.

Mr D.C. NALDER: I am dealing directly through the Chair. The election commitments were based on a 51 per cent sale of Western Power—we admit that. Treasury estimates were that net debt would be at \$28.8 billion. Labor's assessment of the cost of its own election commitments was that debt would be at \$39.8 billion. The government has increased the budget for a number of the projects that it put up before the election, whether that be a marina or a rail project. The cost of those projects was not assessed and put to Treasury. The first time Treasury got to look at the Labor government's financial outcomes was when the government tabled its budget in this Parliament. Labor's budget shows that net debt will peak at \$43.8 billion in 2019–20, before coming down to \$43.6 billion at the end of 2020–21. That is a fact. No matter how the government tries to dress it up, there is a difference of some \$15 billion between the Labor Party's budget and Treasury's assessment of the Liberal Party's policy before the election. The Labor Party said it would not sell Western Power. However, it has no plan to deal with debt. The government has broken its promise not to increase taxes and charges and is putting imposts on households and businesses in Western Australia. It is doing that at a time when the economy is showing emerging signs of recovery. If the government is not careful, that will have a huge negative impact on the economy. The government has failed to foresee the supply chain effect of the policies that it is implementing. It is fascinating that the government is preaching to the opposition about the financial situation that the government inherited. The government is establishing a legacy of greater debt and deficit. That will have a huge negative impact on future generations of Western Australians. As the Under Treasurer explained during the election period, if the government cannot tackle debt and deficit, our economy and our community will continue to go through cycles of pain.

I reinforce that we are concerned about any increase in payroll tax. The government does not have a mandate to increase payroll tax. The government has failed to understand the impact of its policies on the economy and the flow-on effect to commerce through supply chains. This will impact on small to medium-sized enterprises. It certainly will not lead to debt or deficit remediation, as proposed in the title of the bill.

MR D.T. REDMAN (Warren-Blackwood) [7.23 pm]: I want to contribute on behalf of the National Party to the third reading debate on the Pay-roll Tax Assessment Amendment (Debt and Deficit Remediation) Bill 2017. We have raised our concerns about this bill. We said at the outset that we will be opposing this bill in both houses of this Parliament. During the election campaign, the Labor Party made a commitment not to introduce any new taxes and charges. This bill is an absolute breach of that commitment and a massive broken promise to the people of Western Australia. The bill was supposedly to target big business. However, as we sought out during consideration in detail, this bill will have a flow-on impact to the small business sector. We think it only reasonable that we hold the government to account for its own standards and oppose what is essentially a broken promise.

The National Party took to the last election a pretty aggressive policy setting on a range of fronts. We have had some discussion in this place about the special lease rental arrangements and the potential to draw a new revenue source from a sector of the business community that we believe has scope to fund such an increase. I acknowledge that will have flow-on implications for the goods and services tax, and that is obviously a bigger issue for Western Australia to deal with. However, we argue that this bill will target the business sector in a way that was not signalled before the election. Therefore, on the back of the commitments made by the National Party, we have seen fit to oppose this bill. One of the commitments that we made was to provide some concessions to the business sector through payroll tax relief. I have tried to find some comments about payroll tax from the Treasurer when he was in opposition, and it is pretty difficult. However, many other ministers of the government have talked about how payroll tax is effectively a tax on jobs. A number of commentators have talked about how payroll tax flows through the whole profile of our business community, from small to medium-sized enterprises to the big end of town. The Henry review highlighted that although the target may be the big end of town, it flows through to the small business sector, and ultimately that has an impact on jobs.

As I have said, we will not be supporting the bill. However, in order to try to provide some concessions to small and medium-sized enterprises, we moved an amendment to one of the payroll tax bills that went through this

Parliament to change the payroll threshold from \$850 000 to \$1 million. That would have the effect that some 1 200 businesses, I think the Treasurer said, would have no liability to pay payroll tax. However, because of the diminishing thresholds from that point, it would have a positive impact on potentially 10 000 businesses. The member for Bateman referred to the fact that a relatively small increase in the threshold has an exponential impact on a large number of businesses. Unfortunately, the government did not support that amendment. I guess the primary reason is that it would have come at a cost to the government because it would have almost halved the payroll tax revenue that would have been generated. Nevertheless, we thought it would take some of the sting out of the payroll tax debate.

The Treasurer and the Premier have highlighted their preparedness to look at this area. I think they will face a massive challenge in bringing that to bear, not because of their lack of enthusiasm to provide payroll tax concessions, but because the government will need to borrow in order to do so. I can imagine credit rating agencies such as Standard and Poor's trying to assess whether increasing borrowings to provide a tax concession to a sector of the business community is a net stimulus or whether the net debt would outweigh that stimulus. Again, it would be another challenge for the government if it were to give concessions that have to be funded out of debt. For those reasons, I think it would be a very difficult conversation for the Treasurer to have to bring that to bear. Therefore, we come back to a concession that has an impact on the revenue that the government has put up and hence we moved an amendment to one of the clauses to try to achieve that change.

I made the point at the consideration in detail stage about the juxtaposition of this bill concerning payroll tax increases for the broader business community and the state agreement bill that will be debated this week or next week. That bill does not have the same level of scrutiny or discussion about the merits of any changes that might occur from that. The Treasurer probably had the view that when I stood and talked about the state agreements, straightaway I was referring to increasing the special lease rental fee from 25c to \$5 as one solution in that discussion, but a range of concessions might come to the fore with any amendments to state agreements. It does not necessarily have to be that. But it concerns us that that area is not being seriously interrogated. Unless the Treasurer wants to say something to the contrary, it is signed off, it happens and it moves through. All the research that we did that looked at past state agreements made this very point that when the pressure comes onto governments from the big business part of town, to try to start tinkering with the big resources sector's settings is a massive challenge for a minister. Even the member for Cottesloe made this point in his commentary in the past—not in the Parliament now. *Hansard* shows that when some of those situations were presented to the member for Cottesloe and the government of the day, he had the option to shut them down and have someone else come in and take that resource, which I do not think any government of the day is going to do. However, there are caps on volumes; we can stop them increasing volumes unless government gets some sort of concession. There is a point of interrogation that deserves more than a cursory glance. We argued that there should be scope to have a parliamentary review into that to give a level of bipartisanship to the assessment of the merits of such options. Government did not have to commit to take it up in that process, but it would have been an option. Some of this could have been exposed in a public and bipartisan setting to discuss alternative revenue sources that do not do what this tax does, which directs the broader business community. As described, it is a tax on jobs and collectively all the commentators say that this is not what anyone wants to do to the business community as a member of Parliament or a minister in government.

We have made some clear points. Our argument has been consistent. It is consistent with the National Party's policy settings. We moved some amendments to soften the blow. They were not accepted. We will still oppose the bill. Time will bear out whether the Treasurer and the government can find solutions to give concessions to the business community, particularly the small to medium-sized enterprises in an environment in which debt and election commitments are at the fore and are some of the strong drivers of government decision-making. Thank you, Madam Deputy Speaker and Treasurer, for the opportunity to debate, but we will oppose this bill.

DR M.D. NAHAN (Riverton — Leader of the Opposition) [7.35 pm]: I will make some brief comments on the third reading of the important Pay-roll Tax Assessment Amendment (Debt and Deficit Remediation) Bill 2017. To clarify the Liberal Party's position, we do not support the bill but we will not oppose it. We do not support an increase in the payroll tax for a variety of reasons. First, as we all know and we have heard repeatedly—it is true—that in the run-up to the election Mark McGowan campaigning to be Premier made it quite clear there would be no new taxes or increases in taxes on Western Australians. There was a big debate about whether that is true. When asked that same question, the then shadow Treasurer refused to say it because, and I quote, it was not believable for a Labor Treasurer to make such a commitment. But his leader Mark McGowan overrode him and repeatedly said that there would be no new taxes or tax increases on his watch—full stop. He knew the situation that he was approaching. This is a clear broken promise. He also said a lot of things during the last government about taxes, and he opposed every tax increase that we proposed. Despite the previous government writing down \$26.5 billion in revenue over four years—that is not made up; that is what it was—the Labor opposition resisted every effort we made to raise revenue to fill the gap in falling revenue. If we want to find budget wreckers, we can look at the opposite side.

As other speakers have said, although in opposition the Labor Party made a lot of about the deleterious and deadly impact of tax increases on jobs and growth. This time Labor basically said, not only in the context of increasing the gold royalty but also the payroll tax, that there would be no loss of jobs. As the member for Bateman and others have indicated, this is a tax on jobs. It will have a harmful impact on the levels of employment, remuneration and job creation in this state over the five years that the tax is in place. It will impact on small business because even though in the first instance the tax falls on big businesses, big businesses are the major clients for small businesses and they will pass it down by either reducing the value of contracts or reducing the number of contracts that they take. This will impact on jobs and small business.

The Treasurer said that he can see signs of recovery. We look at what Standard and Poor's and Moody's—they analyse the economy more thoroughly—and what the Treasurer said today. He said that in the upcoming *Government Mid-year Financial Projections Statement* he expects to have some further downgrading of own-source revenue—particularly land tax, I think—which shows that the economy of Western Australia is still slow. There are signs of improvement in certain sectors, but overall it is slow and certain sectors are exceedingly slow. This is not the time to increase taxes willy-nilly. It puts further pressure on businesses and households.

This is not the only increase and impost from government on households. The budget also extracts a further \$1.1 billion from the public trading enterprises. Those increases are being passed on to consumers, households and businesses through larger fees and charges. After we put those two together, that is a \$1.5 billion impost on households and businesses at a time when the economy is flatlining or trying to recover. It will undermine the recovery and not help it.

As we discussed in the debate, the bill is described as debt and deficit remediation. As we discussed in both the second reading debate and consideration in detail stage, there is no remediation in this at all. It is not addressing or fixing up the government's inheritance. It is not doing that at all. The budget increases the debt and deficit to the highest level ever in this state's history by increasing recurrent expenditure by \$816 million over the forward estimates and capital by \$2.6 billion over the forward estimates. As we listened to particularly the Minister for Transport, there is much more expenditure—particularly in Metronet—yet to come. Some of that may be funded by the commonwealth, but the commonwealth does not fund all the capital works program. It makes sure that the states contribute something. The \$2.6 billion is the first instalment of the Labor Party's election commitments and, by the way, that is substantially higher than it forecast before the budget. This was all about putting an impost on businesses because the government went to the election with a set of promises that could not be met. It has decided to meet its election spending commitments and breach its taxing commitments—to spend the money and also tax. That is what it has decided to do. My major concern is that if members read the assessments by Standard and Poor's and Moody's Investors Service, they will see it might be the first sign of many tax increases. The report is very interesting. Standard and Poor's recent assessment of the government tells me two things. I quote —

A new, center-left, government was elected in March 2017. Its first budget, released in September, indicates that the new government will continue to endeavor to constrain spending growth at a very low rate.

This is important —

This follows a number of years of concerted effort by the previous government to slow the rate of expense growth.

The government's inheritance is nowhere near as dire, particularly on the expenditure side, as the members opposite bring up. The report goes on to announce two sets of policies that the government put in this budget. It states —

These policies indicate the government's willingness to improve budgetary performance during the next few years.

That is if they are achieved. It continues —

We believe the spending targets could be difficult to achieve, especially after a number of years of restraint in public sector wage growth and public sector efficiency drives, —

In other words, the government has inherited four years of substantial, ongoing expenditure reductions and efficiency drives in the public sector. Its forward estimates assume, without too much detail, that the process will not only be maintained, but that the efficiency drives will continue. As we discussed, the forward estimates show no growth in expenditure in all essential services. Funding for health, education, mental health, police, corrective services and child protection—you name it—show no growth in expenditure beyond 2017–18; in fact, most show declines. How will the government do it? Standard and Poor's states —

... the spending targets could be difficult to achieve, especially after a number of years of restraint —

In other words, has inherited a pretty tight expenditure. It continues —

in public sector wage growth and public sector efficiency drives, as well as pressure to provide higher levels of public services.

My concern here is that the government's forward estimates are simply not believable. The pressure for additional, improved or sustaining levels of essential services are there. The government was elected to provide those services but its forward estimates do not fund them and the difference will have to be made up. My own theory is that the government was banking on manna from Canberra in the form of a higher GST payment. I do not know whether that will come about. If Mr Shorten is elected, it will not. If he keeps his promise, there would be a one-off transfer of about \$1.7 billion but that is all earmarked for capital—no recurrent funds. The only way the government can get the GST to improve its recurrent side is if the GST distribution is fundamentally reformed and the federal Labor Party has committed not to do that. Mr Shorten has said that; Mr Bowen has said that; Mr Albanese has said that; and Tim Hammond said that, over and again, so do not expect that to happen.

If we do not get fundamental reform to GST distribution, we will have a gaping, growing hole in the forward estimates. The government will either cut back on essential services or run increasing budget deficits and increase debt or taxes. That is what this budget has left us. My concern is that unless something changes—there are no free sources of revenue, perhaps other than the GST—this government will increase pressure on taxes. That is my worry. I will go back. The government made the claim that revenue was reduced by \$5 billion over the forward estimates from the time of the *Pre-election Financial Projections Statement*. We can have a debate; I know the Treasurer likes to talk about the *X-Files* and whatnot, and we can debate whether they are real. From reading the assessments by Standard and Poor's and Moody's, I think they are more pessimistic about iron ore prices than the budget.

Mr B.S. Wyatt: They are.

Dr M.D. NAHAN: They are. I have given up trying to forecast iron ore prices. In opposition, the Treasurer once bravely said it should be about in the early fifties. I do not know what it will be; I think even Treasury has given up on it.

Mr B.S. Wyatt: If I said that, I wouldn't be saying it again.

Dr M.D. NAHAN: I know you would not, but the Treasurer did say it; I remember it. Who knows what it will be. We just do not know. All we can say is that looking back over the last 10 years, that was an aberration—a beautiful aberration—in growth from China. It is hard to see it continuing as though it will go forward forever. Eventually, China has to get to a steady state in capital development. Anyway, that debate is for somebody else—not me. There is no doubt—I experienced it as Treasurer—that in every budgetary statement, even the midyear review, the government has to look at its royalty revenue, GST revenue, or its own-source revenue and have downgrades. It is hard to run a government providing essential services on that basis, and it is a real problem. That is why we quite rightly talk about the GST. The reality is that the Labor Party went to the election promising a \$5 billion spend. It is meeting expenditure when it does not have the money to do it. It does not have as much money as it expected, so it made a choice to spend the money and increase taxes, raising debt and deficit. That is what it chose and that is why we are here to help fund its election commitments. We have talked about increasing the threshold and the National Party quite rightly raised it; we very seriously considered doing the same thing. When in government and in alliance with the National Party, the Liberal Party increased the threshold three times because, as wages increased in the state, the threshold was not keeping up and an increasing proportion of medium and small businesses were being captured by the payroll tax. They went from paying zero to 5.5 per cent, which was having an impact, particularly in a slowing economy. So we increased the threshold. In the election, we proposed to increase the threshold once more. The National Party proposed, with another source of income, to increase the threshold a lot. It would be great if we could basically work with the other states to get rid of this bloody tax. I cannot think of anything that would more positively affect employment than if we could, but that is wishful thinking. We are not going to get there. We would have to replace it with something and to be honest, I would prefer the GST. That is for another debate. We are not going to get there, so we are stuck with this tax. We have to minimise its impact and there is a consensus here to minimise the impact on small businesses. We had to address the question of how best to do it. The treasury bench has to assess it adequately because it can be very costly. We would like to see it be permanent. Somewhat reluctantly, both in not opposing this tax and in not supporting the National Party's position, because we actually support it, we take the position that it is up to the government of the day to resolve this issue and be accountable for its decision to raise this tax and also for the decision—whether it does it or not—of how it treats the threshold for small business. Members opposite are in government. One of the lessons I have been told is not to govern from the opposition benches, so it is time for members opposite to be accountable. We have had a commitment from the government—from both the Premier and the Treasurer; I have taken this one on his word, somewhat reluctantly—that it will look seriously at this and we will look at it in the budget context, because we need it.

One good thing is that Western Australia has had, in general, some of the lowest taxation of any state, particularly payroll tax. To my memory, we have never been above the average for payroll tax. We have been at it; but never above it. This pushes us to the top of the ranks. I am not sure whether we are at the top, but we are really close to it. For a state that has very high average wages but is struggling with employment growth and creation, this is not where we want to be—being decried as a high-tax state—but it is where we are.

Again, the Liberal Party does not support the Pay-roll Tax Assessment Amendment (Debt and Deficit Remediation) Bill 2017, but we will not oppose it. We strongly urge the government, as it committed to doing, to increase the threshold for small businesses in some means or manner. I would like to see it consider applying indexation, through the wage price index, to payroll tax; it would be a good way to make sure it grows with wages, but that is for the government to decide.

We oppose the bill for a number of reasons. Firstly, the government explicitly and repeatedly promised not to do it. Secondly, the government's major promise was to go out there and create jobs. This will destroy jobs. Finally, it is not being used as a remedy; it is being used to fund election commitments. More importantly, my concern is that if we look at the forward estimates, there is more of this to come. Unless a Liberal–National coalition government in Canberra comes up with GST reform, we are going to see more of this in a couple of years.

MR B.S. WYATT (Victoria Park — Minister for Finance) [7.51 pm] — in reply: Firstly, I thank all members for their contributions to the third reading debate on the Pay-roll Tax Assessment Amendment (Debt and Deficit Remediation) Bill 2017. It has been an interesting debate, as I guess all debates on revenue bills are. I think there is a broad consensus of views, ironically enough, around payroll tax and the desire for threshold lifting, as was mentioned by the member for Warren–Blackwood. We had, I think, a useful exchange during consideration in detail. As I said, we are probably not all going to agree on whether there is or is not debt and deficit remediation. I maintain the government's position that there is, and no doubt the shadow Treasurer, the Leader of the Opposition and probably the member for Warren–Blackwood will continue to tell me that there is not. That is the nature of the great debates we have in this chamber.

I would like to make a couple of points on a couple of different areas. The Leader of the Opposition raised a particular issue during consideration in detail and again in his contribution to the third reading debate, which was the question about other states having a conversation around getting rid of payroll tax. I have been to two Treasurers' meetings, which have not been enormously fruitful, I must admit. The first one I turned up to was a week after I was sworn in as Treasurer. I do not know whether this is something that has been happening for a long time, but Queensland in particular is keen to keep on the agenda the possibility of a percentage of income tax being returned to the states.

Dr M.D. Naham: Queensland was supporting that?

Mr B.S. WYATT: Yes, at my first meeting, a week after I was sworn in. Queensland was pushing it and the federal Treasurer was not interested in the conversation, but everyone agreed to keep it on the agenda as a floating item. We had another conversation around it a couple of weeks ago in Sydney. I discovered, I guess for my own learning between the first and second meetings, the perpetual frustration with national partnership agreements, whether for education, health or whatever, and the risks they pose to budgets. Ultimately, there are two problems. Firstly, the commonwealth government is making decisions around these agreements very, very late, so all the states, Labor or Liberal, are frustrated by the lateness of the commonwealth government to engage. It means we cannot set our own budgets with any particular confidence. In all budgets, including the one we have just delivered and previous ones, this has been identified as a particular risk to the finances. The other issue, of course, are the obligations and conditions that the commonwealth government is increasingly seeking to impose on the states—not just Western Australia—around how we manage our own spend in a particular policy area. Broadly, the states are contributing the vast majority of spend in particular areas, but the commonwealth government is saying, "Well, we'll give you a small percentage and then we'll tell you how you spend the rest of it." That is not the way, regardless of our political stripe, for budgets to be managed. Effectively, the commonwealth government is trying to take out of the hands of state governments the ability to manage their budgets. This is particularly problematic in WA for education, because demand has been placed by the commonwealth government on the education spend. WA has historically had a higher average education spend than most other states in the nation, and the commonwealth government effectively wants to penalise us for that.

Dr M.D. Naham: Yes.

Mr B.S. WYATT: The Leader of the Opposition knows the history of this; it has been around for a while. It is ludicrous.

Mr W.R. Marmion interjected.

Mr B.S. WYATT: That is another thing. I have already been asked by a couple of federal ministers about this wonderful program—would I like to fund it?

These are not insubstantial issues. Although the federal Treasurer is not interested in the conversation, it was raised by the Prime Minister, and I think there is something in it that would benefit everybody, including the federal Treasurer. I dare say there are 2 000 people across this country whose job is to manage these national partnership processes.

Dr M.D. Naham: Yes, and they fly everywhere.

Mr B.S. WYATT: They fly everywhere. It is a big, expensive, inefficient system that we have for these national partnerships. I do not think we should have separate income tax regimes in Australia, but if the federal government were to agree to still be the collecting point and have one regime, but return 20 per cent, untied, to the states—I do not know; we have not done the modelling—and said, “Right, as a result, these dozen national partnership agreements are gone and you are now responsible”, I think we would have better budgeting at a state level, better budgeting at the federal level and control and clarity, but that conversation has not yet morphed into how we do payroll tax. I think, for every state, it is the single biggest own-source tax revenue. I do not know whether back in the day when the GST conversation was being held in the late 1990s —

Dr M.D. Nahan: That never was considered.

Mr B.S. WYATT: It was never considered as part of that? I did not think it was. I do not know what we have to do to —

Dr M.D. Nahan: It was too large.

Mr B.S. WYATT: The Leader of the Opposition suggested his preference would be a GST mechanism, but I do not know what we would have to do to do it—probably quite dramatically increase it, if we were going to wipe out —

Dr M.D. Nahan: Treasurer, we got very close about three years ago, when Joe Hockey was there, to actually having income tax reform.

Mr B.S. WYATT: The problem I had, though, was that I think the commonwealth was still looking at state regimes, was it not?

Dr M.D. Nahan: Never, no. What they were considering was the Canadian model of a piggyback income tax, raised by the commonwealth. It was a commonwealth tax, of course, and the commonwealth reduced theirs by three per cent, let's say, and the states put it at three per cent. That was all. You wouldn't want a state-based income tax.

Mr B.S. WYATT: No, because everybody, Labor and Liberal state Treasurers, were keen to keep having that conversation with the federal government and will continue to do so.

The impacts of payroll tax on employment and the price of goods et cetera is really the great assumption that is built into any model. Much has been made, including by me, of the Chamber of Commerce and Industry of Western Australia's modelling and what it has said about the likely impact of this increase on employment or the supply chain into small and medium-sized businesses. I made the point earlier that there are really three options for a cost impost such as payroll tax to be dealt with by a business. Obviously, there is passing it through to consumers and maintaining their profit margin; reducing their profit margin by effectively lowering their dividends; or passing it on through lower wages and lower employment et cetera. It is my view and Treasury's view that because of the size and the finite period, the impacts on either three, regardless of how we assume the percentage incidence impact, are going to be insignificant. That is not to demean the frustration that these businesses will have in paying this, but to make the point that the economic impact is likely to be small.

I do not shy away from this: I have said it, and there has been public commentary around the fact that this will place Western Australia at the higher end of payroll tax scales. It is not something I am proud of and it is not something I want to do as Treasurer. The shadow Treasurer wanted me to confirm this and I did: this expires in 2023 and does not require legislation for its removal. As we move through the forward estimates and capture that year, the revenue forecast will capture that expiry. Importantly, as I said, I am not the person who is going to try to work out what the GST revenue is going to be in 2023, but I suspect by then it will be a lot higher than it is now. That will effectively offset that revenue reduction when we come back to our normal flat rate of 5.5 per cent. Again, I confirm for all members that I take seriously the commitments made by the Premier and me tonight around looking at a way to offer some tax cuts or offsets, whether by way of an increase in the threshold—which is historically what we have done in Western Australia, and what was attempted to be introduced by amendment by the member for Warren–Blackwood—or by other possible mechanisms. As I said, we will be borrowing to fund it—“going to do this”—and that in itself can stack up, but we have to make sure that whatever we do, it has the biggest economic impact that it can have. We will look at that; Treasury will do that. I thank the Liberal Party, which is right; ultimately, Treasury is best placed to do that and we all know that.

In concluding my remarks, I am surprised that the National Party is opposing the Pay-roll Tax Assessment Amendment (Debt and Deficit Remediation) Bill 2017 because its focus is very much large businesses; indeed, 35 per cent is coming from the mining, oil and gas industry. No, it will not get as much revenue as the National Party's proposed lease rental fee that it took to the election. But I thought the National Party would at least support measures that focus on larger businesses in light of the fact that it has been very critical of larger businesses. The member for North West Central spent some time talking about tax avoidance and overseas regimes et cetera, which this Parliament does not really have a role in because that is for the commonwealth Parliament. The member for North West Central outlined his concern with automation; that is, reducing the amount of payroll tax that businesses are paying to increase how much they are paying. It is a surprising decision by the National Party, but it has made its case and outlined its position.

In any event, I thank all members for the conversation at the consideration in detail stage. As I said, some of the best debates I have been involved in in this chamber have usually been during consideration in detail because members generally have a conversation about the bill, but sometimes if the minister is willing, there are broader conversations about policy development et cetera and that is certainly where I have learnt a lot over the years. I thank all members for their contribution. I thank the Liberal Party for allowing the government to implement an important budget measure. I look forward to its passage through this house and ultimately the upper house.

Division

Question put and a division taken, the Acting Speaker (Mr S.J. Price) casting his vote with the ayes, with the following result —

Ayes (42)

Ms L.L. Baker	Mr M. Hughes	Dr M.D. Nahan	Ms A. Sanderson
Mr C.J. Barnett	Mr W.J. Johnston	Mr D.C. Nalder	Ms J.J. Shaw
Mr I.C. Blayney	Mr D.J. Kelly	Mr K. O'Donnell	Mrs J.M.C. Stojkovski
Dr A.D. Buti	Mr A. Krsticevic	Mrs L.M. O'Malley	Mr C.J. Tallentire
Mr J.N. Carey	Mr S.K. L'Estrange	Mr P. Papalia	Mr D.A. Templeman
Mrs R.M.J. Clarke	Mr F.M. Logan	Mr S.J. Price	Mr R.R. Whitby
Mr R.H. Cook	Mr W.R. Marmion	Mr D.T. Punch	Ms S.E. Winton
Mr M.J. Folkard	Ms S.F. McGurk	Mr J.R. Quigley	Mr B.S. Wyatt
Ms E. Hamilton	Mr K.J.J. Michel	Mrs M.H. Roberts	Mr D.R. Michael (<i>Teller</i>)
Mrs L.M. Harvey	Mr S.A. Millman	Ms C.M. Rowe	
Mr T.J. Healy	Mr Y. Mubarakai	Ms R. Saffioti	

Noes (4)

Ms M.J. Davies	Mr D.T. Redman	Mr P.J. Rundle	Mr R.S. Love (<i>Teller</i>)
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Pair

Mr M. McGowan

Mr V.A. Catania

Question thus passed.

Bill read a third time and transmitted to the Council.

OCCUPATIONAL SAFETY AND HEALTH AMENDMENT BILL 2017

Second Reading

Resumed from an earlier stage of the sitting.

MS A. SANDERSON (Morley — Parliamentary Secretary) [8.07 pm]: I rise to continue my remarks on the Occupational Safety and Health Amendment Bill 2017. I had a very brief time to speak on this important bill before we were interrupted by other business in this place. I had started to outline one of the most distressing headlines around workplace safety that I have come across in the past 12 months, which related to a 17-year-old boy who was killed on a Perth building site. I refer to the case of Wesley Ballantine who, at 17 years of age, had just finished his school exams. I understand that his school helped him secure the job for the summer. He had his entire life ahead of him. It was devastating to read that headline, particularly so for his family. This was a little closer to home than usual because Wesley was a very good friend of my stepson. After he finished his stint working on the construction site, he was due to go on holiday to Bali with my stepson and a whole group of friends. Sadly, he did not make that holiday and has missed out on the rest of his life. He was a 17-year-old boy working on a dangerous worksite. I understand that the WorkSafe investigation is still ongoing, so I make no comment about it. I use the example because it highlights the importance of workplace safety. It highlights the value of a safe workplace. It highlights the importance of the ability of all our family members, no matter what they do or where they work, to come home to their loved ones. No-one should not come home from work. It is incumbent upon the government and employers to make sure that we are providing the safest possible workplace.

This bill covers workplace injury as well as fatality. Fatality is obviously the very worst end of the scale. In Western Australia there has been a significant number of fatalities, particularly over the last few years, and Western Australia has possibly the worst workplace fatality rate in the country. The penalties in this act have not been amended since 2004, so there has been no amendment to local penalties since 2004—no change at all. We have lagged significantly behind.

Fatality is a serious area, but workplace injuries can also have significant and long-lasting impacts on people's lives. They can be absolutely devastating. They can essentially stop someone from doing the same work they would normally do, with them having to retrain or be dependent on a carer for the rest of their lives. It is important we have the right penalties in place. I want to use the example of a man in my electorate, Eshwa, who had a terrible workplace incident a couple of years ago. He fell from a scissor lift in a workshop in Bassendean. He was directed

to get onto that lift and assist someone else. It was not his usual practice; he was a welder, so he would never normally have found himself on that lift. The lift was not operated properly and he ended up falling many, many metres. He had a broken back and several breaks, and he was in hospital for weeks. In the end, that employer ended up being fined the maximum penalty under the act and was found to have been significantly lacking in its operational workplace safety. Since then he has not been able to work. He has had to pay for retraining. He has had to live on the salary of his wife, who is an education assistant at a local school, and that is a very difficult living to make. They are slowly getting their lives together, but it is utterly devastating to have that kind of workplace injury, and it is incredibly common.

The ACTING SPEAKER: Members, can we just keep the noise down a bit, please.

Ms A. SANDERSON: According to the latest WorkSafe report, in the last financial year, on average one WA worker a month has been killed—killed, not just injured; that is an actual fatality. Given the size of our population, that is a shocking number, and it should have shocked the previous government, but it was not enough to shock it into action on this issue. Despite the fact that the rest of the country has moved forward and there was national agreement that penalties needed to be stiffer, that did not happen in Western Australia. The penalties have stayed the same for the last 13 years—since 2004. We have seen a rise in workplace deaths over the last few years, but now the overall trend is going down, although it is still incredibly high. There was an interesting article published in *The West Australian* of 26 October 2016 titled “Is my job killing me?”. It states —

According to WorkSafe WA’s data on work-related traumatic injury fatalities, the agriculture, forestry and fishing industry ranked worst over the past decade for fatalities, with the deaths of 45 workers.

...

Second in terms of WA fatalities over the past decade was the construction industry, with the deaths of 32 workers, followed by mining reflecting 29 and then 27 in transport ...

Manufacturing was the fifth deadliest industry with 23 fatalities but it reflected one of the highest injury rates, affecting mostly men in the 25–34 age group.

These figures are very, very high. One of the most recent fatalities on a construction site was the terrible death of Marianka Heumann, the German backpacker who was working on the Hanssen site in the city. I understand investigations are ongoing and I am happy to be corrected, but at the time the employer claimed that she had stood on a bucket and therefore the accident was entirely her fault. I have to say that if that were true, the fact that an employee felt that that was acceptable says a lot to me about the culture of that particular site. It says a lot about the culture of sloppiness around occupational health and safety generally and that those workers had not been drilled to the letter about using harnesses and proper safety, particularly when working at height. She was clearly not extensively trained, because she was here on a working visa, backpacking around the country. Even if that claim were true, the fact that it happened on a building site says a lot about the culture of that workplace and that the company has not done enough with that staff to make sure that those terrible accidents do not happen. It was a terrible accident for not only her family but also her colleagues, who on that day had to deal with that trauma of losing a colleague in that brutal way. That will stay with them forever and will have ongoing effects. I am sure that other members in this chamber are much better qualified to talk about construction deaths and they will.

I want to make some comments about where we are at in Western Australia compared with other states. These amendments have been a long time coming. In 2009 there was national agreement that penalties should increase significantly. It was a recommendation in 2008 of the “National Review into Model Occupational Health and Safety Laws” that penalty amounts increase and it was generally accepted by a ministerial council. There was a further recommendation, recommendation 16, for an immediate increase in maximum penalties in occupational health and safety legislation. Penalties do a number of things. They are a deterrent. No-one ever wants to use penalties. The government certainly does not want to use them, because it means that something has gone wrong in a workplace. They are a deterrent and they signal to employers that they should do the right thing. They also signal to employees that they have an obligation under legislation and regulations to do the right thing. Raising penalties significantly also eliminates the temptation for cost cutting. I think you, Mr Acting Speaker (Mr S.J. Price), spoke about the fact that these things are generally not conspiracies. Cutting corners and breaking occupational health and safety rules is really about taking shortcuts here, cutting corners there, trying to get a job done, and employees trying to help their employers and workmates just to get things done. In the end, the penalty for cutting those corners needs to be more than any money saved, and that is what increasing some of those penalties by nine times will do. One penalty will go from \$50 000 to \$450 000. That is a large, large leap in penalties and an important signal to the sector that it needs to do much better on this issue. Although we need to provide incentives and support for employers, we also need to provide the stick, if you like, to make it untenable for many of them not to do the right things and cut corners. The consequences of cutting those corners and being caught and fined up to \$2 million will eliminate any temptation.

A broad amount of consultation was undertaken with employer groups, unions and other stakeholders about the recommendations from 2008. It is a little mind-boggling that over the eight and a half years of the previous

government not a single penalty was increased, despite the number of deaths in workplaces. No death was terrible, tragic or horrible enough for those employees and families to spur the government into action on this issue. There was total inertia. The last “WA Key OSH Statistics” report of the 2015–16 preliminary data has some pretty shocking statistics. It outlines that two employees are injured every hour, seriously enough to need to take one or more day shifts off work. Every hour of every day, two people are injured seriously enough that they have to go home, go to the doctor or seek medical advice. On average, every 20 days a person is fatally injured at a workplace in Western Australia. Every 20 days we expect to lose someone in a workplace —

Mr Z.R.F. Kirkup: Injured?

Ms A. SANDERSON: No, fatally injured; just injured is two people every hour, member for Dawesville.

A lot of people are being fatally injured at their workplace and not coming home. There were 11 work-related traumatic injury fatalities recorded in Western Australia in 2016–17. On average, 4 990 employees are hurt each year to the extent that they require 60 or more days off, equating to an average of 240 days lost for each incident. The industry divisions that recorded the highest frequency rate in 2015–16 were agriculture, forestry, fishing, manufacturing and construction. They are clearly dangerous occupations given the amount of traumatic injury and fatalities.

Other occupations are less discussed or highlighted, but they are probably the highest in terms of ongoing work injuries. They tend to be in the healthcare sector where there are generally low-paid workers, older people and women. That is in sectors like early childhood, where children and toddlers are being lifted, aged care, cleaning, disability support work and nursing. They all require a lot of lifting and heavy physical work and the employees are often older women. Often women whose children have grown up work in those jobs, and their bodies are not as able to cope with the stresses and strains of lifting people in and out of chairs, in and out of showers, on and off the toilet, getting them dressed and lifting them around. This is everyday work for carers that creates enormous amounts of body stress. Interestingly, the report breaks that down. In terms of proportions, 29 per cent of all incidents during 2014–15 were classified as severe injuries. The data indicates that this figure would increase, and it currently accounts for 32.9 per cent. The proportion of severe incidences increases each year.

The construction, healthcare, social assistance and manufacturing industry divisions continue to account for the highest numbers of severe lost time injuries or diseases—it is not a very snappy term. Severe incidences in female employees accounted for 28 per cent of the total female load in 2011–12, and is growing to 35 per cent. In 2011–12, one in every 313 female employees sustained a severe workplace injury. The situation has improved slightly to one in every 300 female employees. In areas like health care, where we will see an exponential growth—this is an area of future employment—we will naturally see an exponential growth in workplace injuries if we do not do things differently in those workplace; if we do not provide a better ratio of staffing for people in, for example, disability support, early childhood and aged care. It is generally recognised that particularly the aged care sector has very, very stretched funding. The wages, therefore, are very, very low, and the training opportunities for proper lifting are often very limited, as are those for supporting those clients. Providers provide the bare minimum number of employees on the floor. If there are seven or eight residents, the carer needs to get all those people out of bed if they are not mobile and require assistance. The carer has to get them in the shower or wash them and get them on and off the toilet. The carer needs to help them get breakfast and get dressed. A carer may have seven or eight residents, and they have to do all that in a certain time frame before they have to start morning tea and make sure everyone has that. Carers spend the day, essentially, lifting heavy objects and people, and generally on older bodies the incidence of workplace injury is incredibly high in those sectors. We have to do something better for those workers.

Bills like the Occupational Safety and Health Amendment Bill 2017 go a long way toward doing that and recognising that work fatalities are not acceptable. If a fatality occurs in the workplace and the employer is found to be in breach of their responsibility, they will pay dearly. I am proud to be part of a Labor government that as part of its first lot of legislation introduced this bill as an absolute priority. We are saying to the community that it matters that they come home from work, have a long and healthy life and are able to continue to participate in the workplace. I congratulate the minister for this bill. I hope all members will support it in both places, and that we can implement these penalties at the earliest opportunity.

MR W.R. MARMION (Nedlands) [8.25 pm]: I rise to let the house know I am the lead speaker for the opposition on the Occupational Safety and Health Amendment Bill 2017. We will be supporting the bill. It is a very simple bill that comprises three and a half pages. Basically, it will amend the fines under sections 3A, 20A, and 54A of the Occupational Safety and Health Act 1984. In sections 20A and 54A the fines will go up by about roughly four times, and there are various different increases under section 3A that I will go through shortly. I do not intend to speak for the full 60 minutes, but things can change when I am on a bit of a run!

The second reading speech is just over a page, and it states that the fines are being increased because they have not been updated for some time and inflation is taken into account. Three examples are given in the second reading speech, and although we do not have the context they seem fairly light for possible breaches of the

Occupational Safety and Health Act. There was a \$9 500 fine in January this year for failure to take reasonable care, causing a workplace death. There was a \$7 500 fine in June after a labourer was seriously injured after falling through a skylight. In December last year there was a \$17 000 fine for a workplace fatality. It would do to get a bit of context around those. I will mention a couple of workplace injuries and possibly one or two fatalities I am aware of that have happened during my working life. I would be interested if the minister could provide some examples of what levels 1, 2, 3 and 4 cover. Level 4 is probably pretty easy, but I would be grateful if the minister could provide some examples in his second reading reply.

The bill will amend section 3A, which is where the penalty levels are defined. The current act reads —

Where a person is liable to a level one penalty for an offence against this Act the person is liable —

- (a) if the offence was committed by the person as an employee —
 - (i) for a first offence, to a fine of \$5 000; ...

That will increase to \$50 000. For a subsequent offence the fine used to be \$6 250; that will increase to \$60 000. Paragraph (b) of the current act states —

if paragraph (a) does not apply —

- (i) in the case of an individual —
 - (I) for a first offence, to a fine of \$25 000; and
 - (II) for a subsequent offence, to a fine of \$31 250; ...

Those fines will increase to \$100 000 and \$120 000 respectively. In case of a body corporate, for a first offence it goes from \$50 000 to \$450 000, and for a subsequent offence there will be a fine of \$570 000, up from \$62 500. That is a level 1 penalty. I would be interested in getting a working example from the minister on what a level 1 offence would be.

Section 3A(2) covers the level 2 penalty. For an offence against the act by an individual, the bill will increase the fine for a first offence to \$250 000, up from \$100 000, and for a subsequent offence to \$350 000, up from \$125 000. In the case of a body corporate, for a first offence the fine will be \$1.5 million, up from \$200 000, and for a subsequent offence, it will be a fine of \$1.8 million. Moving on to a level 3 penalty, in the case of an individual, a first offence will carry a fine of \$400 000, up from \$200 000, and for a subsequent offence it will be a fine of \$500 000, up from \$250 000. In the case of a body corporate, a first offence will have a penalty of a fine of \$2 million, with subsequent offences carrying a fine of \$2.5 million. In the serious case of a level 4 penalty, the fine for a first offence by an individual will increase from \$250 000 to \$550 000 and imprisonment for five years, and for a subsequent offence it will increase to a fine of \$680 000, up from \$312 500, and the term of imprisonment will go up from two years to five years. In the case of a body corporate, for a first offence the fine will be \$2.7 million, up from \$500 000, and for a subsequent offence it will be a fine of \$3.5 million. That is basically one-third of the increases to the fines under the act. That is the amendments to section 3A.

Section 20A refers to breaches by an employee who contravenes any issues and makes the workplace unsafe or who does not follow instructions, which might make the workplace unsafe. I will not go through those. The fines will roughly go up by four times. That is pretty well spelt out in the bill. The bill is very simple; there is only one other section that it deals with, being section 54A, which refers to continuing offences. If an offence has been committed by an individual or a body corporate and it is continuing on a daily basis, the penalties have gone up, again, by four times. For offences committed by an employee, the fine will go from \$200 a day to \$800. If the offence is committed by an individual and paragraph (a) does not apply, it will be a fine of \$4 000 a day. If the offence is committed by a body corporate, it will be a fine of \$8 000 a day. That pretty well sums up the only changes the bill will make to the act, which are basically numerical all the way through.

Workplace safety is extremely important. The previous member who spoke in the debate mentioned culture. She has pretty well hit the nail on the head in terms of the importance of having a culture in the workplace that promotes safety. Culture is essential to workplace safety. That starts from the top, in terms of the values of the organisation, and goes right through to the chief executive officer and all the staff, right down to the newest person to the organisation. To be effective, workplaces must have a culture that promotes safety. Indeed, in my experience, mainly as a Minister for Mines and Petroleum, I was pleased to see that the mining sites I went to had a very good culture. I do not want to be negative about the construction industry, but when I compare the mine sites I went to as Minister for Mines and Petroleum with some of the construction sites I visited as a Minister for Housing, the safety culture that I experienced on mine sites was probably more advanced than on the construction sites. I know that construction sites can be more confined so it may be more difficult, but when I was shown around many mining sites I noted the attention to detail even before I went on the site, such as the safety gear I had to wear. Things that might have been considered quite minor in my younger days as an engineer were pointed out as hazards by the CEO when he was showing me around. Indeed, sometimes they would stop everybody and get the workplace to address the issue, which would probably not have even been looked at in my day.

That is where I would like to head to now—to how times have changed. On my very first day on the job in my first job as a builder's labourer, I was lucky to not seriously damage my leg. I was basically an offsider to a carpenter. The company I was working for was J.M. Best and Son in Bunbury. The carpenter had a job to extend a verandah, and I was basically handing him his tools. An oxygen cylinder was balanced on the verandah and it just came down out of the blue and grazed my leg. I was lucky that it did not hit me. J.M. Best was not a large construction company in Bunbury, but I was quite surprised about how concerned it was about my welfare. It was just a graze. I was not injured—I was fine—but there was a little form I had to fill in, which I thought was rather nice. The company was concerned about my welfare. I realised that it could have been a lot more serious. We are talking about 1973–74—that is a long time ago. To show how things have changed, in that very same year I was working on dismantling a scaffold at Laporte Industries Australia in Australind. Its operations were expanding. J.M. Best got the job to do some construction work on the site. I was put on the site and my job was to climb up 11 levels of scaffolding and to start dismantling it. The scaffolding was tied to the existing building. The building was extended, and that was how we got on top of the building. The building was still in operation and they needed to access it. Once they got up to 11 levels of scaffolding, they took out three levels underneath. It was basically like a bridge. When I was up the top dismantling the scaffolding with someone else, as we got down to only three levels above the doors, it started to collapse. I rode the plank down until it stopped, with the rope holding it up. Thank goodness it was tied to the building; otherwise the whole thing would have collapsed and I probably would not be here talking about it today. We did not think it was a big deal, but it was terrible. That was a serious incident. We were just a bit more careful when we carried on dismantling the rest of the scaffolding.

On that same site, a work colleague was showing off his helmet—this is the mid-70s. A brick had fallen on his helmet and his helmet had saved him. He was so proud of this helmet that he wanted to carry on wearing it. It had saved his life, basically. He was showing it off. This shows members how bad the culture was in those days. He wanted to wear it, but he was told that he could not wear it once it had been hit, because it would not protect him next time. It was a hard job to get this guy to get rid of his helmet.

The other workplace practice that was very bad on this site involved the use of dust masks. The actual company had a policy that whenever anyone did any work, they were to wear a dust mask—I know, because my father was the chief engineer—but it was optional for subcontractors on this particular site. There was one carpenter who always wore a dust mask when sawing through cement sheeting and he was seen as a bit of a wuss by all the other carpenters who worked for J.M. Best and Son. There was a culture to go against good safety practice at this site in the mid-70s.

In the late 1970s, I ended up working for Main Roads as a young engineer. Main Roads had an extremely good safety culture. In those days, Main Roads built all the roads and nothing was contracted out. Main Roads had 10 divisions. The most competitive aspect of Main Roads was safety. Every month, a safety shield was presented to the division that had the lowest number of lost-time work injuries per million man-hours worked. A report was put out each month and everyone got a copy. The divisional engineers of the various regions throughout Western Australia were very proud to be the holder of that shield each month. The number of workers in each division was not immense. Therefore, if someone was injured, even if it was a minor or middle-order injury, it would stuff up the figures big time, so there was a lot of pressure to make sure there were no accidents.

I will give members another example. When I was transferred to Derby, I had to look after a road crew. One of the things we do when we build roads is hammer a peg into the ground to ensure that the road is built at a certain level. Someone on my job had hit their thumb with a hammer. I hit my thumb with a hammer many times when I did my vacation jobs, and I never made a big deal about it. I was on the safety committee, and I had to write a report on that injury. Grahame Rathbone, who was the assistant divisional engineer and head of the safety committee, thought my report was fairly spartan in the amount of detail about how this person had hit their thumb. I decided to rewrite my report from two paragraphs to about two pages of immense detail about how this person had lifted their hand level with their shoulder, had looked down, and had hit their thumb with the hammer. I went over the top, in a bit of a sarcastic way, and I was looking forward to the reaction that I would get from Grahame Rathbone at the next meeting. I was surprised. He was very impressed. He thought it was one of the best reports he had ever seen. He took it extremely seriously. In fact, the Derby workshops designed a special tool that could be put over the top of the peg so that people would not have their hand close to the peg when they were banging it in. I do not know that that ever became a sensation Australia-wide, Western Australia-wide or worldwide, because I have not seen many pegs banged in today using that fantastic contraption.

Main Roads had an interesting culture in those days. It also had history and folklore. I remember being at the workshops in Derby when someone pointed out a big beam in the ceiling that was bent. It was not a very strong beam; it could be bent very easily if it was banged with a hammer. The reason this beam was bent is that someone had been sitting on the rim of a tractor tyre while he was trying to inflate it. The rim flew off under pressure, and it lifted him, while he was still sitting in the tyre, to the beam, and he broke both legs, and that had caused the bend in the beam. It was pointed out to the young engineers when they went to Derby that they should not inflate a tyre by sitting on the rim, just in case it flies off. In fact, the practice these days is that tyres are inflated in a cage. In the late 1970s, they did not use a cage. There are a lot of anecdotes and stories about what happened in those days. I am sure the Acting Speaker (Mr S.J. Price) has heard many of them.

In the 1970s I also had to supervise what I would call a sole practice contractor who was drilling for water along a 250-kilometre section of Great Northern Highway between the Broome turnoff and Sandfire. We were trying to find water, because to build a road we need water. I helped write the contract for the location of the drilling spots using contour maps, and he used his rusty old drilling rig to drill holes at 10-kilometre intervals. His name was Brian Coffey, and he was successful in finding water in all but one drilling hole. On the job he wore only black shorts and thongs. He would not be allowed on a drilling site today wearing that attire, but he was a sole contractor and he had won the contract and that is how he did his job.

I move now to two serious issues that happened when I was in the Kimberley. The first raises an interesting point about duty of care. Another engineer was running a job adjacent to mine at a place called Thangoo, and he was supervising a roller driver. The job of a roller driver on a road construction project is very boring, because they are often the only person on a five-kilometre stretch of road. The supervisor noticed that the roller had been stopped in the middle of the road and the driver was nowhere to be seen. This was in 1978 or 1979. As far as we could ascertain, the roller driver had just left the job and taken off, never to be seen again. Indeed, every 10 or 15 years he is mentioned on a missing persons' program on television, and his parents come over from the eastern states and there is a story about him. We believe he had had a few too many drinks the night before, and he may have been depressed; we are not sure. He had left everything behind in his room. The other engineer on the job organised for the police from Broome to do a search, with all the team, but he was never found. It would be interesting if the minister could explain how that might fit under the new penalties and the employer's duty of care. It bothers me every now and again to think about that person who disappeared, and I think it bothers the other engineer too, because it was his job to look after that individual.

I want to relay another story on which the minister might want to comment. It concerns a fatality that I was very close to. It was in 1980 at Nita Downs, and it was not my job; it was a Thiess job. This young man had just had his twenty-first birthday. His job was to drive around in his Land Rover at the end of the day and pick up bits of machinery and bring it back to the camp. My job was to supervise the Thiess contractor. I had a crew to test the soils, a survey crew to test the geometry of the road, and a work inspector to keep an eye on the job during the day. I had finished for the day, and we heard a report that this young man's Land Rover had rolled over. It was a work vehicle, and it was on the construction site. I suspect that the driver had been going too fast around the bend on that section of Great Northern Highway, which was corrugated. I was informed that he had gone through the windscreen of the vehicle. With us was a visiting supervisor from Main Roads Western Australia, who was a former ambulance driver. We jumped in his ute. We also had a short-wave radio connection to the Royal Flying Doctor Service. We drove down to where the crash was. A 21-year-old was lying on the side of the road but seemed to still be in reasonable health, but was being supported. We were told he had gone through the windscreen, so he was not wearing a seatbelt, but a lot of people did not wear seatbelts in those days. He looked fine but the sad part about it was that he had got the job through his future father-in-law, who was there supporting him and giving him encouragement to hang in there. My supervisor from Main Roads informed me that he could not be moved because I think there was a bump on his back, so we made sure he was not moved. We were trying to get an ambulance from Broome or La Grange; it turned out there were two ambulances in the area. At the same time, we were trying to get the Royal Flying Doctor Service to land on the road and take him to Port Hedland Hospital.

Unfortunately, unbeknownst to me, the 21-year-old's lungs were filling up with blood and he passed away. It was a very sad incident for me because he passed away with his future father-in-law trying to keep him alive. I still remember that incident. By the time this guy had passed away, it would have been four hours after the accident, and the Thiess construction workers had tried to light up the road to try to encourage the Royal Flying Doctor to land there because we had heard a rumour that he had apparently done it before. But it was not to be. As it turned out, I do not think he would have survived in the aircraft. In those days, we did not have counselling; we just went to bed late. On this site, work did not start until lunchtime the next day and that was it—end of story. It was very sad. I often think of that. When I am in this place and people are yelling and screaming, and jumping around about something I think is pathetic, I often think of that young 21-year-old who passed away, and that does mean something.

I will move forward to today. As I mentioned before, there is much greater attention to safety on site. Typically these days, probably on all sites, before workers start work, there is a safety meeting at which it is discussed with the team what job they will be doing that day. The possible risks are highlighted and they make sure they engage with the team, asking, "Can you identify some of the risks? How are we going to manage those risks?" They make sure that workers can address the risks and if they need to do particular things, they are emphasised. If there are risks, it is emphasised that they do not mess about with them. That is just basic; everyone does that on-site now. The hazards are identified and incidents or near misses are reported. Even near misses are reported, particularly in the mining industry, and I am sure the shadow minister for mines will probably raise that in debate on the Mines Safety and Inspection Amendment Bill, which we should have debated cognately, but we have not. In the mining industry, near misses have to be reported—in fact, it is part of the Mining Act. I think some fines will be increased under that bill to cover those reporting incidents.

What else did I want to mention?

Dr A.D. Buti: That's probably about enough!

Mr W.R. MARMION: I want to mention mining fatalities; they are important. A memorial wall for fatalities in the goldfields was set up just outside the Museum of the Goldfields at the top of Hannan Street. The project was started by a former minister for mines, Hon Norman Moore. I was privileged to be the Minister for Mines and Petroleum when the Eastern Goldfields Miners Memorial was unveiled. The Anglican Archbishop of Perth came and there was quite a big ceremony. The wall has the names of every single miner who has died in the goldfields. It has the year and people can see that in some years, up to 50 people might have died, but that was way back in the early 1900s. As Norman Moore would say to me, in a year or maybe two that he was the minister, there were no fatalities. I think around 2011 to 2012, there were some nice gaps when there were none, but then there were four or five fatalities in one of the years that I was minister. The rate has dropped off.

One of the interesting things about that ceremony was that relatives flew in from over east. They really appreciated the fact that their relative or their son's name was on the wall. I think it is a good thing to recognise some of the workers, particularly in the mining industry. It is something that I will always cherish. I was in Kalgoorlie three weeks ago for Mental Health Week. It was launched in Kalgoorlie; was it three or four weeks ago, member for Kalgoorlie?

Mr K.M. O'Donnell: Yes.

Mr W.R. MARMION: The member for Kalgoorlie was there. In the afternoon, I went to have a look and to reminisce about the goldfields memorial wall. It is going to be there forever.

To wrap up, the opposition supports the Occupational Safety and Health Amendment Bill. We understand that the reason behind increasing the fines is they have not been updated since around 2008. A lot of changes have been made and we want to make sure that workplaces are safe. It is often said that after going to work, a worker has the right to go home. We do not want workplaces where people do not have that possibility—where it is that dangerous, there is no attention to detail and there are hazards. We do not want those workplaces to exist. It is important that there are incentives and disincentives to make sure that workplaces are safe, and this bill goes some way towards that.

MR S.A. MILLMAN (Mount Lawley) [8.58 pm]: I rise to contribute to the Occupational Safety and Health Amendment Bill 2017. I start with a quote —

Together Moscou Holdings Pty Ltd and Rite Angles Pty Ltd formed a partnership named Penguin International. Employees of the partnership were employees of each partner and the actions of each partner bound the other.

The Accused imported sheets of glass from China, for use in architectural and structural applications. Trucks delivered shipping containers holding the glass sheets of various sizes, to the accused's premises at 9 Collingwood Street, Osborne Park. The Accused employed approximately 15 workers.

The glass sheets were packed in wooden crates, which were strapped to a side of the container. Crates were unpacked between one and three times each month.

The smallest crates were unpacked from the container, by workers manually lifting the crates out of the container. Heavier and larger crates were unpacked from the container with the assistance of a forklift that was able to drive inside the container.

The largest crates could not be manually unpacked by workers or by driving a forklift into the container. The crates were too large for workers to unpack manually, and the forklift mast could not extend high enough inside the container because the roof of the container was too low. For this reason, a forklift dragged the crates to the front of the container whilst workers inside the container assisted.

To do this, workers used a sling to connect the crate to the rear of the forklift and both guided and supported the crates inside the container whilst the forklift dragged the crate to the front of the container.

The accused instructed its employees that if a crate began to fall, they should let go of the crate and move out of its way. On 4 February 2013 three employees were unpacking a sea container when a crate of glass fell onto one of the employees (the victim) and killed him.

The first employee cut the straps that held the crate to the wall of the container. The victim used a crow bar to separate the crates from each other. The crates were then free standing. As a forklift, driven by second employee pulled the first crate to the front of the container, the victim supported its weight and guided it forward whilst the first employee stopped another crate falling by supporting its weight.

The crate the victim was supporting fell onto his face, smashed his glasses, pushed into his neck area and then skidded away from him. The top of the crate pulled him down to a sitting position against the side of the container and it landed on top of him.

Several men tried to move the crate off the victim, but it was too heavy, so the forklift was used.

The crate, which fell onto the victim, was approximately 2.4 meters long, 1.95 meters high, 25 cm thick, and weighed approximately 1.2 tonnes.

The victim later died in hospital. The cause of his death was neck injury with damage to his spinal column and spinal cord, complete transection of the windpipe, and injury to the surrounding soft tissues. The victim was a 26-year-old glazier.

I read from the decision Moscou Holdings Pty Ltd, ACN 083 182 872, which is available to members on the WorkSafe website—it records the outcomes of prosecutions. Sadly, the story I have just relayed to members in the chamber was not the first time that somebody had identified that this system of work was unsafe. In fact, on 26 May 2011, a crate weighing approximately one tonne fell whilst two employees were inside the container. In 2012, one of the accused's employees identified the hazard created by the unsecured crates, yet by 4 February 2013, this unsafe system of work had resulted in the death of the worker I have just described to members. Last night, the Australian Workers' Union put out a media release to say that a traffic signal worker had been run over and killed at a construction project on the Bruce Highway in Queensland. The stories I have relayed demonstrate just how important the area of work health and safety is.

In the time I have I want to do a couple of things. Firstly, I want to thank members who have already made contributions to the debate. I thank the member for Forrestfield for talking to us about the importance of safety culture and how important it is for a safety culture to permeate a workplace. I thank the member for Morley for highlighting just how important work, health and safety issues are. A lot of what I will say will focus on fatalities, because that is the harshest reality presented by unsafe workplaces. I thank the member for Nedlands for once again, in a sensible and intelligent way, advancing the opposition's position. It shows that the opposition recognises the importance of these amendments and will support them.

In the time I have, I propose to go through some statistics, and I thank the member for Morley for already alluding to some of these statistics in her contribution. I want to talk about what the effect of this bill will be in increasing the maximum penalties available to prosecutorial authorities under the proposed amendments. I want to talk about the importance of making sure that breaches of our occupational health and safety legislation are prosecuted, and I want to outline to the chamber in short order what the McGowan Labor government is doing more generally to make sure that we advance the interests of occupational safety and health.

I turn first to a statistical snapshot provided by Safe Work Australia. It reads —

In the 13 years from 2003 to 2015, 3,207 workers lost their lives in work-related incidents.

Just let that sink in for a second: 3 207 workers throughout Australia. A significant proportion of those workers were employed in the transport, agriculture, forestry, fishing and construction industries. Unfortunately, the trend of workplace deaths is not abating. The number of deaths between 1 January 2016 and 2 November 2016 in the transport, postal and warehousing industries was 53; between 1 January 2017 and 2 November 2017, the figure for the same industries was 55. In the agriculture, forestry and fishing industries, for the same period in 2016, the figure was 30; for the same period this year, 38. In the construction industry, for the same period in 2016, the figure was 23; for the same period this year, the figure was 27. The story of significant workplace fatalities is not one that happens only outside the state of Western Australia. As members heard from the member for Morley, WorkSafe's "State of the Work Environment" report of September 2016 confirmed that the average number of days during which a person is not fatally injured in a workplace in Western Australia is now 19 days. Members, once every 19 days a Western Australian worker is fatally injured in a Western Australian workplace.

I turn now to fatalities by age group. More than 40 per cent of people killed in workplace accidents are aged between 25 and 44 years old. As the member for Morley said, these are people whose lives are taken from them when they have all before them. They are in the prime of their life, and many have families and young children. They make up a significant proportion of those who are getting killed in workplace accidents. The national trends are reflected in Western Australia. Workplace deaths over the period 2006–07 to 2015–16 were, in the manufacturing industry, 23; in the transport, postal and warehousing industries, 27; in the mining industry, 29; in the construction industry, 32; and in agriculture, forestry and fishing, 45. This statistical snapshot clearly demonstrates to everybody here just how important these legislative changes that increase the penalties for breaches of the occupational safety and health legislation are.

What will be the effect of this bill? Firstly, as the rest of the country moved towards harmonising its work health and safety legislation, Western Australia was left behind. The penalties that the state of Western Australia is imposing for significant breaches of occupational health and safety legislation have not been changed for more than a decade. As everything else has moved on, all the other jurisdictions have significantly increased their penalties and we are now well and truly out of step with the rest of the nation. I say that is an indictment on the situation here in WA. Why is it that Western Australian workers should not be afforded the same protections as their counterparts in every other state? The time is now for bringing these penalties up to date and thereby harmonising the penalties that will apply to employers across Australia.

It brings us into line with the other states and brings us into line with the model work health and safety legislation that is widely regarded as a reasonable legislative outcome and reasonable policy objective to make sure that our occupational health and safety regime is consistent with other states. It significantly increases the penalties—other members, including the member for Nedlands and the member for Morley have already spoken about the increases in penalties—and it should also serve as an incentive to improve safety. The correlation between increased penalties and beneficial safety outcomes is not immediately apparent. I looked at the “Work, Health and Safety: An Inquiry into Occupational Health and Safety” and the 1992 Laing report on the review of the Occupational Health and Safety Act, in which Mr Robert Laing stated —

Unless penalties are significant, some employers will view them as little more than an operating cost. In addition, fines should be sufficiently large to convince employers that a reasonable level of expenditure on safety and health is warranted

Arguments in favour of increased penalties [include] ... an indication to the courts that Parliament and the community view the issues as significant and expect that fines should have a real deterrent value.

That is what the expert evidence states and that is why this critical step of increasing penalties should serve as an incentive to corporations and employers to improve their safety record.

I put all of that on one side. Work health and safety is an important priority; increasing penalties should prioritise work health and safety in the minds of employers. But in addition, it is imperative that our regulatory authorities use their prosecutorial powers to hold negligent employers and employers that breach statutory obligations to account, and prosecutorial authorities ought to take the necessary steps to bring those employers to justice.

Again, referring to the former Department of Commerce’s summaries of successful prosecutions website database, which is the database maintained by the department, the following prosecutions were listed for 2017: 4 September, Round Table Roofing Pty Ltd, with a penalty of \$70 000 imposed; 14 August, Picton Civil Pty Ltd received a penalty of \$4 000; and other prosecutions on 14 July, 26 June, 16 June, 23 May, 10 April and 25 January. That is fewer than one dozen successful prosecutions of significant breaches of occupational health and safety legislation by the statutory authority, and that pattern has continued for the last two years. The point I make is this: the successful prosecutions conducted by the prosecutorial authority represent one prosecution per month for the last two years. When people take into account the statistics that the member for Morley has illuminated of one workplace accident in Western Australia every two hours, and the hundreds of people who are making claims for workers’ compensation or logging occupational health and safety incidents or accidents at work, one successful prosecution per month for the last two years stands in stark contrast with the significant number of workplace injuries and fatalities that regularly occur in Western Australia. Although Parliament can do its part to ensure that legislation is up to date to reflect community expectations and can harmonise the laws to provide the right framework of rights for Western Australian workers, and employers can do their part by instituting proper safe systems of work to ensure that their workers go home safe at the end of each day, bad and negligent employers need to know that they will be prosecuted, convicted and fined so that the justice demanded by occupational health and safety legislation comes to the fore.

That brings me to my final point: the McGowan Labor government’s package of occupational health and safety measures is not merely confined to improving the penalties imposed under occupational health and safety legislation. In addition, the Legislative Council is embarking on an inquiry into the operation of WorkSafe to review and improve the way that statutory authority functions to make sure that workplace health and safety achieves the prominence it deserves. At the moment a ministerial advisory panel is considering ways to harmonise Western Australian occupational health and safety legislation to bring it into line with occupational health and safety legislation throughout Australia.

Mr W.J. Johnston: Member, are there any good members of Parliament on that panel?

Mr S.A. MILLMAN: Minister, I have the great privilege of serving on that panel, and the work that we are doing continues apace with a view to ensure that we can deliver safe workplaces for Western Australian workers.

I will finish by saying this: the member for Nedlands regaled us with some excellent tales of just how bad occupational health and safety was in Western Australia during the 1970s and how significantly those circumstances have improved over the last 10, 20, 30 years. That is due in no small part to employers doing their bit to improve workplace safety and to legislators making sure that they improve the legislative regime governing occupational health and safety. But the greatest respect needs to be paid to the unending work of our trade unions, trade union officials and occupational health and safety organisers throughout the industries who have worked tirelessly to make Western Australian workplaces safer, and that is why it gives me great pride to speak on this amending bill.

MR T.J. HEALY (Southern River) [9.16 pm]: I rise to speak on the Occupational Safety and Health Amendment Bill 2017, which amends the Occupational Safety and Health Act 1984. The purpose of the bill is to increase penalties for workplaces and companies, and to encourage safer workplaces. This bill will bring Western Australia into line with other states and territories and the commonwealth. It seeks to continue to set the standard on safety,

to minimise workplace injury and to eliminate workplace fatalities as best we can. It also provides that dependent family members of those workers who are killed on the job receive fair and reasonable compensation for their loss. I commend the Minister for Commerce and Industrial Relations for his work in bringing this bill to the house.

Twenty traumatic work-related fatalities a year is too many. I put on the record that I commend the many workplaces that do the right thing. There are plenty of workplaces that ensure that workplace safety is a priority and that their workers can and do go home. The bill will help to ensure that those other workplaces are safe and that we do everything possible to ensure that every working woman and man goes home to their family every night. I am sure that that is something we certainly all agree on in this house. Certainly, the labour movement prides itself on that being one of the great things it has achieved.

I acknowledge that some workplaces are not the best, and the bill refers to a number of those businesses and workplaces. Not every company does the right thing. I also acknowledge that some workers even with training make mistakes; we are human. Procedures and safety, which is inherent in this bill, will go a long way to ensuring that workplace injuries and fatalities are minimised.

I commend the historical work of unions in this field, UnionsWA, the labour movement and the many responsible workplaces. It is important to remember that the accepted levels of workplace safety that exist today were fought for long and hard over many years by many of our comrades and union members. The language and procedures were a struggle to achieve. I thank the millions of union members who came before me who fought for this and supported the unions to get there in conjunction with those good workplaces.

Everyone knows that before coming to this place, I was a teacher and a proud union member for many years. I would like to speak about my experiences on a number of worksites in different fields over my career. Members may know that when I was 17 years old, I did half a floor tiling apprenticeship. My hands are soft now, but they were very rough and ragged back in those days. We worked with a variety of chemicals. My half apprenticeship had almost no training. My boss at the time told me that he was paying my membership of the Construction, Forestry, Mining and Energy Union and that all of my protections, workplace entitlements and superannuation were taken care of, but of course they were not. I worked on a number of pretty dangerous building work sites in the late 1990s. I believed that I was a part of the union movement at the time. If I had received a workplace injury, my family would not have received a number of things. I spent some time as a forklift driver working at warehouses. I was given no licence. I was given a 30-minute introduction to how to work the vehicles. Again, I was lucky that no injuries happened. Unfortunately, these stories are not uncommon for 17 and 18-year-olds, even today. Accidents, injuries and fatalities still happen. I am very, very proud of the work that the Shop Distributive and Allied Employees' Association did when I was a Coles Express Shell service station operator. I worked very long hours and I worked alone for a lot of that time. There were many hold-ups and a lot of aggressive customers in the early hours. I was very proud to be a member of the Transport Workers' Union of Australia for many years. As many would know, I was also a bus driver. I know exactly what the minister is saying right now! I was also a very proud member of United Voice and the State School Teachers' Union of WA.

Mr W.J. Johnston: No, servos are covered by the AWU.

Mr T.J. HEALY: I do apologise! I commend the Australian Workers' Union, then, for my time working in Shell service stations. As a bus driver I worked long hours. I still have my bus licence and my F-class licence, but I think I have to check whether the new taxi entitlements change my F endorsement. There was pressure from companies, pushing drivers to work for longer and longer, regardless of the hours they had spent on the roads and regardless of the conditions. Unfortunately, there were many fatalities and injuries. I also spent time with United Voice, the missos, and the State School Teachers' Union of WA as a teacher at a number of places in Perth. Workplace injuries are different for a teacher. My main injuries were from being punched by students while breaking up fights. I certainly had a number of injuries, and my girth usually meant that I was the teacher sent into the middle of three or four kids. But it was always wonderful to know that I had my union standing up for me and that we were working together to ensure that the workers had protections. Of course, the union movement is not too different from the Labor Party. The Labor Party is of the union movement. It is just fantastic.

Mr Z.R.F. Kirkup: Who would have thought?

Mr T.J. HEALY: I thank the member for Dawesville.

Mr S.A. Millman: It is good to see that the member for Dawesville takes occupational health and safety seriously.

Mr T.J. HEALY: It is.

My experience—the member for Dawesville might agree with me—is that a good balance of employers working with employees in unions makes the safest workplaces. I think that is a good compromise. When we had physical assaults while I was the teaching union representative at my school, we were able to sit down with the principal, the Department of Education, our union representatives and those affected and work out compromises and ways to make our workplaces safer. I am lucky now that I do not work on a worksite where concrete falls on my head or I can fall from a great height. My workplace was a vastly different one.

In my speech tonight I am really going to focus a lot more on the construction industry and some of the areas in which great improvements have been made and continue to be made. Before I do that, I would like to acknowledge the many workers who have needlessly lost their lives or endured workplace injuries due to those companies that did not allow or accept the appropriate levels of workplace safety. I acknowledge the many families of workers who have had injuries or who have died. This bill seeks for all of us to do better by making it financially unviable for a business to lose a worker through death or injury. We need deterrence to assist business in this way. Sometimes the moral pressure is not enough. Companies need to be held to account when not taking safety seriously, and financial pressure helps. I repeat that I acknowledge that many companies do this well, but again this bill seeks to help steer those that can do things better towards making their workplaces better. I repeat again that it is important that families get to have their family members at home after they have finished work. This bill will help companies keep to account, and the community has expectations. It is my belief that the community supports this bill. Worksites need to produce and be active, but they also need to be safe. Workers are not expendable. The speed of generating a product, operating a site or generating a profit should not be at the expense of a worker's life or limbs. We must not make it financially difficult for employers to ensure that workplace safety is taken seriously, and, again, I commend the many workplaces doing the right thing. Many employers do expend funds and direct company culture to support occupational safety and health practices and a safe workplace, and this bill will help workers in my community. Companies that do the wrong thing need consequences and those that do the right thing should be commended.

I speak of the good work of one of the largest employers in my electorate, the City of Gosnells. I will quote from a media release. It states —

“Safety in the workplace is not simply about safe work practices, it’s about maintaining the health of staff
...”

It is fantastic to hear an employer say that. The media release continues —

“The City takes safety in the workplace very seriously and has a good track record having won two awards this year, the WorkSafe WA Silver Achievement Award and Gold Diligence in Safety Award from Local Government Insurance Services ...”

The City of Gosnells has been proactive on a number of fronts to ensure a safer workplace for all employees. A review of high-risk areas identified a need for a dedicated injury management and investigations officer. All parks vehicles are fitted with GPS devices to strengthen its duty of care, and each month the city promotes a safety theme. During October, in conjunction with National Safe Work Month, the theme was “sharing safety knowledge and experience benefits everyone”, and this month’s safety theme is heat stress. Congratulations to the City of Gosnells, and to the CEO, Ian Cowie, and his team, for promoting a strong workplace safety culture, in conjunction, of course, with the Australian Services Union, the largest union for local governments.

I mentioned that, as a teacher, my trade was different from those on other worksites. I would like to refer to the building and construction industry. Historically, this industry, and even some companies to this day, has a truly disappointing record. I commend the work of those good employers and I commend the work of the Electrical Trades Union and the Construction, Forestry, Mining and Energy Union in minimising injuries and fatalities. Many lives have been saved and the workplace culture has improved. I refer to some statistics about the construction industry from Safe Work Australia. I am aware that the member for Mount Lawley, who was the previous speaker, also referred to these. An industry profile created in 2015 found that the most common work-related injuries experienced by workers in the construction industry were cuts and open wounds at 31 per cent. These injuries were mainly due to people hitting, or being hit by, an object. Fifteen per cent of injuries were due to falls from a height—clearly preventable injuries. When it comes to work-related fatalities, the most recent statistics from the construction industry profile show that between 2003 and 2013, 401 workers died on construction sites in Australia. The majority of those, 28 per cent or 112 people, involved falls from a height; 40 involved ladders; 32 involved a fall from a roof; and 17 involved buildings under construction. Other fatalities during this period included those due to vehicle collisions, affecting 65 people; electrocutions, affecting 61 people; being hit by a moving object, 48 people; being hit by a falling object, 46 people; and being trapped between or in equipment, 31 people. These fatalities were preventable. In the last half of the twentieth century, those figures were worse. Even one death is still one too many and we continue to work towards a figure of zero.

A company that could do better is Gerry Hanssen’s building and construction firm, and I will refer to some media releases. I quote from an article on the death of a worker in October of last year titled “Five safety complaints made against East Perth high rise site before fatal fall”. The article reads —

East Perth’s Concerto Apartments construction site had received five safety complaints against it before a German worker fell 13 stories to her death on Monday, it has been revealed.

The 38-storey Finbar and Hanssen development on Adelaide Terrace began construction in late 2015, and was due to be completed mid-2017.

Marianka Heumann, an unskilled labourer, was finishing her shift on the 15th floor and had removed her harness when she noticed a bit of ceiling she had forgotten to seal, and turned back.

That split-second decision proved fatal after the 27-year-old lost her balance and fell 13 stories to the second floor as horrified colleagues watched on helplessly.

...

Safety watchdog Worksafe confirmed it had received five complaints about the site since construction commenced and had issued two improvement notices to the builders, one for “edge protection” another for “excessive debris”.

No worker is expendable. A company should not think that a worker is expendable, and we in this place should set the example and acknowledge the importance of workers. Respect for workers should be a priority for members in this place, and the Occupational Safety and Health Amendment Bill 2017 will ensure that workers and their safety are paramount. The workers built this community, and they deserve our protection. I recall the lines of *Solidarity Forever*, and I quote —

It is we who plowed the prairies; built the cities where they trade;
Dug the mines and built the workshops, endless miles of railroad laid;
Now we stand outcast and starving midst the wonders we have made;
But the union makes us strong.

Members, if all the speeches on this bill mean just one more workplace takes further measures to improve safety and we save just one life, although we seek for better than that, it will be worth it. I commend the bill to the house. Solidarity forever, comrades.

Government members: Hear, hear!

MR Z.R.F. KIRKUP (Dawesville) [9.31 pm]: I rise to speak to the Occupational Safety and Health Amendment Bill 2017, and echo the opposition’s support for it. Before I begin, I will take some issue with the comments of the member for Mount Lawley that I do not consider occupational health and safety important. I think that is absurd.

Mr S.A. Millman: No, I said you did!

Mr Z.R.F. KIRKUP: You did? Sorry; my apologies. I misheard the member for Mount Lawley. I appreciate that.

Most importantly, I do because I experienced some of the same issues and injuries the member for Morley spoke about. When I was on professional development experience working on a construction site over the summer of 2015–16, a number of incidents happened to me—unsurprisingly, through my own clumsiness and issues. I was struck in the head by a falling concrete prop because it was knocked out by a forklift driver. It fell over and my safety helmet was knocked off. As a concrete formworker, when we built floors in a hotel or something like that, there were tables that were moved around to lay the concrete on top, and one of those fell into a void. That was a very serious issue that we had to respond to.

Mr T.J. Healy: Did they give you training?

Mr Z.R.F. KIRKUP: Absolutely they did. I still have my white card and I went through inductions quite significantly.

Mr T.J. Healy: Is it your trade, this industry?

Mr Z.R.F. KIRKUP: I do not have a trade —

Mr T.J. Healy: What were you on the site for?

Mr Z.R.F. KIRKUP: — “I am a political hack”? It was professional development as part of working for a construction company.

It finished with my finger being jammed between a prop and a concrete deck, effectively. There was no lost-time injury, but certainly there was an issue there. The important reality, I suppose, of all construction workers is that they go home safe every day, and we want to make sure in this place that that happens. I do not necessarily think—obviously in contrast to those opposite—that it needs to be an affiliated union site, but I think it is still an important tenet nonetheless.

I also welcome the increased penalties that have been put forward by the minister here today. I think they are important. I would like to see them, basically, pegged so that they could be dealt with by regulation or something like that, that could increase them as time and inflation goes on.

The minister has been very busy in the occupational safety and health space. In June I think he commenced the Commission for Occupational Safety and Health. As part of its role I understand the commission issues guidance notes. I take an interest in the work the minister does, and I have had a look at some of those guidance notes. One

particularly caught my eye. It deals with bullying at work. I have it here and I might just quickly go through it. Page 4 of the guidance notes is titled “What is workplace bullying?” I quote —

Bullying at work can be defined as repeated, unreasonable or inappropriate behaviour directed towards a worker, or group of workers, that creates a risk to health and safety. Because it can adversely affect the safety and health of employees, bullying is unlawful under the Occupational Safety and Health Act 1984 (the Act), ...

While some workplace bullying may involve verbal abuse and physical violence, bullying can also involve subtle intimidation. Workplace bullying can be carried out indirectly, for example via letters, emails or telephone text messages.

Several members interjected.

Mr Z.R.F. KIRKUP: Sorry?

Several members interjected.

Mr Z.R.F. KIRKUP: In reference to that note, I grew concerned by a series of allegations made by a senior public servant of bullying within the central agency of the Department of the Premier and Cabinet. All in this place know that DPC is an integral central agency. I think it provides unparalleled service to government and its executive function, and as a former staffer of the Department of the Premier and Cabinet—even though I was a term-of-government employee—I can attest to how important it is in the services it provides to government. I suspect all in this place would agree that the issue of bullying is very serious. It is covered under the legislation we are dealing with this evening, and section 8(1)(e) of the Public Sector Management Act ensures that officers of the Department of the Premier and Cabinet, whatever their level, are to act in a manner consistent with the Occupational Safety and Health Act.

With that in mind, I will address the concerns raised in an excerpt of contemporaneous diary notes discovered under a freedom of information application and written by the former Road Safety Commissioner in relation to a phone call he received from the director general of the Department of the Premier and Cabinet. According to my notes, the FOI-ed document of the contemporaneous diary note reads —

PHONE CALL: 1914hrs, 22 June 2017

The note begins —

Phone call received — Darren Foster - shouting:

Then the diary goes to the nature of that evidently one-sided and somewhat furious conversation that allegedly quotes the director general —

You have no authority to contact BLANK

That is redacted from the FOI. The note continues —

Darren Foster is leading whole of government response to inquiry - Solicitor General is the only one with the authority to act on this matter, YOU'RE GONE”

It continues —

*You have not spoken with Mal.

That being Mal Wauchope, AO, the Public Sector Commissioner. The note continues —

YOU HAVE NO RIGHT*

You should not have acted as you did

The note continues —

*Have you advised —

That name was redacted. The note continues —

office? Have you spoken with —

The name was redacted. I assume that might be the opposition leader’s office. The note continues —

*You have no right to do that, any letter’s you have sent you need to give to me. *

TRYING TO EMBARRASS GOVERNMENT

The former Road Safety Commissioner then records his own response to the conversation in the contemporaneous note, writing —

*I am the accountable authority in this matter. I received I direction from the CoI to hand over material that may attract Public Interest?. *

The note continues —

*I have kept Mal —

That was Mal Wauchope —

informed of my intent. *

From what we know, this phone conversation between the director general and the former Road Safety Commissioner ended at 19:38 hours or thereabouts. It went for approximately 24 minutes. About five minutes later, clearly, I would consider, in distress, the then Road Safety Commissioner called and left a telephone message for the Public Sector Commission, and recorded what he said in the voicemail he left for the Public Sector Commissioner in that same diary note. It reads as follows —

*Phone call and message left for MW: —

I assume that is Mal Wauchope. The note continues —

Very disturbing phone call from DF.

I assume that is the director general. The note continues —

Inappropriate and wrong in law. Threatening and intimidating.

Required me to hand over correspondence with —

That name was redacted. I assume that might be Nahan. To all members in this place hearing about that conversation —

Dr A.D. Buti: Nahan?

Mr Z.R.F. KIRKUP: Sorry?

Dr A.D. Buti: You mean the Leader of the Opposition?

Mr Z.R.F. KIRKUP: Sorry; you are quite right, member for Armadale. I apologise.

I remind all members in this place hearing about that conversation in the diary note that these are notes from a very well respected individual in the former Road Safety Commissioner. Mr Papalia was made the state's first Road Safety Commissioner in October 2015. Prior to that, he spent three decades with WA Police. He is an individual—I suspect it might run in the family—who clearly prides himself on his service to our state; he is well respected and well trusted. If we consider the former Road Safety Commissioner's comments in that context, I find it disturbing, and it should cause concern to all members in this place, that this type of behaviour may be going on in the central agency of the Department of the Premier and Cabinet. We know from these notes that the former Road Safety Commissioner considered what was said in the phone call to be bullying and intimidation, which is covered under the very bill we are dealing with this evening. He said as much in his notes. That is why it is important that we raise this issue here this evening. That is why we are talking about it today in these amendments to the Occupational Safety and Health Act, because it is a very real issue that is confronting our state's most senior public servants. It is confronting to read notes like this—contemporaneous notes discovered only under freedom of information and which clearly reflect the distress of a very senior and experienced public servant. To me, the rights of victims in these circumstances can hold far more weight, given the nature of what might have been perpetrated against them.

Mr D.J. Kelly: Member, can I ask you a question?

Mr Z.R.F. KIRKUP: Not at this point, minister.

We know that the former Road Safety Commissioner was effectively moved on because he refused to break the law. He relied on extensive experience to seek advice and confirmation as to whether he should release those documents of the former government.

Several members interjected.

The ACTING SPEAKER: Members!

Mr Z.R.F. KIRKUP: This was against what I understand to be the intentions of the government of the day. We can see in those contemporaneous notes that the former Road Safety Commissioner considers himself —

Mr W.J. Johnston: You don't know that.

Mr Z.R.F. KIRKUP: Can I continue, minister?

Several members interjected.

The ACTING SPEAKER: Members on both sides!

Point of Order

Mr W.J. JOHNSTON: I was very happy to let the member wander around and talk about nonsense that is not related to the bill. However, he is now making specific allegations and drawing conclusions from notes that are not his own. That is impossible for him to do. The conclusions he draws have nothing to do with the legislation that we are debating. As I say, I did not object to the member going off on this tangent until he started to draw conclusions in respect of matters relating to another person. Unless the member is saying that he spoke to that other person, he cannot say what was in their mind, and, even if he did, it is not related to the penalties. As I said, I am happy for him to have a bit of a spray—that is all right—but let us keep it vaguely relevant to the legislation we are debating.

Mr S.K. L'ESTRANGE: Further to the point of order.

The ACTING SPEAKER (Ms S.E. Winton): Can I deal with the first one first?

Mr S.K. L'ESTRANGE: It is further to that point of order, Madam Acting Speaker. You can listen to me first before you respond to the point of order. The second reading debate can have wideranging commentary. The member is relating it back to occupational health and safety in the workplace.

Several members interjected.

The ACTING SPEAKER: Thank you! We will hear the point of order in silence.

Mr S.K. L'ESTRANGE: I ask that you look at it in the context of it being a wideranging debate that is looking at safety of the workplace and the treatment of people in the workplace. That is where the member is going with this debate.

The ACTING SPEAKER: Thank you, member for Churchlands, but I could have saved you the point of order if you had allowed me to adjudicate in the first instance. I agree that it is a broadranging topic. We will allow the debate to continue.

Debate Resumed

Mr Z.R.F. KIRKUP: Thank you, Madam Acting Speaker. I take on the advice of the Minister for Commerce and Industrial Relations. The comments I reflected on were found only within those notes, so the minister is quite right: I cannot suggest what the former Road Safety Commissioner might be thinking. I will seek to represent what was in those notes. I will ensure that we keep the argument constrained in that respect.

Mr D.J. Kelly: Can I ask my one question now?

Mr Z.R.F. KIRKUP: No.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Minister, there is so little time left.

Mr Z.R.F. KIRKUP: It appears from those notes that there seemed to be a concern that the government may have been embarrassed by the actions of the former Road Safety Commissioner in his attempt to be a law-abiding officer of the public service. Some concerns should be raised in this place, especially with a possible breach of the Department of the Premier and Cabinet's code of ethics and code of conduct, and, indeed, the Public Sector Commission's own code of ethics, which was issued on 3 July 2012 and which ensures that the minimum standards of conduct and integrity are complied with by all public sector bodies and employees, with decisions that are to be honest, fair, impartial and made in a timely manner. I know from a number of sources in the public service that this matter has not been investigated by the Public Sector Commission, the very agency that is tasked with investigating this type of matter. As I understand it, it has failed to initiate any investigation —

Ms A. Sanderson: How do you know what has been done?

Mr Z.R.F. KIRKUP: I predicated the comment with "I understand".

Mr W.J. Johnston: It's an allegation.

Mr Z.R.F. KIRKUP: How is that an allegation, minister?

My great concern is that there can be only one reason for this failure, and that is because the director general of the Department of the Premier and Cabinet is such a long-term, close friend of the state's Premier. All of us in this place know that the Department of the Premier and Cabinet's —

Several members interjected.

The ACTING SPEAKER: Thank you, members!

Point of Order

Mr S.K. L'ESTRANGE: The member has said he will not take interjections. The Minister for Water continues to interject, asking if he can ask a question. I ask you to let the Minister for Water know that the member is not taking interjections.

The ACTING SPEAKER (Ms S.E. Winton): Thank you. Thank you, member for Dawesville.

Debate Resumed

Mr Z.R.F. KIRKUP: Thank you, Madam Acting Speaker. We know that the director general has a long history of working with the now Premier. As I understand it, he started off as a press secretary for the then Minister for Education.

Ms A. Sanderson: Relevance!

Mr Z.R.F. KIRKUP: Let me continue, member for Morley. I understand that during that time a number of issues were raised. An article written by Paul Murray suggested that that environment may have been a toxic workplace. In that context, what we have here is a senior public servant of the calibre of the former Road Safety Commissioner, a man of integrity who was hailed in this place as someone who did a fantastic job —

Point of Order

Mr D.J. KELLY: Madam Acting Speaker, you gave the member some latitude to discuss general issues around bullying, if you like. He is now going into a specific attack on an individual in the public sector. I think that goes well beyond the question of relevance when it comes to —

Mr S.K. L'Estrange: What standing order is it?

Mr D.J. KELLY: It is a question of relevance.

Several members interjected.

The ACTING SPEAKER (Ms S.E. Winton): Thank you, everyone! The point of order is to the Chair.

Mr D.J. KELLY: It is on a question of relevance. The member has now gone well beyond debating the terms of the bill. He is now just taking the opportunity to specifically attack a member of the public sector. That is not relevant to the bill.

The ACTING SPEAKER: Thank you, member for Dawesville; if you will continue with the limited time available.

Debate Resumed

Mr Z.R.F. KIRKUP: As I said, it is clear from the notes I have read that the former Road Safety Commissioner felt as though he was bullied and intimidated. That is as plain as day in the notes we have seen through FOI.

Mr D.J. Kelly interjected.

The ACTING SPEAKER: Members! I am going to start calling people to order. Please, let us get through this.

Mr Z.R.F. KIRKUP: If one were to take the statement “You’re gone”, as recalled in those notes, as an instruction of a possible dismissal, in any situation, regardless of who may have committed it, if they were a director general of the central agency, it might go well beyond their authority. Indeed, it seems to me that there has not been any sort of investigation by the Public Sector Commission. It gives me great concern that the agency tasked with the last and final bastion of ensuring accountability and consistent conduct under the Public Sector Management Act and the Occupational Safety and Health Act has absolutely failed in its charge to investigate this matter. I suspect that it has failed in this matter because it does not want to challenge a long-term friend of the Premier. I am sure all of us who have spoken on the importance of occupational safety and health in this place hope that the Public Sector Commission gets around to investigating the allegations raised in these notes against a former senior executive officer of our state.

I have one final point, which I suspect will please members opposite. As part of what I hope will be an eventual investigation by the Public Sector Commission, I hope that it looks at the extent to which the Premier’s office was involved in that decision. It is a question that needs to be asked and answered truthfully. As I have said before in this place, in my own time working for the former Premier—the state’s twenty-ninth Premier—I witnessed the machinations of the previous government, how it acted and what it did in relation to possible integrity issues raised and covered by this act. I can say with confidence that if there were ever a CEO about whom an issue like this was raised, the Premier’s office was informed. The Premier was probably informed by the director general either informally or formally. If that is the case and the Premier was informed, we have a situation here where an allegation has been raised —

Several members interjected.

Point of Order

Mr S.K. L'ESTRANGE: Madam Acting Speaker, the Minister for Water continues to interject and heckle the member on his feet. I ask that you offer the member on his feet some protection.

The ACTING SPEAKER (Ms S.E. Winton): Member for Dawesville, will you please continue and get back to the bill, and perhaps members will be less likely to interject if they can hear the points that you are trying to make about the bill.

Mr S.K. L'ESTRANGE: On that point of order, Madam Acting Speaker, it is not a matter of what they want or do not want to interject on; it is a matter of the member needing protection while he is on his feet during the second reading debate.

The ACTING SPEAKER: Thank you, member for Churchlands. It is not a point of order. I am offering some advice to the member for Dawesville to assist him in not getting as many interjections. Thank you. Continue, member for Dawesville.

Debate Resumed

Mr Z.R.F. KIRKUP: Thank you, Madam Acting Speaker. I take your advice on board. I will leave it here. It is clear to me that the allegations that were raised in the notes by the former Road Safety Commissioner —

Mr W.J. Johnston: What allegations?

Mr Z.R.F. KIRKUP: I have said that during my speech. It is very clear from what is reported in those notes that there are some serious considerations across the public sector. Either the director general of the Department of the Premier and Cabinet was rogue in ringing up the former Road Safety Commissioner and telling him he was gone—effectively bullying and intimidating him, according to his notes—or the office of the Premier was complicit in agreeing to that action. It is important for the future of the public service of this state, which continues to suffer from politicisation by members opposite, that we get to the core of what happened with the former Road Safety Commissioner. Time and again, members of the senior executive service of the public sector have been dismissed by this government. For the first time, we have seen records of what a now dismissed officer of the public sector suggests was bullying and intimidation by this state's most senior public servant. We in this place cannot stand by if any evidence of bullying can be levelled against any individual, and even more so by the director of a central government agency.

When I was first inducted on a construction site over the 2016–17 summer, a key tenet was that the standard of safety —

Several members interjected.

The ACTING SPEAKER: Members!

Mr Z.R.F. KIRKUP: A key tenet of occupational safety and health was that we get the standard of safety that we are prepared to walk by. I implore the Public Sector Commission to not walk by this issue. I fear this may be an ongoing pattern in the Department of the Premier and Cabinet that this house needs to get to the bottom of. I commend the bill to the house.

MR W.J. JOHNSTON (Cannington — Minister for Commerce and Industrial Relations) [9.52 pm] — in reply: I am pleased to close out the debate on this very important legislation, the Occupational Safety and Health Amendment Bill 2017. I will start not where I had intended, but with the embarrassing contribution by the member for Dawesville. The member for Dawesville will have to decide whether he wants to be a contributor or not. He will have to decide whether all his years in the Young Liberal movement, on the payroll of the taxpayer and doing the bidding of the Liberal Party, will be his highest achievement in life. Unfortunately, the member for Dawesville has come into this chamber determined to get nowhere in life. It is embarrassing to hear the stupid things the member for Dawesville says in this chamber. If the member for Dawesville has any allegations of impropriety about the matters that he raised in the chamber today, I urge him to write a letter—I hope he can achieve that—to the competent authority.

The member for Dawesville made the point in his contribution—which, as we all know, was one of the most stupid presentations we have ever heard in this chamber—that the director general of the Department of the Premier and Cabinet is a friend of the Premier. He implied that somehow or other that is an improper relationship. The Public Sector Commissioner is a sterling public servant who has given his life's work to this state. The Public Sector Commissioner was a groomsman at the wedding of the former Premier of this state, the member for Cottesloe. I made the point in this chamber last week during private members' time that there is no impropriety, improper conduct or conflict of interest when a Premier appoints a person to a senior public sector role so long as the person appointed to that role is of sufficient character and capacity to perform that job. That is clearly what happened in respect of Mal Wauchope in his role as Public Sector Commissioner. The fact that he is a personal friend of the member for Cottesloe does not exclude him from being the Public Sector Commissioner. I remind members in this chamber that when Dr Geoff Gallop was the Premier of Western Australia, he reappointed Mal Wauchope to the role of director general of the Department of the Premier and Cabinet. Therefore, it is not as though the Labor Party has ever picked on Mal Wauchope just because he happens to be a friend of the member for Cottesloe.

Mr W.R. Marmion: They worked together.

Mr W.J. JOHNSTON: That is exactly what I am saying. Just because Mal Wauchope is a friend of the former Premier does not exclude him from high office. Indeed, as I have said, Dr Geoff Gallop reappointed him to the role of director general of the Department of the Premier and Cabinet. We need to remember that at that time, the director general of the department performed the functions that are now performed by the Public Sector Commission and the Department of the Premier and Cabinet. That was not a problem when the member for Cottesloe appointed him to that position. The only allegation that the child from Dawesville, who now represents —

Withdrawal of Remark

Mr W.R. MARMION: Madam Acting Speaker, the minister referred to the member for Dawesville as a child. He is the member for Dawesville.

The ACTING SPEAKER (Ms S.E. Winton): Minister, I ask you to withdraw.

Mr W.J. JOHNSTON: If that is your direction, Madam Acting Speaker, of course I will always comply.

The ACTING SPEAKER: Can we stick to the bill, please.

Mr W.J. JOHNSTON: I am happy to comply with your direction to withdraw if that is considered unparliamentary.

Debate Resumed

Mr W.J. JOHNSTON: The pathetic member for Dawesville —

Several members interjected.

Mr W.J. JOHNSTON: I can give you the reference in *Hansard* for that one if you want.

Withdrawal of Remark

Mr S.K. L'ESTRANGE: Madam Acting Speaker, standing order 92 states —

Imputations of improper motives and personal reflections on the Sovereign, the Governor, a judicial officer or members of the Assembly or the Council are disorderly other than by substantive motion.

I ask that that comment be withdrawn about the member for Dawesville being pathetic.

Several members interjected.

Mr W.R. MARMION: Madam Acting Speaker, I did not hear what the point of order was because of the interjections from over there.

The ACTING SPEAKER (Ms S.E. Winton): Would you like the member for Churchlands to repeat it?

Mr W.J. JOHNSTON: Madam Acting Speaker, I want to make a submission to you on the point of order. I draw your attention to pages 728–738 of *Hansard* of 16 May 2013, when the Deputy Speaker said —

In my short time in this Parliament I have heard that word used and I think it is probably not unparliamentary.

That was when the member for Cottesloe called me pathetic, and the Deputy Speaker ruled that it was not unparliamentary. I have it here in my hand if you want to see the words, Madam Acting Speaker.

The ACTING SPEAKER: Thank you, minister. I would ask, in the context of the current debate, if you would withdraw that comment.

Mr W.J. JOHNSTON: If that is your ruling, Madam Acting Speaker, I am very happy to comply with your ruling, as I always do.

The ACTING SPEAKER: I am very grateful.

Mr W.J. JOHNSTON: Therefore, I withdraw the word “pathetic”.

Debate Resumed

Mr W.J. JOHNSTON: Let me make it clear: the only allegation that that guy over there is making is that Darren Foster used to work with the Premier in a former job.

Mr W.R. Marmion: As his chief of staff.

Mr W.J. JOHNSTON: That is right—as his chief of staff. No allegation has been made by Mr Kim Papalia against anybody. Let us understand what happened. Mr Papalia tried to get legal advice from a private lawyer, when he is not permitted to do so by the rules of the public service. It was clearly an error by Mr Papalia. I have never met Mr Papalia. I am sure he is a fine person. But he made a serious error. His judgement was wrong. I am not alleging that it was wrong; it was wrong. Public servants cannot seek legal advice other than from the

State Solicitor's Office. Of course, the SSO can get legal advice, as can the Solicitor-General, but it is not the public servant who chooses the advice; it is the SSO or the Solicitor-General. That is basic law. That is what happens. Apart from anything else, a person cannot seek to enter into a contract with a private sector provider other than in accordance with the government's contracting arrangements. So even on that very basic issue, Mr Papalia was making a serious error.

The member for Dawesville raised a question about the Public Sector Commission. I understand the member was working with the member for Cottesloe in 2013. Is that correct, member for Dawesville?

Mr W.R. Marmion: You just keep talking.

Mr W.J. JOHNSTON: On 30 August 2013, all those members who were here remember the tabling of the report from the Public Sector Commissioner who looked at the bullying and intimidation by Hon Peter Collier against Ruth Shean. That is interesting because there was a freedom of information issue in that case too. What happened? Access to every single document was refused on the basis that had it been disclosed, it would have disclosed the investigation of a criminal offence! What criminal offence was being investigated that this member was involved in? This member was working in the Premier's office at the time of the cover-up! What did you do, member?

Point of Order

Mr S.K. L'ESTRANGE: Standing order 92 states —

Imputations of improper motives and personal —

Several members interjected.

The ACTING SPEAKER (Ms S.E. Winton): Members! Thank you. Can I hear this point of order in silence? I am finding it difficult to hear the member for Churchlands.

Mr S.K. L'ESTRANGE: Standing order 92 states —

Imputations of improper motives and personal reflections on the Sovereign, the Governor, a judicial officer or members of the Assembly or the Council are disorderly other than by substantive motion.

The minister is clearly imputing that the member for Dawesville was involved in something in 2013, which is disorderly.

The ACTING SPEAKER: Thank you. That is not a point of order but, minister, can I ask you to very quickly get back to the bill, because I am finding it hard to hear the relevance at the moment, other than the previous debate. Can we get back to the bill.

Debate Resumed

Mr W.J. JOHNSTON: All I am doing —

The ACTING SPEAKER: No, minister —

Mr W.J. JOHNSTON: I am not trying to canvass your ruling, I am getting back to the bill. The report that landed on the table over there in 2013 was about a bullying case by Hon Peter Collier against a senior public servant. That is the exact allegation that the member for Dawesville spent all his contribution talking about. He said that the connection between the matter he was raising and the bill that we are debating was an allegation of bullying of a senior public servant. That is exactly the allegation that we never got to the bottom of because the former government, for which he was a highly paid official, refused access to the documents on the basis that they would expose the investigation of a criminal offence! The member was there; what was the criminal offence?

Several members interjected.

Mr W.J. JOHNSTON: No, members; I want to hear from the member for Dawesville.

The SPEAKER: Talk through the Chair, please.

Point of Order

Mr S.K. L'ESTRANGE: I have a point of order.

The SPEAKER: No; I have asked the minister to talk through the Chair, not talk across here, okay?

Mr S.K. L'ESTRANGE: That is not my point of order.

The SPEAKER: What is your point of order?

Mr S.K. L'ESTRANGE: My point of order is that under standing order 92, the minister is making an imputation of improper motive against the member for Dawesville. I ask that you rule that disorderly.

The SPEAKER: That is not a point of order.

Debate Resumed

Mr W.J. JOHNSTON: The question that has come up for the member for Dawesville that he needs to answer for the community is: what criminal offence was being investigated that the government refused to make public? Why is it okay to talk about transparency when we are in government but when the member had responsibilities for transparency, we saw nothing? FOI requests were refused. I want to make another point about that FOI. It came out later that there were text messages between the minister's chief of staff and the Public Sector Commissioner that were not disclosed in the FOI applications. How did that happen?

Dr M.D. Naham: Where are you getting all this stuff from?

The SPEAKER: Leader of the Opposition!

Mr W.J. JOHNSTON: Do members know where I got that from? That is a great question from the Leader of the Opposition. It was because I was on the Public Accounts Committee that asked the Public Sector Commission in an inquiry set up by the member for Bateman and chaired by the member for Churchlands! That is how we know about it; because of an inquiry chaired by the member for Churchlands and established by the member for Bateman, we asked him about it.

Let me get back to the bill. The member for Dawesville sits at the back of the chamber for a good reason; it is because nobody in the Liberal Party wants to sit next to him. Let us get back to this —

The SPEAKER: Minister, just get back to the debate.

Mr W.J. JOHNSTON: The member for Dawesville will never amount to anything —

Dr M.D. Naham interjected.

The SPEAKER: Leader of the Opposition, you are on three calls. I know you want to go home early, but so do the rest of us, so I will not call you for the fourth time.

Mr W.J. JOHNSTON: The member for Dawesville raised a very important issue during his contribution, which was the question about union workplaces. We know union workplaces are safer. All the research in every country in the world shows that if people want a safe workplace, they should work where there is a union. Union workplaces are safer. I really appreciate the member for Dawesville raising that because it is a very important issue that we should all remember. The member asked a question about the penalty increasing over time. We will bring in the work health and safety legislation for Western Australia, which will allow us to have penalty units, or whatever, that arise out of the legislation. We are indexing the WHS penalties from 2010 to what they would be now. Of course, as the member for Mount Lawley outlined, the government has already commissioned the work health and safety legislation through the ministerial advisory panel that he and others participated in. That is how we can deal with the question of increasing penalties over time, member for Dawesville. These are not small matters; they are very important to us.

I acknowledge the member for Forrestfield's contribution to the debate. The member for Forrestfield has a very strong background as a representative of working people. He has worked very hard to improve occupational health and safety. As outlined previously, he worked in the mining sector and elsewhere. The member for Morley gave a great contribution, particularly highlighting health and safety challenges for women. The member for Nedlands asked me to outline in what sort of circumstances the penalties apply. I draw the member's attention to the explanatory memorandum, which sets out how the penalties under the OHS act equate to the categories under the WHS act. I will quote the explanatory memorandum —

- Level 1 in the OSH Act equates to Category 3 of the model WHS Act —

Mr W.R. Marmion: I know that but can you give us a workplace example of where they might apply?

Mr W.J. JOHNSTON: Let me finish what I am explaining. The explanatory memorandum states —

The proposed penalty level amendments at **Attachment A** have been established using the following principles:

- Level 1 in the OSH Act equates to Category 3 of the model WHS Act ...
- Level 2 in the OSH Act equates to Category 2 of the model WHS Act ...
- Level 4 in the OSH Act equates to Category 1 of the model WHS Act ...
- For level 3 offences in the OSH Act, the penalty is based on the mid-point between Category 1 and Category 2 penalties of the model WHS Act ...

These have all been inflated by 14 per cent and rounded. Basically what we are trying to achieve is uniformity with the OSH act and the WHS act, but we are not amending the definitions of the penalties. If the member wants to see the definitions, he should look at the underlying legislation. The member will see that attachment A refers to specific sections in the underlying act. All he needs to do is read that.

Mr W.R. Marmion: I have.

Mr W.J. JOHNSTON: I cannot help it if the member does not know what those words say. I am sure that if the member for Hillary had been with us today, that would not be an issue.

Mr W.R. Marmion: It's not an issue, I just thought you might be able to give an example of a particular workplace incident, be it level 1, 2, 3 or 4.

Mr W.J. JOHNSTON: I am not prepared to do that. We did not go into consideration in detail; I would have been very happy to have answered those sorts of questions when the advisers were here. We gave some examples of penalties in the second reading speech. The member outlined a couple of interesting stories and I just want to make a point about one of them. The member quite correctly said that culture in businesses comes from the top, and that is why we are very keen on passing the Occupational Safety and Health Amendment Bill 2017 so that the focus is on that and so that the chain of command is properly recognised and dealt with through the legislation. As the member said, unless it fits the culture of the top of the business, we cannot do much about the individual workplaces. We cannot have this old-fashioned approach of trying to say that it is all the workers' fault.

The member asked a question about somebody who worked in a business unit that the member was involved with and who went missing from a road roller. I do not know the full details, and it would be interesting to know what the outcome of the coroner's inquest was for that, or what happened.

Mr W.R. Marmion: I don't know; I think they never found the person.

Mr W.J. JOHNSTON: I know, but usually when a person has been gone for a long period of time, one can ask for the coroner to review it. Whatever the law was at the time, it was probably properly applied. Clearly, one of the things we would always raise is the question of workers working alone. It is an unsafe practice to have workers working alone.

The member also raised a question about a person who apparently died; the member was providing first aid for a person who had been in a vehicle rollover. Interestingly, member, if someone is killed on a public road, even if it is part of their work, it is not considered an occupational death; it is part of the road trauma statistics. If, of course, they are killed on private land, whether on a made road or an unmade road, it is considered a workplace death, but a rollover on a public road is not part of the occupational health and safety —

Mr W.R. Marmion: What if the road was part of the road they were constructing?

Mr W.J. JOHNSTON: It does not matter. One of the criticisms that is often raised by the Transport Workers' Union of Australia, I think quite justifiably, is that deaths in its industry are not counted as occupational deaths because they happen on public roads and therefore are covered by the general traffic laws and are not part of the matters that this legislation will deal with. A matter might be investigated by the commission, but if it is then found to be a traffic accident, it is referred on to the police and the commission does not have any further involvement in the investigation. As I say, the Transport Workers' Union particularly objects to that and says that those deaths should be counted as workplace deaths, and I think it is right, but that is not the way it is handled at the minute.

The member for Mount Lawley outlined some interesting cases from the law reports and indicated how those matters impact on workers. It reminds me of my good friend the federal member for Perth, whose seat overlaps that of the member for Mount Lawley. He, of course, made his name as Bernie Banton's lawyer, representing one of the highest-profile cases in Australian legal history in respect of asbestos diseases. Indeed, I was with the member for Balcatta on Friday at the opening of the Asbestos Diseases Society's facility for people suffering from asbestos-related diseases. They chose the name of a dedicated volunteer —

Mr D.R. Michael: Maris Deleuil.

Mr W.J. JOHNSTON: Maris Deleuil, who had worked for the society in previous times. It was also interesting to hear Mr Vojakovic's outline of the history of the Asbestos Diseases Society and how it had 400 case files. When the law was changed here in Western Australia to allow the prosecution of those cases, Slater and Gordon arrived and was able to take those case files and bring justice for those people who had suffered. Of course, if the Asbestos Diseases Society had not kept such detailed records, those workers would never have been properly compensated. It is a great story of the community working alongside the union movement to get justice for people through health and safety legislation and workers' compensation legislation.

The member for Southern River outlined a very interesting history of his career and demonstrated how important it is to make sure we have adequate health and safety legislation. Again, he talked about working in service stations at night and sometimes being alone and the problems with hold-ups. That has led to, after 10.00 pm in so many service stations now, patrons having to go to a little window and dealing with them through a little grille because of the need to protect the bowser attendants from the violence that sometimes occurs late at night when people are working alone. Workers working alone is always going to be a major issue. There have been plenty of cases in which workers have had a relatively minor injury but because they are working alone and no-one discovers them for a number of hours, they have sometimes passed away in those circumstances, which is always very tragic.

This legislation on its own is not going to fix all ills, and nobody thinks it will. We will deal tomorrow, or when the Leader of the House decides, with the Mines Safety and Inspection Amendment Bill 2017 as well. It, again, is not on its own going to solve all problems, but these pieces of legislation lay down a marker and say that occupational health and safety is important and that there should be consequences for failure to comply with the law.

One of my agencies is WorkCover. It is a very well-run agency, with great staff. The acting chief executive, Chris White, is a thoroughly professional public sector leader. He has made the point to me that one of the reasons we have very moderate workers' compensation premiums in Western Australia is because of the good work done by WorkSafe and the mines inspection branch in preventing workplace accidents. That is a very important benefit for the community. It does not just benefit the individual workers who are not killed or injured; it also benefits the community because we have lower workers' compensation premiums.

I also remind members that when in the 1990s the Liberal Party effectively prevented access to the common law for workers' compensation, it was always understood that the quid pro quo would be that there would be penalties under the occupational health and safety legislation. It is a bargain; we know it is a bargain. Workers once got access to common law damages and were able to receive non-financial compensation for pecuniary interests and other things; that is now all effectively completely denied to them. There is a small gateway, but it is very small. The overwhelming majority of workers injured at work can only ever get the regulated WorkCover benefits and not common law benefits, so the quid pro quo of that burden having been removed from employers is that therefore there has to be a penalty regime to ensure that in situations in which things have gone wrong and there are injuries in the workplace, the employers are penalised, because they have been protected from the common law damages that they would have otherwise had to pay. That is why it is so important to lift the penalties and why this is such an important piece of legislation and why it should not have been demeaned in the way it was by the member for Dawesville.

I am pleased that the Liberal Party is supporting the legislation. I have not sought to bait the Liberal Party about the fact that this was recommended to it many years ago, because whatever was in the past, it is probably one of the reasons that contributed to the Liberal Party being so roundly and solidly defeated at the last election. We clearly have a mandate to act on our agenda, so we are very pleased to do so and we believe this legislation is important. It is not a full solution. Very soon we hope to bring back the work safety and health legislation to amalgamate, as much as possible, all the health and safety jurisdictions in Western Australia in a single piece of legislation. We have already been able to administratively bring the two agencies together, but there are still more improvements to be made. Even then, it will still not be the end of the road; it is only a step along the road.

I thank members for their sensible contributions to the debate, and hang my head in wonder about whether the member for Dawesville will ever learn anything.

Question put and passed.

Bill read a second time.

House adjourned at 10.21 pm

QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

PARLIAMENT HOUSE — ADDITIONAL OFFICE ACCOMMODATION PLANS**2207. Mr Z.R.F. Kirkup to the Speaker:**

Will the Speaker provide any plans and/or architectural renders or visualisations for the fountain offices under construction, including the lift well in the Parliament forecourt?

The Speaker replied:

Yes. Members may view the following by contacting the Executive Manager Parliamentary Services, Mr Rob Hunter:

- (a) hardcopy conceptual drawings of external architectural renders;
 - (b) mock-up 3-D virtual reality view (via a viewfinder) showing a perspective from within the existing Parliamentary accommodation; and
 - (c) an internal floorplan, showing the proposed office layout.
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