Parliamentary Debates
(HANSARD)

FORTIETH PARLIAMENT
FIRST SESSION
2017

LEGISLATIVE ASSEMBLY

Thursday, 19 October 2017
THE SPEAKER (Mr P.B. Watson) took the chair at 9.00 am, and read prayers.

HELENA AND AURORA RANGE, BUNGALBIN — PROTECTION

Petition

MS J.M. FREEMAN (Mirrabooka) [9.01 am]: I have a petition that has 277 signatures and has been certified as meeting the requirements of the standing orders. It reads —

To the Honourable Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned wish to make known the outstanding conservation and heritage values of Helena and Aurora Range (Bungalbin) and our wish for this range to be fully protected for all future generations to experience and enjoy and that action be taken by governments to remove all mining leases and exploration tenements from Helena and Aurora Range (Bungalbin) and that there be an agreement between the mining industry, conservation agencies and Traditional Owners that this range be a “No go area for mining”.

Now we ask the Legislative Assembly to grant full and secure protection to the Helena Aurora Range (Bungalbin) through the gazettal of the area as a Class A Reserve and National Park.

[See petition 23.]

PAPERS TABLED

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

“DEPARTMENT OF SPORT AND RECREATION ANNUAL REPORT 2016/2017”

Correction — Statement by Speaker

THE SPEAKER (Mr P.B. Watson): I received a letter dated 18 October 2017 from the Minister for Sport and Recreation requesting that an erratum be added to the “Department of Sport and Recreation Annual Report 2016/2017”, which was tabled on 10 October 2017. The erratum addresses an error on pages 75 and 92 of the report regarding the incorrect title of the reporting officer employed within the department. Under the provisions of standing order 156, I authorise the necessary corrections to be attached as an erratum to the tabled paper.

[See paper 886.]

REMOTE ABORIGINAL COMMUNITIES — SERVICE DELIVERY

Statement by Minister for Housing

MR P.C. TINLEY (Willagee — Minister for Housing) [9.05 am]: I rise to make a brief ministerial statement about two milestone reports that will help to inform the future of service delivery to remote communities. These reports represent significant progress in our journey towards long-term and systemic change for remote Aboriginal communities in Western Australia. For us to achieve meaningful change, we need to not only listen, but also truly hear and respond to our remote communities and co-design solutions with local people that address local needs.

I am pleased to inform the house of the release of two reports, the first being a community consultation report. This report gives us key insights from extensive consultation over 12 months with 138 communities, representing some 92 per cent of the population in remote Aboriginal communities in Western Australia. We believe that this consultation is the most extensive process ever undertaken with remote communities in this state. Consultation was designed to give local community leaders and residents a voice, and gave them the opportunity to talk, without judgement, about their aspirations and the successes and failures of service delivery. We heard that connection to country, culture and kin is crucial for Aboriginal families. Empowering and supporting Aboriginal people and their governance structures is critical to improving life outcomes. We heard that there are barriers to economic sustainability, including lack of employment and business opportunities, and concerns about the limitations imposed by land tenure issues. There are also significant challenges faced by remote communities, including access to, and the cost of, basic needs like housing, power and water supplies. People in remote communities have emphasised the need to redesign government-funded services to meet their needs, and they expect us to take their insights seriously and to partner with Aboriginal people to develop community-driven solutions. Building upon the consultation findings, we have the opportunity to work more effectively with Aboriginal people in remote parts of the state to achieve meaningful outcomes together.
The second report released today is the first comprehensive analysis of government-funded services in the Kimberley and the Pilbara at a regional level, mapped against the “Overcoming Indigenous Disadvantage: Key Indicators 2016”. These indicators measure the wellbeing of Aboriginal and Torres Strait Islander Australians. Conducted in partnership with UWA’s Centre for Social Impact, this study highlights the fact that Aboriginal outcomes differ significantly between areas within the Kimberley and the Pilbara, supporting the need for place-based services from government. There are significant differences in education, health and employment outcomes between regions. This report provides a baseline for government expenditure and outcomes in the Kimberley and the Pilbara, and will inform work between government agencies, other organisations and communities on developing place-based service systems.

These reports position us to make better-informed decisions about how we can support and empower the state’s remote Aboriginal communities to live fulfilling lives. In the coming weeks, the Aboriginal Regional Services Reform Unit will release a response to these findings and identify the next steps for engagement and our priority actions for some of the state’s most disadvantaged communities. I now table a copy of these reports to which I have referred.

[See papers 887 to 889.]

WORKPLACE FAMILY AND DOMESTIC VIOLENCE PAID LEAVE — PUBLIC AND PRIVATE SECTOR

Statement by Minister for Prevention of Family and Domestic Violence

MS S.F. McGURK (Fremantle — Minister for Prevention of Family and Domestic Violence) [9.08 am]: I rise to speak about workplace family and domestic violence leave and support. Reported incidents of family and domestic violence continue to show the extent of the problem in Western Australia, with an estimated 50 000 police call-outs in 2016. Nationally, one in four Australian women have experienced physical or sexual violence by an intimate partner. Western Australia has the second-highest rate in Australia of reported physical and sexual violence perpetrated against women, second only to the Northern Territory. We know that up to one in two Aboriginal women and children report experiencing family violence. They are also three times more likely to be physically assaulted by an intimate partner or family member, and five times more likely to be sexually assaulted compared with non-Aboriginal women.

Against this backdrop, we took a commitment to the election to introduce 10 days of paid leave for public sector employees experiencing family and domestic violence. As the state’s inaugural Minister for Prevention of Family and Domestic Violence, I was very pleased to support the Premier in this announcement in June, given that the government is the state’s largest employer. We also called on the corporate sector to show leadership on this problem that is impacting our workplaces as well as our communities. I am very pleased to say that BHP, Rio Tinto and a range of other companies have taken this important step. I congratulate BHP for its package of workplace support, which includes among its measures paid leave, additional sessions with an employee assistance program provider, flexible work arrangements, temporary accommodation and financial assistance. Keeping victims connected to their workplace is critical for promoting a safe and inclusive workplace culture and for supporting women to maintain financial independence. I look forward to more in WA’s corporate community demonstrating their commitment to safe, supportive, respectful and productive workplaces in this state.

WESTERN AUSTRALIAN FOOTBALL — HISTORY

Grievance

MR J.E. McGrath (South Perth) [9.10 am]: My grievance is to the Minister for Sport and Recreation. The history of Western Australian football dates to 1885 and Subiaco Oval has been the home of football since 1908. I am sure that the minister would agree that the ground reeks of the history of this great game. The old gates with turnstiles are heritage listed. Gates and rooms around the ground are dedicated to some of our famous names in football: Farmer, Walker, Cable and Todd. Our Sandover Medallists are honoured with a medallists walk along the corporate boxes capture the rich history of this great game. We are moving to a new stadium—a stadium that we all embrace that will help to establish Perth as a modern city. It is a world-class facility constructed with $1.4 billion of taxpayers’ money. It is a stadium for all sports, and we agree that it should be. It is a stadium for any sport that can attract a crowd of 40 000–60 000. It will attract international events in all sports, but every week of the football season we will see AFL played at that stadium.

My concern—the reason I am asking the minister to give the Parliament and the public some information—is where will the history of football be commemorated? Football will no longer have a home and no football will be played at Subiaco Oval. I believe the government’s plan is that maybe the West Australian Football Commission will remain located at the ground, but it will be mainly used for its programs of excellence to bring on champion players of the future, and a new secondary school will be built alongside it. West Coast Eagles and Fremantle will play at the new stadium, but there will be no home of football that we have known for over 100 years. We know this is progress; we are not opposed to that because a Liberal government built most of the stadium. We believed that football had to move from Subiaco Oval.
I believe a working group has been established to represent all the major sports’ memorabilia. Football is represented on that working group by George Michalzek, who I am sure the minister knows. He is president of the 200 Club, which has 450 members—that is, 450 Western Australians who over the years have played 200 games of league football at the top level. That is a commitment of 10 or 15 years of their lives to playing a game that has so enriched the lives of many Western Australians who follow our great competition. Also on the committee is Greg Wardell–Johnson. He is a football historian.

At the new stadium there will be any display of art that commemorates this history of the game? Leading up to the last game at Domain Stadium, The West Australian ran some very good features on the history of the game. We saw the famous photo of Polly Farmer jumping up above my boyhood idol Jack Clarke of East Fremantle. It is a time-honoured photo. There was also the photo of the John Gerovich mark, which is probably still one of the greatest football photographs taken anywhere in Australia, and the photo of Haydn Bunton, the Swan Districts captain–coach, being chaired off the ground in one of those three finals with blood streaming from a gash over his eyebrow. That was the great days of State of Origin, when I know the minister and his mates used to come up from Collie for that Tuesday afternoon. I do not know how he got the day off. If we do not capture that history of the game at the stadium, where will it be?

Will there be any recognition of those players in the WA Football Hall of Fame, particularly the legends? When I talk about the legends, I include names like Haydn Bunton, Barry Cable, George Doig, Polly Farmer, Steve Marsh, Merv McIntosh, Graham Moss, Jack Sheedy, John Todd, Billy Walker, John Leonard and Denis Marshall, who famously went away and played at Geelong and I think was runner-up for a Brownlow Medal. They are champions of the history of our sport. I also ask: will there be any mention or recognition—a wall—of players who have played 200 games? I understand that it is difficult to put everything in the new stadium that football wants. The other suggestion that has been made to me is that maybe we could have above every corporate box the name of a famous Western Australian sportsperson. I think there will be 101 corporate boxes. There would be easily 100 famous Western Australian sportspersons—I will mention some names in a minute. Another suggestion, which we looked at in government and the Premier thought we could do every second year, is that leading up to the ground we could have statues of famous Western Australian sportspersons, like they have at the Melbourne Cricket Ground. Herb Elliot is probably the most famous Western Australian sportsperson of all time, and others are Dennis Lillee, Marsh and McKenzie from cricket, Shirley Strickland, Farmer, Cable, Walker and Moss—all great names from a wide range of sports who have been so proudly recognised by Western Australians.

I want to make the point that this is something that is continually raised with me by football people. They love the idea of the new stadium but they are concerned that when Subi goes, the Western Australian Cricket Association ground will still be there, so it can have all the pictures of Lillee and the cricket greats, but where will the pictures of the great footballers be? That is why I raise this grievance with the minister today. I am sure the minister is as keen as anyone to make sure that not only are all sports recognised, but football is not forgotten.

MR M.P. MURRAY (Collie–Preston — Minister for Sport and Recreation) [9.17 am]: I thank the member for South Perth for the grievance.

I will say straight up that it is not assured that the AFL will play at the stadium; we are still waiting on that. I wanted to let the member know that.

Sports history is certainly something we must foster and keep. Good football clubs, or good clubs anywhere, keep their history in front of people. In fact, in my electorate on the weekend, I did a bit of a presentation on 50 years of the use of the stadium, to make sure that the people the member was talking about—the Cahills, the Todds, the MacIntoshes, you name it—get the recognition, because they were absolute household names. Anyone
remembering the radio days, before television, right up to the present, will know that those names have come up time and again. To be quite honest, in this job, it has been a pleasure to meet and talk to some of those people who are still around.

The goal of the strategy is to put some soul and life into the stadium. Bare concrete walls are certainly not the way to go. I have become a little confused, because at one stage I was told that the position of the stadium group was not to have any rooms named after individuals, and then the Dennis Cometti media box was suggested and is in process. There have already been some changes to what the group was saying under the previous government. I am trying to follow on from the work that was done by the previous government. The member will see that we have made no major changes; it is about allowing that group to proceed, and to work with sporting bodies to make sure that sports memorabilia are carried from one venue to the other. That does not mean to say that they will all be brought across, but what is left behind will go back to the appropriate club. It will not just be dumped or left behind. We will make sure that it is looked after and moved back to the clubs. I also remind the member that both the Eagles and the Dockers have new clubrooms. I had a look at the Fremantle facility, and it is sensational.

Ms R. Saffioti: Will it make them win more?

Mr M.P. MURRAY: They did not have a trophy cabinet; I did not look for that!

Both clubs have sensational new homes for the future. It is not as though they are moving without having a permanent home. I understand the idea of having the stadium recognise champions of the past, while leaving room for the champions of the future. We must remember that some players have now won Brownlow Medals and other top awards, not just in Western Australia but Australia-wide. We must have something similar to the footpath at Subiaco Oval, and areas like that.

Mr J.E. McGrath: What about the Sandover medallist wall?

Mr M.P. MURRAY: I am not sure about exactly what is being done about the Sandover medallist wall, but I will suggest to the committee that we lift those slabs and put them somewhere, because we should keep them. The member’s idea of the statue is another one worth considering, but we do not want the venue to be a clone of another stadium. We must think about things that are more appropriate to today’s thinking, and maybe doing it in a different way.

Mr J.E. McGrath: Just quickly, minister, I forgot to mention the sports museum at the stadium, for all the tourists and others who are going to visit. Have you talked about that?

Mr M.P. MURRAY: Its inclusion in the stadium certainly has been talked about for the tours of the stadium. Although the area is not yet available for tours, one of the best views of Perth is from the top of the stadium, and I think that we will see that, in time, and we will have another tourist attraction. I think it is a great idea. People do not necessarily have to come to a game to understand the history of our sport.

In the short time I have left, yes, we are looking at it. The committee formed by the previous government is working on it. I have had a briefing, and what I have seen so far is sensational. I did not pick up on the Sandover medallist wall, but I will certainly take that on board and see what I can do.

WESTERN AUSTRALIAN PLANNING COMMISSION — TELECOMMUNICATION SERVICES

Grievance

MS J.M. FREEMAN (Mirrabooka) [9.24 am]: My grievance is to the Minister for Planning. The issue is the provision of telecommunication services in subdivision applications. People may be wondering why we are talking about telecommunication here, but the issue is around subdivision applications, and the Western Australian Planning Commission.

When someone is building their first home, it is natural for them to assume that power, gas, water and a phone line—that is, telecommunication—would be part and parcel of the build when they move into their house. This was not the case for Ms Amy Blitvich, who, with her partner, built her first home on a subdivided block in Balga. Upon moving in, in July 2017, they found that Telstra could not connect the phone line as the developer had not made provision for the existing connection to reach the three houses that now occupy the previous single-dwelling site. The land was subdivided, the existing house was kept and two more houses were built on that block. There is a pit, but the issue is that the pit cannot connect to the three houses. Ms Blitvich and her partner have a brand-new house but no access to a telephone line, and of course no ADSL for the internet. This has led to significant costs for Ms Blitvich and her partner, as both are required to use the internet extensively for work and study. Currently, they are incurring costs of around $120 a week for wireless data provision.

Although the Western Australian Planning Commission subdivision conditions generally require that subdivision applications for existing blocks make provision for the separation of services such as water, gas, electricity and sewerage, they are not required to include telecommunication. Had Ms Blitvich and her partner lived in any other state of Australia, the subdivision conditions would include telecommunication, as other states have ensured telecommunication services are a requirement of such subdivisions. Telstra advised Ms Blitvich that the developer had not submitted an application for reticulation to ensure that each house within the development is connected to
the network. After much difficulty and investigation, Ms Blitvich contacted the developer, who then submitted the application. However, Telstra was unable to connect the three properties because the developer had failed to leave an easement between the properties that would enable a phone line to be fed down the back of the property from the existing pit on the property. It is worth noting that that also caused problems with the gas connection, but because that is a requirement the developer absolutely had to fix it.

Telstra maintains that because there was no requirement to ensure at the time of the subdivision application that telecommunication was provided, the developer or the builder is responsible to dig a line around the front of the properties from the current pit to a new pit that can cater for the three properties. Ms Blitvich was further told by Telstra that the failure of the developer to provide telecommunication services to each block was a breach of federal legislation, punishable by a fine of up to $25 000, but as the WA Planning Commission subdivision application does not require the inclusion of telecommunication prior to approval, the federal law is unenforceable in WA. Telstra has quoted a price of $10 000 to install the conduit to the three properties on the block and has contacted the developer, who has failed thus far to undertake the work or make payment to Telstra. The quote was valid for six weeks and expired at the end of September. Clearly, without that requirement in the subdivision application, the residents are vulnerable to the developer simply refusing.

One of the attractions of the land was that the houses were freestanding, so each had a green title, I think it is called. However, Ms Blitvich has been advised by Telstra that if the developer refuses to comply, the three property owners would have to form a body corporate—strata title—to pay for the installation. They could not do it separately and contribute; they would have to form a body corporate. Of course, this would impose additional costs to the $10 000 and would incur ongoing costs. That is not really a palatable option, given that the houses are currently freestanding. The frustration increased as Ms Blitvich contacted the Telecommunications Industry Ombudsman, who stated that, as Telstra was not at fault, the ombudsman could not take the complaint. Her inquiries to the Building Commission and the Planning Commission were equally fruitless. All the while, their house could be connected to the existing pit, but Telstra refuses to do this because it would leave the other two properties unconnected, so none are now connected.

I ask the minister what the Planning Commission can do to assist the residents, who just want a basic service that is required by federal legislation, but are apparently limited by the WA Planning Commission and the previous government’s inaction. Will the Planning Commission amend its requirements for subdivision applications to ensure that telecommunication is included in the services that are required, as is the case with other states and territories? I am not sure whether the minister can answer this today, but I would like to get some advice about whether Telstra is prevented from fining the developer because of the failure to include telecommunication services in a subdivision application, or is that just one way of Telstra saying that it is someone else’s problem?

On Wednesday, 18 October, an article in The West Australian titled “Big increase in NBN service complaints” listed Balga as one of the top 10 troubled suburbs. The article by Nick Evans stated —

In WA 13,623 people needed the Ombudsman’s intervention on intractable issues in the 2016–17 financial year—up almost 50 per cent on the previous year.

It went on to state that 1 913 issues were with connections—I think that is in Perth—and 6 003 with bills. It is really interesting that —

The spike comes after three years of declining complaints from WA to Ombudsman Judi Jones’ office.

Given that there have been massive subdivisions throughout Balga, I now question whether a lot of those problems may be due to developers lacking to make provision for telecommunications in those subdivisions. I ask that the minister give some relief. Obviously, it is really frustrating for Ms Blitvich and her partner. I understand that we have limited options regarding Telstra but we would really appreciate the minister’s attention to this issue.

MS R. SAFFIOTI (West Swan — Minister for Planning) [9.31 am]: I thank the member for Mirrabooka for this grievance. I am glad that she has brought this to my attention because it seems that failure in the state and commonwealth regimes has allowed this to happen. We have seen significant infill in the middle ring of suburbs and areas like Balga—the middle suburbs, in a sense—and we will see more infill over time with bigger blocks being subdivided or multiunit dwellings being built. The member has raised an interesting issue. I sought some background to understand the state of play. I will give the member that background and then discuss what we can do about it. My advice is that the telecommunications legislation is administered by the Australian government through the Telecommunications Act 1997, which states —

If the developer of a real estate development project is a constitutional corporation, the developer must not, in the course of carrying out the project, sell or lease a building lot or building unit unless a fibre-ready facility is installed in proximity to the lot or unit.

This basically covers incorporated developers, who are bound by that legislation. In most large developments, appropriate pit and pipe telecommunication infrastructure is being provided, as required for those covered by the legislation. However, there appears to be a legislative gap because unincorporated developers are not required to
provide pit and pipe infrastructure to lots. This has resulted in issues for some purchasers of lots in small subdivisions where developers have not provided that infrastructure to the lots. Purchasers have been left with underserviced lots that are sometimes difficult and expensive to retrospectively service. This is a significant issue because we are not talking about a couple of hundred dollars; we are talking about significant costs. Having to try to get everyone else to retrospectively share those costs is always a difficult thing. The member has outlined a real issue.

My notes go on to state that the Western Australian Planning Commission’s “State Planning Policy 5.2 Telecommunications Infrastructure” was gazetted in 2015. It encourages developers of all new developments to engage with telecommunications carriers. It outlines the policies that encourage developers to put in that necessary infrastructure and facilitate that core infrastructure. The reality is that telecommunications is right up there with gas and electricity as an essential service nowadays, particularly given the amount of activity we do over the internet. It is basically an essential service to the home. A number of state policies show that the state intent is to encourage and support developers to implement that infrastructure. Obviously, it is not working.

We will make further announcements over the next few weeks, but over the next six to 12 months we will establish a reform team in the Department of Planning, Lands and Heritage to identify some core issues on which we do not have the right policy settings to get the right outcomes. This will be one of those. Ultimately, this is about cost. Developers might say that it costs more at the front end, but it will cost everyone more to dig up existing pavement when the easement is not provided. It is a good issue; it is a serious issue. The reform team will be headed by someone within the department of planning, and I have asked John Carey, as the relevant parliamentary secretary, to assist with that reform process. We will identify issues that are key concerns for new homebuyers and also for the development industry to create a better system, more certainty and lower costs overall. This is one issue that I will ask the reform team to look at straightaway. I do not think this situation can continue when we are looking at more infill being undertaken across the suburbs. A lot of small to medium-sized developers are in the field identifying blocks for subdivisions. We want everyone to participate, but we want all new homebuyers to be treated fairly and have the basic infrastructure provided. I will ask my reform team to look at that as soon as possible to see what adjustments we can make to existing policies, rather than legislation, to require that everyone be treated fairly.

**GREAT EASTERN HIGHWAY**

*Grievance*

**MS M.J. DAVIES (Central Wheatbelt — Leader of the National Party)** [9.36 am]: My grievance today is to the Minister for Transport and relates to the state of Great Eastern Highway. I thank the minister for her consideration.

Great Eastern Highway runs directly through my electorate and is the major east-west road into and out of the state. This year we had some significant summer rains, which, no doubt, contributed to some of the failures we currently see. I have raised this with the minister, as have many of my constituents and those that use the road. Main Roads Western Australia has given me assurances that some remedial work is being done, but I think that the current state of the road and the sheer number of complaints and concerns I have received in my office warrants me raising it in this place. The complaints are not frivolous.

I am realistic about the huge task the minister has to work with local governments and the federal government to manage Western Australia’s enormous regional road network. This is the major highway in and out of the state and in all my time driving on the road, I have never seen it so bad. I have received feedback from people who have used the road for far longer than me over 40 years, including—I would like to put this on the record—Geoff Herbert. I jumped in a truck with him and did a run to Southern Cross from Merredin. He does that trip daily. When we contacted him, he commented that he had never seen the road this bad. On Tuesday, 10 October, Geoff Herbert drove on Great Eastern Highway in his prime mover and took the time to provide a very detailed description of the poor road conditions along the way. He travels that 544 kilometre return trip from Northam to Southern Cross almost daily and has done that since the 1970s with his business, Great Eastern Freightlines. At some points on the stretch between Northam and Southern Cross, potholes have pushed the adjacent road surface up so high that it hits the undercarriage of some small vehicles that travel on the road. The drivers are forced to slow down and swerve around the potholes to avoid damage. I have had people call my office to say that they are concerned about their safety on the road, particularly the kids who are driving smaller cars. I know that Main Roads has received a number of complaints at the Northam office about tire blowouts. A cost is associated with this because if the road user can prove that the road has caused that damage, Main Roads is obliged to consider their complaint and may have to pay for the repair or replacement of tyres. Geoff observed numerous potholes and surface separation issues between Northam and Meckering. Between Meckering and Cunderdin, near Burgess Road, there is severe tramlining and foundation degradation. Between Cunderdin and Tammin, a lack of maintenance has been exacerbated by significant rains. A lot of summer rains, particularly in that area, have obviously undermined the surface of the road. I am getting many complaints about the delaminated surface and severe foundation failure within the Tammin town site. There is severe delamination five kilometres east of Tammin in the eastbound lane, and five kilometres west of Kellerberrin. Geoff goes on to say, for those who do not know, that delamination refers to the loss of the wearing, coarse layer—the top most surface of the road that protects the sub-base. As a result, Main Roads has had to put “go slow” signs along this major highway, so people
I understand the significant issues on Great Eastern Highway, particularly over recent months. I have a good friend who lives in Moorine Rock whom I have been talking to about this issue, as she frequently travels the road between some formal notes about Great Eastern Highway. Basically, the extensive rains and flooding across the wheatbelt traffic—the police and the ambos. With the state of that road—I do not say this lightly—we are absolutely heading the communities along the highway is that when there is an accident, it draws in those who need to control the ambulance drivers to local government people to come out and manage that main piece of highway. The impact on catastrophic circumstances. That could have ended far worse than it did. As it was, it required everyone from ambulance drivers to local government people to come out and manage that main piece of highway. The impact on the communities along the highway is that when there is an accident, it draws in those who need to control the traffic—the police and the ambos. With the state of that road—I do not say this lightly—we are absolutely heading for a serious accident. Today, on behalf of those who use that road, I seek the assurances that the department has more than just the planning and design funding allocated, and that funding is actually allocated for repair and construction—some sections need a complete redo, particularly through Tammin and Kellerberrin—and also a time line for when this will occur. It is not acceptable for us to have that number of failures along such a significant piece of road, with no time line provided for the community and those who use it for freight transport, to ensure the safety of the people who use it between those communities and in and out of the state. It is hardly the welcome to Western Australia that we want to provide, and I am sure that the Minister for Transport agrees with that. I seek the minister’s assurance that these concerns are being heard and that there will be some real action in the near future.

MS R. SAFFIOTI (West Swan — Minister for Transport) [9.43 pm]: I thank the member for the grievance and I understand the significant issues on Great Eastern Highway, particularly over recent months. I have a good friend who lives in Moorine Rock whom I have been talking to about this issue, as she frequently travels the road between Perth to visit family and her home. The issue is a significant problem as a result of the weather. I will go through some formal notes about Great Eastern Highway. Basically, the extensive rains and flooding across the wheatbelt in February, the continued rains during winter and the heavy rains again in July and August have resulted, as the member is aware, in significant moisture in the road pavement, causing potholes and the failures of Great Eastern Highway that the member and many people are concerned about. Since July 2017, Main Roads has been actively trying to repair the potholes, and has repaired 2 900 potholes—an incredible amount—on Great Eastern Highway between El Caballo and Southern Cross. That seems to be the area that is of most concern. The areas significantly affected include Tammin, Cunderdin, the Goldfields Road intersection west of Kellerberrin and Hines Hill. Signage has been placed at some of these locations, warning motorists of the uneven road surfaces, and there have been some speed reductions at the Goldfields Road intersection, reducing the speed to 80 kilometres an hour. When there is poor visibility, potholes in particular are very, very dangerous. I experienced one when driving on Welshpool Road the other day. It blew my tyre and I had to pull over with my three kids. It happens, and when a person is far more isolated, the concern is even greater when they hit a pothole and the car is damaged, particularly if they have family in the car. It is not a good thing and of course it is a dangerous thing.

There were some maintenance cuts under the previous government. Maintenance spending was cut by 15 per cent over three years, resulting in a $150 million reduction across the state from 2014–15 to 2016–17. In the recent state budget, this government reinstated those lost funds, and an initial $50 million was provided for road maintenance in 2017–18, with the remaining $100 million provided over the following years. A contract to undertake permanent pavement repairs is pending and is anticipated to commence in November when ground conditions improve and the temperature rises. Of course, as members would be aware, even when there are significant issues, sometimes we have to wait for the rains to stop to go out in the right season to undertake those repairs. Main Roads has informed the public of the road conditions through its online travel map. Main Roads will continue to monitor the condition of Great Eastern Highway and undertake maintenance repairs in the interim. There are also issues to do with the maintenance contract more generally, and other issues that we are sorting through as part of our continued focus on regional roads. Main Roads has also commenced planning for various upgrades and improvements on Great Eastern Highway. They are more significant upgrades, so it will seek funding through the federal budget process and then see how the state can match that or provide its contribution. Those funds will be sought as part of the national partnership agreement negotiations, and, of course, in meetings with the federal minister, we are always looking at programs of improvement. We have seen significant works on Great Northern Highway. We also announced some significant projects for the goldfields—Esperance region, in the regional roads safety package in the wheatbelt region, but as it is Great Eastern Highway, we will continue to work with the federal government on securing further funds for longer-term repairs.
Those are the three parts. We have been fixing the potholes as fast as we can; we have a permanent paving repairs program that is likely to commence in November when the grounds conditions improve and the temperature rises; and we are seeking further federal funding as part of the next round of national partnership agreement negotiations.

It is a vast road network. It is always hard to try to make sure that we are on top of every part of the road, but Main Roads does a very good job. I have been impressed with its communications with local communities, in particular throughout the wheatbelt and the great southern. We are aware of the issue, and in particular on Great Eastern Highway as result of the significant weather conditions. There has probably been an underspend in maintenance over recent years, so we are catching up to make sure that those roads are in a safe condition. We are doing what we can, given the weather and funding constraints, to improve the safety and the quality of that road.

FORRESTFIELD–AIRPORT LINK — TRAIN STATION — REDCLIFFE

Grievance

MS C.M. ROWE (Belmont) [9.48 am]: My grievance on behalf of residents of Redcliffe and surrounding areas is to the Minister for Transport, Hon Rita Saffioti, MLA, regarding the naming of the local train station on the Forrestfield–Airport Link. I thank the minister for taking this grievance. As the minister knows, significant development is occurring in this pocket of Redcliffe, and I have raised a number of local concerns regarding the ongoing and substantial developments in the area, including residents’ wishes to revisit the naming of the train station. The local station will be a terrific asset for our area, benefiting our community and surrounding catchment areas by providing a bus and train interchange. It also includes the provision for residents to park at the station. When completed, it will be only a 15-minute journey to the Perth CBD by rail, and it will service future business and residential developments, proving a significant boost to the local economy in the long term.

When the project was initially announced, the station was to be named Airport West. But then in early 2016, the then Liberal state government announced that the station name would be changed to Belmont. Many local residents were not enamoured with the name Airport West, but were further surprised and disappointed that the station would be renamed Belmont, despite being five kilometres from the centre of that suburb. Residents feel that there was very little or no consultation about the name change and that the name does not at all reflect the locality of the station. Having listened to my constituents, I firmly believe that there is broad local support for changing the station name. I use this opportunity to once again raise this issue directly with the minister and request a process of engagement with local residents to seek their opinion on the naming of the station. A great number of locals have contacted me since the election, lobbying for a name change that reflects the local area and its history, and I believe that this government should consider that, as the previous decisions were made with little input from the local community.

MS R. SAFFIOTI (West Swan — Minister for Transport) [9.51 am]: I thank the member for Belmont for that grievance about the name Belmont station for a station that is not in Belmont. Of course, it is an exciting project. The Forrestfield railway line is part of our Metronet plan and we are very excited with the progress on that project.

The ACTING SPEAKER (Mr S.J. Price): So am I.

MS R. SAFFIOTI: I know, Mr Acting Speaker, you are very excited too. I can advise the member for Belmont that Grace the tunnel-boring machine is over 600 metres into its journey and Sandy the tunnel-boring machine either has started or is just about to start, so both tunnel-boring machines are on their way to Bayswater. The first stop, of course, is the international airport.

I know the community, and particularly the community of Redcliffe, has had some concerns about the naming of the station. We also know that the City of Belmont and the state government are looking at that area as a significant transport-orientated development—a metro hub. Some planning work on that station precinct commenced a while ago. We are revisiting that with the City of Belmont to get housing outcomes. I do not think we fully appreciate yet how this precinct can be a great place for people to live. It will provide proximity to the city and good jobs in the airport district. The station precinct will be home to a lot of people and a really excellent place to live. For those people who want to stay there and those people who want to further develop their blocks, there will be enormous opportunities over many years to create a vibrant and active precinct. A lot of people will want to move there because of its proximity to amenities. As I said, it will have a world-class train station, the city centre, jobs, the airport—you name it. It is a very, very exciting project.

The name of the station has always been an issue that has interested me; it is curious to name a station after the electorate and not the actual suburb. I know that the member for Belmont, the council and the community have raised concerns about the name of Belmont. The council has recommended that the name be changed. Upon hearing that advice, and talking to the member, the Public Transport Authority will be undertaking further consultation about the name change. In the next couple of days, it will release a survey that will invite comments and contributions about a preference for a name, be it Belmont or Redcliffe. We will use that information and look at what the City of Belmont has been doing for the station name and then get a final conclusion on that. I am sure that the member will participate in that program. The naming of stations is always a vexatious issue. But I think given that this station is in Redcliffe—
Mr Z.R.F. Kirkup: You could just call it Redcliffe station.

Mr A. Krsticevic: You don’t have to waste money on a survey.

Ms C.M. Rowe: It’s called engagement with the community.

Ms R. Saffioti: We want the community to be involved.

Several members interjected.

The Speaker: Members! Grievances will be heard without this sort of continual debate.

Ms R. Saffioti: I know that the opposition does not enjoy genuine community engagement. When the former government changed the name of Esplanade station to Elizabeth Quay station, how much did that cost? It did it without consultation. This is about changing the name, potentially, at the right time, and not in three years, as the former government did with Elizabeth Quay. How much was spent on changing the station name to Elizabeth Quay? Was it about $400,000? It changed all the timetables and all the signage to do with the Elizabeth Quay station. Do not talk to me. This is about consultation with the community.

[Interruption.]

Ms R. Saffioti: Maybe the opposition Whip should turn down the volume on her phone. That is someone from Elizabeth Quay station calling, “It wasn’t $700,000. How much was it?” This is about early genuine community consultation so we do not have to go back and change all the signs, all the maps and every internal sign on every train, just like the former government did when it changed Esplanade station to Elizabeth Quay for the political priority of calling it Elizabeth Quay. Do not talk to me about changing station names, because I have a good recollection of what the former government did. This is about genuine community consultation. I thank the member for Belmont for raising the grievance. I look forward to the interaction and talking to people. I know, again, that the opposition does not like to talk to the community because it might learn something, and I do not think the opposition enjoys that. I look forward to doing genuine community consultation and seeing how we go.

JOINT STANDING COMMITTEE ON THE CORRUPTION AND CRIME COMMISSION

Fifth Report — “Current Committee Confirmed: Clarifying the legal composition and powers of the Committee” — Tabling

Ms M.M. Quirk (Girrawheen) [9.57 am]: I present for tabling the fifth report of the Joint Standing Committee on the Corruption and Crime Commission, titled “Current Committee Confirmed: Clarifying the legal composition and powers of the Committee”.

[See paper 890.]

Ms M.M. Quirk: At the outset, I thank for their conscientious efforts and diligence, the committee’s research staff: principal research officer, Alison Sharpe, and research officer, Vanessa Beckingham. I also appreciate the efforts and commitment of committee members: deputy chair, Hon Jim Chown, MLC; and members Matthew Hughes, MLA, the member for Kalamunda, and Hon Alison Xamon, MLC. I remark that our work is not hampered by base partisanship, but proceeds with amicable cooperation and a mutual desire to use our best endeavours to undertake quality work that will stand up to close scrutiny.

Upon the commencement of the fortieth Parliament, the nomination of committee members for the joint standing committee caused a level of hysteria and controversy. It was argued that the appointment of two members of the government from the Legislative Assembly, and a member of the opposition and a member of the Greens party from the Legislative Council, was contrary to legislation and defied established conventions. In raising these objections, the opposition unwisely decided to single out for denigration Hon Alison Xamon, MLC.

Several members interjected.

Ms M.M. Quirk: She is a member of the Greens party in the Legislative Council. This was unseemly, given that the objection was ostensibly a matter of high principle.

Several members interjected.

Ms M.M. Quirk: Such an approach was unworthy and undermined the credibility of the objections.

Mrs L.M. Harvey interjected.

The Acting Speaker: Deputy leader!

Ms M.M. Quirk: Mr Acting Speaker, I seek your protection. This was unseemly, given that the objection was ostensibly a matter of high principle. Such an approach was unworthy, undermined the credibility of the objections and served to reveal a more venal political motive.

The position asserted ad nauseam was that there needed to be an opposition committee member appointed from the Legislative Assembly. This was not a view with which the government concurred. Reliance by the opposition was selectively placed on some provisions in the Corruption and Crime Commission Act itself and also on past practice and convention.
As late as last week, the member for Carine felt it necessary to reiterate the argument. I quote in part what he said on Thursday, 12 October —

We have had a lot of discussion in this fortieth Parliament about the membership of the Joint Standing Committee on the Corruption and Crime Commission and whether the committee has been formed properly and legally. Obviously, the Labor Party has the numbers in this place so it can do what it likes. It is interesting that a week or two after the committee was formed, a highly accredited academic gave members a speech about how to interpret legislation. She said that Parliament makes the legislation and the judiciary interprets and applies that legislation. In the formation of the Joint Standing Committee on the Corruption and Crime Commission, the Parliament both made the legislation and interpreted and applied it. I am concerned that if in the future a new commissioner was appointed and there was not bipartisan support, someone might decide to challenge that in the Supreme Court or the High Court. They might look at the legislation, the conventions under which the committee has been formed in the past, the debate in the Parliament and the influence of the politics of the day. It would not take a knowledgeable lawyer long to pull that together and say that is very different from past conventions. From my perspective, the Corruption, Crime and Misconduct Act 2003 is pretty straightforward. I am not a lawyer, so I read these words at a very basic level in terms of what they say, not how they can be twisted or turned around. Our bible for interpretation is, of course, the Interpretation Act. That act states that if the legislation covers a certain point, the Interpretation Act does not need to be looked at.

I am concerned about the politics around the way in which we have set up the Joint Standing Committee on the Corruption and Crime Commission. I would hate to think that if a new commissioner was appointed, a tricky lawyer might be able to use the processes around the formation of this committee to get a lot of people off their prosecutions. I would hope the chair of the committee has made inquiries at the highest levels into the complications of that political decision. I would hate to think that the way in which Parliament has interpreted the legislation might impact on the ability of the Corruption and Crime Commission to charge and prosecute. The role of this Parliament is to apply the legislation. The government should have gone to the State Solicitor or another higher authority and said, “We are doing this for political reasons. We want to stack the committee in a certain way.” The government could be doing that as a favour to the Greens, or because it wants to put another member on the committee so they can get their extra allowance. The government should —

Mrs L.M. Harvey: What a load of rubbish!

Ms M.M. Quirk: This is what the member for Carine said in this place last week! It is so the government can get its extra allowance!

Dr M.D. Nahan interjected.

The ACTING SPEAKER (Ms J.M. Freeman): Members! The member should be heard in silence. It is a committee report.

Ms M.M. Quirk: I have never heard such objection to quoting directly from Hansard. It is quite extraordinary.

The member for Carine continued —

The government should be honest with the State Solicitor about its —

Mrs L.M. Harvey interjected.

The ACTING SPEAKER: Member for Scarborough, I will call you if you do it again.

Ms M.M. Quirk: The member for Carine continued —

The government should be honest with the State Solicitor about its reasons for doing that.

As the member for Carine was saying that last week, I was thinking that he would be very pleased with the report we are presenting this week. In fact, we were in the process of seeking legal opinion from a senior counsel. Before I go into the content of that opinion, I have to say that the raising of these objections initially had the effect of delaying the establishment of the committee and its work. It also created an unacceptable level of uncertainty about the legal competence of committee members. Out of an abundance of caution, the committee resolved to seek the opinion of Senior Counsel to resolve the matter once and for all. Given that a legal opinion has now been sought and tabled, I know that the member for Carine, for one, will welcome its tabling. I will canvass the findings shortly.

The choice of Senior Counsel to provide an independent opinion for the committee and Parliament was undertaken by the Clerk of the Assembly alone and the committee was advised only after the selection was made. Mr Pettit is
eminently qualified to undertake this task. His background, expertise and qualifications were detailed by former Chief Justice David Malcolm in 2002 at the time of Mr Pettit’s appointment as Senior Counsel. I quote —

Kenneth Malcolm Pettit was born on 5 May 1948 and educated at Governor Stirling High School and the University of Western Australia. He first qualified as a Pharmacist in 1969 and became a member of the Pharmaceutical Society in 1970. He subsequently graduated with a BA in Philosophy in 1977 and a LLB in 1987.

He was admitted to practise in Western Australia on 23 December 1988. He was employed with the then Crown Law Department from 1985–87 on a part-time basis whilst he was studying his LLB. From 1988–95, he worked full time at the Crown Law Department mainly in matters dealing in constitutional, administrative, industrial, commercial and criminal law. From 1994, he also dealt with matters in relation to Native Title.

In July 1995, Mr Pettit commenced practice at the Independent Bar and joined the Western Australian Bar Association. He has practised widely in large commercial matters, administrative and constitutional law, public sector inquiries and investigations, some criminal prosecutions, industrial law and native title litigation. He has also recently been appointed Counsel Assisting the Royal Commission into whether there has been any corrupt or criminal conduct by Western Australian police officers.

Mr Pettit is a member of Western Australia Bar Association and in 1998 was a member of the Bar Council. He is a member of the Law Society of WA, the Australian Institute of Administrative Law and the Western Australian Industrial Relations Society. He is also a Board Member for the Diabetes Research Foundation.

Mr Pettit has also served on various company and government boards. I note that the previous government appointed him on the Pilbara Ports Authority. Mr Pettit is thanked for his prompt consideration of the issues raised and his unequivocal conclusions will ensure that the highest level of certainty prevails in the future.

The following findings were made, as stated in the committee report —

Finding 1
The current composition of the Joint Standing Committee of the Corruption and Crime Commission, being two Labor members, one Liberal member, and one Greens member, is compliant with the Corruption, Crime and Misconduct Act 2003.

Finding 2
Achieving “bipartisan support” would require both Labor members’ support as well as the Liberal member’s support.

Finding 3
The definition of “bipartisan support” in the Corruption, Crime and Misconduct Act 2003 does not mean nor imply equal numbers of members from the major parties. It means only that there must be no dissent by any member of the Joint Standing Committee on the Corruption and Crime Commission who is a member of one of the two major parties.

Finding 4
The definition of “bipartisan support” in the Corruption, Crime and Misconduct Act 2003 implies that the Joint Standing Committee on the Corruption and Crime Commission may have one or more members who are not from the two major parties. If the Act intended that only members of the two major parties could be members of the Committee, there would be no need to require majority support in addition to bipartisan support.

Finding 5
The Corruption, Crime and Misconduct Act 2003 does not require the Joint Standing Committee on the Corruption and Crime Commission’s membership to be bipartisan; it only requires certain functions to have bipartisan support within the Committee.

Finding 6
No member of the Committee, including the Greens member, is precluded from any function of the Committee under the Act.

Finding 7
The Committee reiterates that specific legislative requirements take precedence over perceived past conventional practice.
Finally, there was some contention as to what we should call the report. In the end we opted for the bland if alliterative “Current Committee Confirmed”. I momentarily considered a title more descriptive of the saga that has evolved over the past months. I thought that something like “Statute’s Words Beat the Vibe Hands-Down!” would have been in order. However, I was overruled.

We now look forward to concentrating on substantive issues in our future deliberations.

MR M. HUGHES (Kalamunda) [10.08 am]: I have a few comments to make but, before I do, I also would like to emphasise the harmonious way in which this currently composed committee is setting about its business.

Mr C.J. Barnett: It’s a disgrace and you know it.

Mr M. HUGHES: The member for Cottesloe — Several members interjected.

Mr M. HUGHES: Member for Cottesloe, give me the opportunity to voice —

Point of Order

Mr D.A. TEMPLEMAN: As per the standing orders, the report is being tabled and spoken to by the members. They need the respect of the house in terms of their capacity.

The ACTING SPEAKER (Ms J.M. Freeman): I do not think that is a point of order.

Debate Resumed

Mr M. HUGHES: Member for Cottesloe, I have copious notes on this but maybe I will just freewheel a bit.

Point of Order

Mr S.K. L’ESTRANGE: Madam Acting Speaker, can the member please stick to the report that he is to address and not start relating to members of the opposition.

The ACTING SPEAKER (Ms J.M. Freeman): I am not sure that that is a point of order either, member for Churchlands.

Several members interjected.

The ACTING SPEAKER: Members! I am now speaking, so you will all be quiet. Member for Kalamunda, stick to the report. That will be great.

Mr A. Krsticevic interjected.

The ACTING SPEAKER: Member for Carine, I am perfectly capable. Can we all be quiet. I am not averse to calling you. We are a long way from question time.

Debate Resumed

Mr M. HUGHES: As I was saying, the current committee, despite the controversy about its composition, is working very effectively.

I am pleased to report to the house, just to ensure that we can go into the future of this Parliament in confidence, that legal opinion was taken and provided by an eminent member of the legal profession, nominated not by the committee but by the Clerk of this house, in order to assure the house that the decision that the house took on the composition of this committee was lawful.

Mr C.J. Barnett interjected.

The ACTING SPEAKER: Member for Cottesloe!

Mr M. HUGHES: Notwithstanding the fact that — Several members interjected.

The ACTING SPEAKER: Just speak to me, member for Kalamunda, and I will talk over the top of them.

Mr M. HUGHES: Right from the outset, the genesis for the doubt that was cast upon the composition of this committee emanated from the member for Cottesloe. In that respect, it would be pertinent for me to make reference to the sweeping statement that the member for Cottesloe made in this direction, stirring the cold ashes of WA Inc about the decision that had been taken by this house as a direct consequence of the decisions that had been taken in the upper house. I take a great deal of joy in the decision that this house made, acknowledging the fact that the composition of this Parliament has interests other than the two major parties. The legislation requires that we have equal representation from both houses of Parliament. It does not imply that both houses of Parliament, in relation to their members, have equal numbers from the government benches and the opposition benches. That has been confirmed by the legal opinion, members opposite, member for Cottesloe. This infers that if it chose to, this house could have one member from the government benches and one member from the opposition benches or not. It does not really matter. What matters — Several members interjected.
The ACTING SPEAKER: Take a deep breath. Member for Kalamunda.

Mr M. HUGHES: I am trying to give voice to my opinions but members opposite are more than happy to shout down anyone who does not agree with their fettered opinions about the way in which they see this government as intent on corrupt practices. That is their mantra. That was their motive. The first time I heard the member for Cottesloe speak in this house, he was sullying the reputation of the members opposite in this government and also the member in the upper house. He is a disgrace. The member for Cottesloe is yesterday’s man. He needs to get used to the idea that he led a failed government and we have a government that is prepared to govern this state in the interests of the people of this state rather than the sectional interests that he represents in this Parliament.

Mr C.J. Barnett: What a joke this has become.

Ms A. Sanderson: You’re a joke.

The ACTING SPEAKER: Member for Morley, I am on my feet. Member for Kalamunda, I am still on my feet.

Mr M. HUGHES: I am eager to get back —

The ACTING SPEAKER: I am still on my feet, and you do not speak when I am on my feet. We are all going to calm down if for no other reason than Hansard needs to take notes and we are going to respect the people who are employed in this place, even if we do not respect the people who are elected to this place.

Mr M. HUGHES: Madam Acting Speaker, I apologise for raising my voice but the clamour from the opposition benches —

The ACTING SPEAKER: Member, speak on the report.

Mr M. HUGHES: I intend to do that. The opinion provided by —

Several members interjected.

The ACTING SPEAKER: Members, stop it.

Mr M. HUGHES: — Mr K.M. Pettit is clearly an indication of what is required, with this notion of bipartisanship and specific functions of the appointed officers—the Corruption and Crime Commissioner, the acting commissioner and the Parliamentary Inspector of the Corruption and Crime Commission. There needs to be bipartisan support. There could be no clearer indication that that is what bipartisanship means. There is an implication that when making these determinations, the committee needs to make a majority decision, which is an indication that it makes way for the possibility that the membership of that committee is made up of members other than members of either the government benches or the opposition benches. I applaud that interpretation of the act because it provides the opportunity for minor parties to be involved in the process of the Corruption and Crime Commission committee. It exposes the work of that committee to an even greater sense of the democratic processes than the narrow interpretation that was placed upon it by the previous government—those on the opposition benches currently.

Several members interjected.

The ACTING SPEAKER: Members, I have a 21-year-old son and I do not have to tell him off in the same manner. I get that you are upset. I get that it is controversial. I am happy to call you to try to make you have respect for the speaker and respect for Hansard. I now ask you again to have respect and stop your constant interjections. We have got it. You are upset. Please stop interjecting. Let the speaker speak and then you will have your opportunity.

Mr C.J. Barnett interjected.

The ACTING SPEAKER: I am going to start calling people, member for Cottesloe. You know the standing orders.

Mr M. HUGHES: It is very difficult to maintain one’s train of thought. However, in the opinion provided, Mr K.M. Pettit, SC, states —

I have noted from the debate on 13 May 2004 that the Parliamentary Committee considered that the former Joint Standing Committee should have even numbers in order to allow a balance between membership from the ruling party and membership from non-governing parties. That is a matter for the Parliament.

Parliament has decided on that.

It is not required by the Act, notwithstanding it’s obvious merit.

What is of interest to me is the conflation that we would simply limit the membership of the committee to two from the opposition benches and two from the government benches when, in fact, a broader interpretation of the act permits the membership of that committee to have membership from other parties, hence the reference to a majority and bipartisan position in certain decisions of the committee.

Mr Z.R.F. Kirkup interjected.

The ACTING SPEAKER: Member for Dawesville, I call you.

Mr M. HUGHES: Therefore, it is with great pleasure that we present a unanimous report from the committee on the findings of counsel.
MR P.A. KATSAMBANIS (Hillarys) [10.19 am]: Madam Acting Speaker, I seek leave to speak on this report.

Mr M. Hughes: No, you can’t.

The ACTING SPEAKER: Is leave given?

Mr D.A. Templeman: Yes.

Leave granted.

Mr P.A. KATSAMBANIS: I hear some dissenting voices coming from the government benches. I thought that after the shemozzle that was the appointment of this committee, I would not see a more partisan political process in this place in relation to this committee during the rest of the term of the Parliament. Unfortunately, after what I have witnessed this morning, it is clear that the path that was set on the appointment of this committee will continue, at least through the tabling of this report and, unfortunately for the people of Western Australia, probably into the future. I will get on to what has happened today in a minute, but first I will talk substantively to the fact that here is the first report of the Joint Standing Committee on the Corruption and Crime Commission to be tabled in this Parliament by the new committee and not one member of the opposition bench has the opportunity to properly stand up in this chamber and explain what went on in the committee or what is in the report, because the first time any member of the opposition in this chamber has seen this report, has had any input into this report or has known anything about this report is a few minutes ago when it was tabled in this chamber. A few short months ago, the Labor Party in government chose to use its numbers to overturn every single convention since this very important committee to oversee the Corruption and Crime Commission, the body charged with fighting corruption and crime in this state, was first established. The Labor Party chose not to allow any opposition member to have a say on this committee. It did not allow a Liberal member of this chamber to be on the committee and it did not allow a National Party member to be on this committee. The only members of this chamber who are on this committee are Labor Party members—government members—which was done by the sheer exercise of the weight of numbers of the governing party, the Labor Party. Labor Party members know how to stack. They are experts at stacking. That is what they have done with this committee. This committee may very well —

A government member interjected.

The ACTING SPEAKER: Member for Kalamunda, you are not in your seat. If you are going to interject, go back to your seat. Members, I very purposely tried to protect the members of the committee and I will do the same now. Please listen to the member in silence and then we can move on.

Mr P.A. KATSAMBANIS: The composition of the committee may very well be legal. There will be opinions of the legality of the committee obtained from all sorts of counsel, including the eminent counsel whose opinion has been sought. It may very well be legal, but it is still improper. I will get onto that in a minute. It is improper because, apart from being a legal process, it is a parliamentary process of parliamentary scrutiny.

Ms M.M. Quirk interjected.

Mr P.A. KATSAMBANIS: The chair of the committee has had her go; let me have a go! She came in here and smeared all of us!

Several members interjected.

The ACTING SPEAKER: Member for Kalamunda, member for Girrawheen and member for Bunbury, it is not for you to make commentary; it is for the speaker on their feet. The standing orders say that you do not interject. Member for Girrawheen, I am on my feet. Let us all take a deep breath. We are going to start again and let the member for Hillarys continue.

Mr P.A. KATSAMBANIS: Thank you, Madam Acting Speaker. It is improper to avoid parliamentary scrutiny. A parliamentary committee ought to be scrutinised in this chamber, not in a court of law and not by obtaining legal opinion from an eminent silk. I have no doubt that Mr K.M. Pettit, SC, is an eminent silk. I am sure his opinion is valid. I have not had a chance to read it, because it has just been tabled. Not one member of my party has had a chance to read it. Not one member of the National Party has had a chance to read it.

Several members interjected.

The ACTING SPEAKER: Member for Kalamunda, if you interject out of your seat again, I will call you!

Mr Z.R.F. Kirkup interjected.

The ACTING SPEAKER: Member for Dawesville, you are on one! Do not push me.

Mr P.A. KATSAMBANIS: I note the first line of the advice, where it states —

Instructions

By letter dated 6 September 2017 from the Chair of the Joint Standing Committee … I have been asked to advise on these issues:
I am not sure that that is what the member for Girrawheen told this house a few minutes ago. I think she told the house that it was the Clerk who sought the opinion.

Ms M.M. Quirk: I signed the letter.

Mr P.A. KATSAMBANIS: Evidently, the member signed the letter. Here we go already—the very first line of the opinion and we are not actually sure whether what the member told the house is correct. We have not had the chance to properly scrutinise any of this. Yes, there is one member of the opposition from the other chamber who is a member of this committee. We know that members of the committee are not authorised to discuss committee deliberations with other members of Parliament. We know the extreme penalties that have applied to members who have breached that standing order in the past by communicating determinations of the committee outside of the committee. Even if there is a member of the other chamber who is a member of the committee, the do not have the opportunity to let us know. The opportunity of a member is to get up in this chamber and let the chamber and the public know of any concerns or any differences of opinion, because although it may well be a unanimous report—there are no dissenting findings—there are always nuances in each of the individual committee members’ views. All members who have served on committees know that. We know that at the end of the day we come to a compromise position or finding, but everyone has their own nuances and opinions on that subject. In this case, in such a critical committee—the Joint Standing Committee on the Corruption and Crime Commission—the opposition has been silenced in this place. We have been disenfranchised. That does not just silence and disenfranchise us; it does a lot of other far more important things than just denying us a voice.

Mr M. Hughes: Well, list them.

Mr P.A. KATSAMBANIS: I will. First of all, it is an improper abuse of parliamentary process and an improper interpretation of the conventions that have applied to this committee. Secondly, it denies the public of Western Australia appropriate scrutiny. Most importantly of all, it denies the committee total bipartisanship and of being seen to be above reproach. That is clearly required when it is a committee overseeing the Corruption and Crime Commission.

In the short time available to me, let me talk also about what happened in this chamber today. The chair of the committee tabled this report and went on a smear campaign against every member of the opposition bench in here—every member of the Liberal Party and every member of the National Party—by suggesting that in some way we had impugned the character, reputation or motives of a fine member of the other place, Hon Alison Xamon, who is a Greens member. We have never done any such thing. She is a good member of Parliament. I may not agree with her political beliefs, but she is a good and upstanding member of Parliament who does her job well. She would scrutinise the Corruption and Crime Commission fine.

Mr W.R. Marmion: She is hardworking.

Mr P.A. KATSAMBANIS: She is hardworking, as the member for Nedlands points out. We have done no such thing. They are words that the member for Girrawheen put into our mouths today. She is continuing to politicise the already politicised committee that ought to be above reproach. The government did not learn from the process of appointment that we went through in this chamber. It did not learn from the fact that the establishment of the committee created a stench about this committee. The member for Girrawheen came in here today and added to the stench. I will not even deign to give the member for Kalamunda’s contribution any consideration, because it was appalling. If it shows the standard of the people whom the Labor Party—the government—wants on this important committee, my goodness gracious me. The public of Western Australia deserves a hell of a lot better than what they are getting.

Where do we go from here? I do not know because this committee has obviously chosen to keep opposition members away from its deliberations and away from its thoughts. I make it clear: I do not cast any aspersions whatsoever on the legal opinion provided by Mr Pettit. I would have hoped that I or at least some other member of my party or an opposition member in this chamber would be given an opportunity to analyse this report before it was brought to the chamber for debate by being a member of the committee. That is what I am objecting to and that is what the opposition has objected to. Unfortunately, today, rather than coming in here and showing that the committee would work in a bipartisan way, the member for Girrawheen, the chair of this committee, has further politicised this committee, casting further doubts and further aspersions on what this committee will do in the future.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [10.30 am] — by leave: I find it extraordinary that any member on the government bench would seek to silence members of the opposition from speaking to a committee report. I would find it extraordinary to hear one member on the government side of the chamber say “No, you’re not allowed to speak to this report”, when it is by its nature so controversial.

Several members interjected.

The ACTING SPEAKER: Member for Girrawheen, can we listen to the member for Scarborough in silence. Let her speak for her 10 minutes in silence.
Mrs L.M. HARVEY: That is the arrogance we get from the government.

Point of Order

Ms M.M. QUIRK: Leave was given to speak to the report, not to cast aspersions on members on this side of the house. I ask Madam Acting Speaker to counsel the member to speak to the report or otherwise sit her down. Several members interjected.

The ACTING SPEAKER (Ms J.M. Freeman): Member for Scarborough, as much as the sentiment was said in that way, the actual point or order is correct. Leave was sought to speak on the report. Speaking on the report is what I would appreciate so that I can ensure that you have the opportunity to be heard in silence.

Debate Resumed

Mrs L.M. HARVEY: That is the case in point. The report has just been tabled in this place. This report is 11 pages. It has some legal interpretation.

Ms M.M. Quirk: Not enough pictures for you?

The ACTING SPEAKER: Member for Girrawheen! One more and I will call you.

Mrs L.M. HARVEY: What did you say? It does not have enough pictures in it?

The ACTING SPEAKER: Member for Scarborough, direct your comments to me. Talk to me.

Withdrawal of Remark

Ms M.M. QUIRK: I withdraw that remark.

The ACTING SPEAKER: Member for Scarborough, it is withdrawn.

Debate Resumed

Mrs L.M. HARVEY: This is extraordinary. Not only has the government used its numbers to stack the composition of this committee to ensure for the first time ever since the initial formation of this committee there is not a person occupying the opposition bench in the Legislative Assembly on this important committee that has oversight of the Corruption and Crime Commission — the first time in the history of the committee. When the government used its numbers to put two government members on the committee, the point we made during that controversy is playing out today. Not one member on the opposition bench has been privy to deliberations on this committee report. It has just been tabled. The legal opinion in the report apparently justifies the government’s position to use its numbers to stack the committee to ensure that not one opposition voice could form part of the deliberations of the very important committee that has oversight of the Corruption and Crime Commission. Although the committee might be legally constituted, there is legal constitution and there is also the ethical decision a government can make to allow bipartisan support and a voice from the opposition bench on the parliamentary committee that has oversight of the CCC. The government could have made that ethical choice.

Rather than getting on with the job of overseeing the CCC, the very first report tabled in this Parliament is accompanied by a speech from the chair of the committee in which she said we ruined her reputation. The member for Girrawheen ruined her reputation today with that atrocious speech. She came in here and as part of her speech — as part of a bipartisan approach to oversight of the CCC — picked off members of the opposition and used her time to criticise members of the opposition. Then we got the same from the member for Kalamunda. He used his speech to criticise the member for Cottesloe. How earth can that be construed as a bipartisan committee effort? It is not bipartisan. We have seen form from the member for Girrawheen. We now know that the member for Girrawheen is going to use this committee politically because her very first act as chair of the committee was to come into this place and politicise the deliberations of that committee. She has used it!

Point of Order

Mr F.M. LOGAN: Madam Acting Speaker has already directed the member for Scarborough to talk to the report and she is deliberately ignoring that direction to talk to the report. She has gone back to attacking the member for Girrawheen and attacking the member for Kalamunda.

Dr M.D. Nahan interjected.

Mr F.M. LOGAN: I am on my feet. That is in direct contradiction of what she was asked to do.

The ACTING SPEAKER: Shush! Member, the advice I have from the Clerk is that whilst we are looking at the report — that is certainly the case — I would ask that the member keep to the report. There is also the speech for the tabling of the report and the member can refer to the speech for the tabling of the report.

Debate Resumed

Mrs L.M. HARVEY: Thank you, Acting Speaker.
One of the great things about the Parliament of Western Australia is that it is a debating chamber and members are given the opportunity to respond to scurrilous accusations and to put on the record their views when they feel parliamentary convention has been turned utterly on its head by an arrogant government that having been swept to the government bench in a landslide victory thinks that it can put the jackboots on and stomp over parliamentary convention because it has the numbers. That has happened with this CCC committee. Every member of the Liberal opposition supports Alison Xamon’s appointment by the upper house.

Mr F.M. Logan: What about Jim Chown?

Mrs L.M. HARVEY: We support Hon Jim Chown. We have no problem with those individuals being part of the committee. Indeed, Hon Alison Xamon was nominated by the Leader of the House in the Legislative Council, Hon Sue Ellery, as the appointment from the government bench to the committee. The Liberal opposition, consistent with convention in the other place, appointed Hon Jim Chown. The agreement was that there would be a nomination from the government and opposition benches in the Assembly, but in a mad flat panic, the Premier, Hon Mark McGowan, determined that he would not have the balance of power in the committee and two Labor members were appointed to the committee.

The ACTING SPEAKER: Member, I know this will be controversial. I understand that you can talk about some of the comments, but you do need to keep to the report.

Mrs L.M. HARVEY: The report is on the composition of the committee, Acting Speaker, and that is what I am talking to.

Here we have it, and for the next four years of this Parliament every time the CCC committee deliberates on any matter—the CCC committee can look at police investigations, the actions of individual police officers and the conduct of officers who might be in an undercover operation, it can appoint the Parliamentary Inspector of the Corruption and Crime Commission and the Corruption and Crime Commissioner—and whenever any of those actions are taken or a committee report is tabled in this place, the opposition will get the duration of the chair’s and the member for Kalamunda’s speeches to read through a very important report tabled by the CCC committee to try to formulate a view and express with the Leader of the House that view on what has been tabled as part of that report. That is the only insight that the opposition will have into the deliberations of the committee in the Legislative Assembly. It is an appalling state of affairs and, in fact, the first time since the formation of the committee that members of both major parties in the Legislative Assembly have not been part of the Joint Standing Committee on the Corruption and Crime Commission.

As to the substance of the report, sadly, I have not had time to go through and read it all. I cannot give a considered opinion or contribute to a debate on the content of the report, because it has only just been handed to me, as it has with every member of the opposition. Whether we agree or disagree with the legal opinion put forward by Mr Pettit, we cannot form a view on that. We have not had time to look at the legal opinion, deliberate on it or seek advice ourselves. We cannot say whether that legal opinion is accurate or not. I have no dispute with the qualifications of Mr Pettit, but anyone involved legal deliberations will know that in a court of law, where there are legal counsel on both sides of an issue, each of those individual lawyers will put a completely different view to the court, depending on the parties who have employed them. Every single action in court has two legal opinions prosecuting completely different views on behalf of the clients. We have one opinion in this report. We do not have a cross opinion, and we have not had the opportunity to have that opinion examined or counter examined by any other individual.

It is really disappointing that the chair of the committee has used this as an opportunity to bag, belittle and undermine members of the opposition who hoped they might have an opportunity to be part of the committee. That is not an act of bipartisanship, and it certainly does not set the tone for future deliberations of the committee, when the two members from the government benches use their first speeches on a report being tabled in this house to quite controversially single out members of the opposition. It proves that there was never any intention of this government for the Joint Standing Committee on the Corruption and Crime Commission to be bipartisan and to have an impartial view of the operations of the Corruption and Crime Commission. I do not know what that means for this government, but without a good corruption watchdog looking at the activities of the government, and without an oversight committee —

[Member’s time expired.]

MR A. KRSTICEVIC (Carine) [10.43 am] — by leave: The chair of the committee read out part of the speech I gave on this issue the other week. The only part she missed out was where the member for Armadale made a comment about the quality of the speech, and how he thought that I made a very good argument about my concerns. I know that we all have a very high opinion of the member for Armadale, his legal opinion and expertise in that field, but I was disappointed when the government did not take up the other offer I made in that speech about tabling a report in one sitting week and then doing the speeches in the following sitting week, to allow members of the opposition to read the report, and get some information and background, to be able to make intelligent comments about that report. That would have added to the proper process by which this Parliament
operates. It would have given some recognition to elected officials, and the fact that we all have a right to represent our constituents in this democracy.

Shutting us out and not allowing us to participate in this debate in an informed way sends the wrong message to the people of Western Australia. Although the Labor Party had an emphatic victory at the last state election—it has 41 members in this house—and can do what it likes, it should not do what is wrong. The way this committee was set up is wrong on so many levels. I guarantee that over the next four years, as we debate every single report that comes into this Parliament on this issue, the regret will grow from week to week that this was not done in a proper and professional manner.

The Deputy Leader of the Opposition mentioned that two different lawyers—two different silks—can have two different opinions, and they can, but guess what. The judge can actually have a third opinion. He may not even go with the opinions of the two silks; he may come up with something completely different.

The ACTING SPEAKER: Or she.

Mr A. KRSTICEVIC: Or she, sorry. They may come up with something completely different. It was interesting that the member for Kalamunda, in his wisdom, said that this report is law—this is it; there is no other arbitrator. I am not sure what he has done with the judiciary. Maybe the Premier has other plans for the judiciary. Maybe it does not have a role to play in our society anymore.

The ACTING SPEAKER: Speak to the report.

Mr A. KRSTICEVIC: I do not know what the underlying message is from the member for Kalamunda, but I just want to tell the member that this report is not law. This report is one opinion, and there are many opinions. We have many lawyers in this Parliament, and they all have different opinions. The chair of the committee is a very eminent lawyer, and she obviously did not have a strong belief in what the right outcome was, which is why this report was commissioned, and why a silk was employed to give some guidance to the chair of the committee on the validity of the process, which she obviously had concerns about, otherwise she would not be tabling this report, and tabling this opinion. That just adds to the confusion about the validity of anything and everything that this committee does. It is a serious concern, and I implore the Premier to disband this committee and reform it. This has been done in completely the wrong way. It would send a good message to the people of Western Australia that the Premier, when he makes mistakes, is happy to step up and say that he has made a mistake, stopped democracy in this Parliament and stopped the opposition from having a voice on a committee, on which convention, history and the CCC act of 2003, allows the opposition to have a say. For the first time in the history of this Parliament, the government has stopped that, and the only reason it has stopped it is because it has the numbers, and it could not be bothered letting the opposition be on the committee.

Mr S.K. L’Estrange: Ignoring convention.

Mr A. KRSTICEVIC: It is not just ignoring convention, it is ignoring the legislation. We have one opinion, but when this goes to court and a judge looks at this—I have spoken to lawyers, and they say that judges look at the intent of the legislation, the second reading speeches, the laws, the conventions and what people in this Parliament are saying—they will say that the opposition does not agree with this. The opposition says this is wrong. This has never been the case, and it has only been done for political reasons. I am sure that when silks go to court and start reading through this and start talking to the judge about whether this committee has been composed properly, I do not think the judge will agree, because the people who make the laws do not think it has been done properly. They made this law, and they are saying this has been done in the wrong way. This has compromised this committee, and every single decision of the CCC, and this needs to be fixed up. When they have that debate, I am sure the judge will take all of those things into consideration.

I am sure that decisions and prosecutions will be compromised. That is a disgrace, and we should not allow it. It is our place in Parliament to make sure that the laws are upheld and that criminals are prosecuted and go to jail. I think that the composition of this committee may well stop criminals from being prosecuted, and may well stop people from being put into jail. Not only does this committee appoint the parliamentary inspector, it also appoints the CCC commissioner. If the CCC commissioner has been appointed illegally in the context of the law, or judges are able to say that the proper process in the legislation was not followed, would it not follow that every single decision of the CCC does not have the weight of the legislation and the intent of the Parliament behind it? I really think that we need to go back and review this.

The ACTING SPEAKER: Member, I caution you to speak to the report.

Mr A. KRSTICEVIC: I am. I am talking about the composition of the committee.

The ACTING SPEAKER: I caution you that you have leave to speak to the report.

Mr A. KRSTICEVIC: The member for Kalamunda talked about minor parties being involved. If the government wanted minor parties to be involved, why was the National Party not given the opportunity to provide one of the members?
Mr F.M. Logan: What is wrong with the Greens?

Mr A. KRSTICEVIC: The Greens are on the committee. We could have had someone from the National Party, the Liberal Party and the Greens. We could have had someone from four parties. It could have been really bipartisan by allowing four different parties.

Mr F.M. Logan: It is bipartisan.

Mr A. KRSTICEVIC: The National Party is not on there and it is the third biggest party in this Parliament. The Assembly has no representation. I know that the member for Cockburn says that we should sort it out with the upper house, but let us not forget that the Labor Party nominated —

Mr F.M. Logan interjected.

The ACTING SPEAKER: Minister!

Mr A. KRSTICEVIC: The Labor Party nominated Hon Alison Xamon for this committee. I have no problem with that; she is fantastic. She is holding the government to account. She is making decisions in the Assembly that the Labor Party regrets and does not like. I think she is a great member. I have no issues at all with her being on the committee. However, I do not think anybody in this house, including every member of the Labor Party, would disagree that if the Labor Party had been excluded from this committee, it would have been the end of the world — no member from the Labor Party on this committee! I have no doubt about that and I would agree with them. That would be inappropriate. In this Parliament we should never lower ourselves to that level and compromise the composition of the Joint Standing Committee on the Corruption and Crime Commission. We should never lower ourselves to that level and fill the committee in that way.

The ACTING SPEAKER: Member!

Mr W.J. Johnston: What’s up?

The ACTING SPEAKER: If you do, I will call you.

Mr A. KRSTICEVIC: I would support the Labor Party if it wanted to go back and review the composition of this committee and I am sure that everybody on this side of the house would support it. We sometimes lower our debate to what I think is an inappropriate level in this Parliament. Unfortunately, we need to raise our standards. We are all guilty of that. At the end of the day, the community is sick and tired of us bickering and throwing mud at each other. The community wants us to govern for the benefit of the people of Western Australia. I have no doubt that some members of the Labor Party agree that our committees should all be appropriately filled with representation from both parties. The Labor Party believes that it should be on all committees, as do we. In the Assembly we, unfortunately, cannot contribute to this debate in an informed way because we do not get a chance to look at this committee’s report until it has been tabled. We have no idea of what has happened behind closed doors. We have no-one representing us in this house to speak on our behalf and possibly with a different view, as the member for Kalamunda and the member for Girrawheen represent the Labor Party. I can guarantee members opposite that our view would not be that this is law. Our view is that the judiciary is the law. This is just opinion. We need to take a serious look at what has happened here, step back, take the politics out of it and fix this up.

DR M.D. NAHAN (Riverton — Leader of the Opposition) [10.54 am] — by leave: I just want to make a brief comment on this report. We have had many discussions on this over time. Let me make it clear that the Liberal Party’s position is that this is a misuse of power and this is an incorrect statement. The Liberal Party expresses a lack of confidence in the Joint Standing Committee on the Corruption and Crime Commission. We know that the Labor Party went against convention and the intent of the legislation when it —

The ACTING SPEAKER: Leader of the Opposition, you need to speak on the report.

Dr M.D. NAHAN: — purposely left out a member from the party of the Leader of the Opposition. The legislation and the committee was set up with the intent to have bipartisan support.

The ACTING SPEAKER: Leader of the Opposition, you need to speak to the report.

Dr M.D. NAHAN: Yes, I am. The issue is the legal composition and powers of the committee. I state quite clearly that we have a legal interpretation. As other people have argued, members could get legal interpretations on both sides. We do not know if the debate in the committee about the terms of reference was rigorous or whether the Labor Party chose alternative opinions and this is just one of them. We do not know that because we have been excluded from it. One issue is the legal interpretation of the black letter law. Clearly, the intent of the legislation, the second reading speech, and the precedent to date was that the committee would have bipartisan support in both houses, specifically from the opposition and the government of the day. The opposition in this case is the Liberal Party. The government knew that and purposely left it out.

The Labor Party has come in here and besmirched the reputation of people on this side. The chairman of the committee and the other Labor member of the Legislative Assembly on this committee have shown that they have politicised the committee. I emphasise that this is the Joint Standing Committee on the Corruption and Crime
Commission. It oversees one of the most important and powerful commissions in the state. It oversees crime and corruption, particularly in the public sector. This state has had two waves of corruption, which undermined the state’s standing and still cast a pall over the administration of the state. The first report by the services committee set up by the government argued that the administration of public services in the state is not up to scratch and that it is slow, tired and turgid. The reason for that is that the pall of WA Inc still haunts the administration of the state. This committee was set up to oversee the Corruption and Crime Commission. The government has gone against the intent of the legislation that set up a committee, the precedents, the position of the opposition and stacked it with two Labor members from this house. It excluded us but expects to have our support for this. On behalf of the opposition, I express in clear terms that we will be sceptical of every report that is released in the Assembly by this committee because of the way the government set up and argued for the committee. This report, how it was formed, and the arguments of the chairman of the committee and the other committee member from this house, show that their major intent is to politicise this committee and use it to attack us. That is a misuse of the committee’s powers that goes against the precedents and standards of this committee. It is quite a disgrace and it will come back to haunt the government. It will! Why would the government politicise the committee that oversees the Corruption and Crime Commission? Why would it purposely exclude the opposition from this house, where government is formed, from participating in that committee? Why would the government do it? Only a few conclusions can be come to. One is that the government has something to hide; and number two is that it might have something to hide in the future. Those are the only conclusions we can come to. Nonetheless, the government made the decision and on behalf of the Liberal Party in the Legislative Assembly I express a loss of confidence in the chairman and in this committee.

WESTERN AUSTRALIAN JOBS BILL 2017

Second Reading

Resumed from 18 October.

MR D.T. PUNCH (Bunbury) [10.59 am]: I would like to resume yesterday’s debate on the Western Australian Jobs Bill 2017. I was commenting on Hot Weld Fabrication, a company that had grown from a micro company into a very capable, high-capacity company. It is one of a number of fabricators in the Bunbury region and is more than capable of taking on government contracting and supply opportunities. Equally, we have some amazing civil contractors. I met with the Civil Contractors Federation recently and it was keen to pursue opportunities within government and have a better framework for being able to have a line of sight on contracting opportunities within government. I am sure that it will be making a very solid contribution to the interpretation of how this bill will roll out and how its members can take advantage of it. I am looking forward to briefing the Bunbury Geographe Chamber of Commerce and Industry, one of the largest regional chambers, on the opportunities of this bill. It is an incredibly proactive bill. It takes account of our obligations to the Australian Constitution and the free trade agreements at the commonwealth level, but it is absolutely proactive in working within that framework to drive opportunities for our local businesses in Western Australia. It does not leave it to chance as our predecessors’ did. It does not adopt a laissez-faire attitude. It is about government working actively with industry to pursue opportunities. I commend the bill to the house.

MR W.R. MARMION (Nedlands) [11.00 am]: I rise to speak on the Western Australian Jobs Bill 2017. I was amazed when I received a copy of this bill and read it for the first time. I appreciate the briefing we received from the three members of the departments that will have to manage this particular bill. How this bill has come together reminds me of an episode of Utopia. There is nothing in this bill, that I can see, that ministers or the Premier cannot implement without an act of Parliament.

Mr F.M. Logan: Rubbish, you did nothing, absolutely nothing.

Mr W.R. MARMION: Mr Speaker, I am being continually interjected on by the minister over there who did nothing and is doing nothing now.

The ACTING SPEAKER: Minister!

Mr W.R. MARMION: I will get back to the bill. We can work out the genesis of the bill like an episode of Utopia. It probably started with the bridge over to the new stadium.

Several members interjected.

The ACTING SPEAKER: Members!

Mr W.R. MARMION: The Labor Party decided there was an opportunity during the election when a bridge was being built overseas. The then opposition said, “Here is a great opportunity for the election. If a bridge is being built overseas, obviously there are jobs overseas and we would rather it be built in Western Australia. Let’s develop a policy around jobs in Western Australia.” I believe the genesis of this particular bill was probably the bridge
being built in Malaysia by a subcontractor, a contract that Main Roads had let to a South Australian company. Each section of that bridge was nearly 100 metres long, so it was going to be fabricated in two sections, shipped to Western Australia and the two components bolted together in one operation.

Mr F.M. Logan interjected.

Mr W.R. MARMION: I am not speaking to him, Mr Acting Speaker.

The ACTING SPEAKER: Minister!

Mr F.M. Logan interjected.

Mr W.R. MARMION: Mr Acting Speaker, I am losing my time.

Mr F.M. Logan interjected.

The ACTING SPEAKER (Mr T.J. Healy): Minister, the member has indicated he is not going to take your interjections. If you could please allow him to speak in silence, you can speak afterwards.

Mr W.R. MARMION: If the minister listens, he might learn something.

Mr F.M. Logan interjected.

The ACTING SPEAKER: Minister!

Point of Order

Mr A. KRSTICEVIC: The minister continuously interrupts to the extent that I cannot even hear what the member is saying, and I am sitting next to him.

Mr F.M. Logan: Hard luck, sit down!

The ACTING SPEAKER (Mr T.J. Healy): I will manage that.

Several members interjected.

The ACTING SPEAKER: Members, please allow the member for Nedlands to be heard in silence. Other members can make their contributions after that.

Debate Resumed

Mr W.R. MARMION: Here we have a bridge that is being constructed in Malaysia. All the components are assembled. I have not gone up there, but I have seen a photo and members have seen photos as well. The components of the bridge have all been assembled and welding had started. There were some issues around the ownership of the fabrication yard, and when the Labor Party got into power there was an opportunity for the Labor Party to say, “Let’s kill that bridge; let’s create a story of creating more jobs in Western Australia” and it re-let the contract. We have not seen it; we do not know anything about the contract and we do not know the cost of rescinding the job from the South Australian contractor for its development in Malaysia. There will obviously be a cost, because I have seen the photos. All the steel was there. This is an episode of Utopia. The Labor Party comes into government and someone comes up with a great idea: “Let’s create a jobs bill for Western Australia! Let’s promote that we are all about jobs!” As members on this side have already said, every single member in this house supports jobs in Western Australia. The bill is an absolute winner: “The Western Australian Jobs Bill.” No-one is going to argue against a bill that is all about Western Australian jobs. You beauty. Someone comes in and says, “We need a jobs bill.” The director general, who runs Infrastructure Australia —

Ms M.M. Quirk: Rob Sitch.

Mr W.R. MARMION: — Rob Sitch says, “But minister, we already have policies around local content and selection of Western Australian companies.” The minister replies, “Yes, but what happens if we have a South Australian or a New South Wales company, Mr Stitch?” Mr Stitch says, “Unfortunately, because of mutual recognition arrangements and the Constitution, we have to actually take those. We cannot differentiate between Western Australian tenderers, and South Australian tenderers or New South Wales tenderers.” The minister then asks what they can do and says, “I know what we can do!” They can still talk about local content, but they will call it a Western Australian Jobs Bill. No-one will know, no-one will read the bill and say, “Well, actually, local content means New South Wales, Victoria, Tasmania, Queensland, Northern Territory, ACT and New Zealand.” It could also mean any free trade agreement that has been signed up by the commonwealth; I know there are threshold limits depending on how large the contract is. The Western Australian government might let a very large contract and there might be an overseas company that has a free trade agreement with Australia, and because it is under the external affairs power, we do not have a say in that. As we all know, under the Constitution any commonwealth act overrides the state act. This would probably be overridden if it was a large contract. Indeed, it may be that an overseas contractor might get a job and we cannot do anything about it, despite this bill.
If I have time, I will go through all the elements of the bill one by one, and we will also be able to do it in more detail at the consideration in detail stage. My premise is that every single element of this bill, which I have read in detail, could be implemented by an individual minister making a direction to their department, including instrumentalties. I will use a typical example, such as the Water Corporation, which has a board. The minister can make a direction to the board and the direction could be, “I want a WA participation plan.” It is very simple. Every single minister sitting over there—we have got one interested minister sitting over there; well done, minister—and any minister who is watching on the monitor, could direct all departments under their power to implement a participation plan. There goes part 3. We do not need part 3 straightaway because the participation plan will be put in a statute, which means every single department when they go through a procurement process, because it is an act of Parliament, has to do it. But the minister just has to tell them they can do it. There is no difference. We spent nearly all week—we have not finished yet—implementing a bill that the government does not have to do, certainly for part 3.

Let us look at part 2. Part 2 outlines a Western Australian industry participation strategy. Lots of strategies have been developed.

Mr D.T. Redman: Where is that? Have you seen it?

Mr W.R. MARMION: I have not seen it. How the government explains it is very convoluted. I would hate to be the person who has to write a plan. I do not know how they would write it. I will read out clause 5—

(1) The Minister must develop —

Mr W.J. Johnston interjected.

Mr W.R. MARMION: Mr Acting Speaker, I cannot talk.

Mr W.J. Johnston: We know you don’t like WA jobs. Vote against the bill.

Mr W.R. MARMION: I love WA jobs. We all love WA jobs. WA jobs for WA. We are the party for jobs in WA.

Several members interjected.

The ACTING SPEAKER (Mr T.J. Healy): Member for Pilbara, I call you to order for the first time. Please allow the member to continue his remarks in silence. Minister, there will be a chance for you to contribute later if you seek it.

Mr W.R. MARMION: Thank you, Mr Acting Speaker, for your protection. As I was saying, part 2 refers to the government preparing a Western Australian industry participation strategy. The detail of the bill states —

(4) The strategy is not subsidiary legislation for the purposes of the Interpretation Act 1984.

Further, if someone wins a tender and someone has not followed the strategy, it does not negate the contract. There might be a problem with someone not following the legislation and contravening the strategy, and we could have the power to make that contract null and void. But it specifically states that it is not. Why do we have a strategy that does not have any power? As Minister for Science and Innovation, I released the innovation strategy. That was a very good strategy that had dollars attached, and the government has not changed it. I suggest that we do not need part 2 or part 3 of the bill because we can implement those initiatives through normal operations.

Part 4 refers to strategic projects, which are the very large projects. We will be able to determine whether this is true at the consideration in detail stage, but the way I read it is that the minister can raise the bar a bit higher. The minister can raise the bar on the big strategic projects and specify the specific elements of the participation plan to the procurement agency involved. When an agency develops a procurement project plan and people tender on it, it can include whatever criteria it likes. It could put that in now. Nothing is stopping an agency such as Water Corporation requiring that it see a tenderer’s participation plan as part of the tender process. For all the elements of the project, Water Corp could require the tenderer to specify how much WA content and WA labour it will use. It could be all the way through the supply chain. Let us pick a company. Let us use Civmec. Civmec may have to tender on a large road construction project, but it might have subcontractors. How far do we go down in the participation plan?

I have been involved in tendering on very large projects. I was paid as a consultant for Leighton to provide a small element of help on its tender on a very large project, which incidentally it lost. Thiess got that project. Leighton invested some hundreds of thousands of dollars in tendering on a job that it did not get. It is already a very expensive thing to do. Everyone that is tendering—in this case, it would have been John Holland, Thiess and Leighton—has to go right through the supply chain and determine who will be the subcontractors, who the different organisations are and what WA content they will have in the goods and services and labour. Some subcontractors may use the same people and a range of complications will arise. Let us say that a tenderer is good enough to add that red tape to its tender and then puts in its tender. Terrific. Then the government agency involved—let us use Water Corp as an example—has to have someone evaluate the tenders and go through another layer of red tape. They have to look at the participation plans and ask: Are they true? Has the tenderer pulled some things out of the air? Is it dinky-di? Will it really have 30 Western Australian jobs right through the supply chain? Do we have some faith in the subcontractor?
After the agency has done all that, it finds out that one of the subcontractors is from South Australia and does not have anyone from WA in its tender. The tenderer has been frank, put in its participation plan and said that it will use solely South Australian labour. However, another contractor might use only Western Australian labour. Under this bill, when it becomes law, the participation plans will be equal. They will have equal status because they are both local suppliers. The legislation states that a local supplier is one from Western Australia, South Australia, New South Wales, Victoria or Tasmania. The tenderers will have gone to all that effort to tender and someone will have gone through all that effort to evaluate the tenders, but they are the same. How long would it take to go through every individual before a contract even starts?

Mr F.M. Logan: Are you aware that there is a very similar provision in place now in Victoria and it is working very, very successfully?

Mr W.R. MARMION: I am just telling the minister —

Several members interjected.

The ACTING SPEAKER: Members!

Mr W.R. MARMION: The minister is trying to deflect from my main point, which is that this is a stunt. This does not have to be an act of Parliament. We are wasting this whole week on something that the Premier could just put out in a media statement: “All agencies will do a participation plan up to a certain threshold.” The other issue on which we do not have any certainty is the thresholds, because the government does not know. The poor old bureaucrats up the back there, who are, unfortunately, hiding, will come out at the consideration in detail stage. The government cannot tell us the thresholds, because it does not have any advice.

My premise is that this bill is a total stunt. I do not know whether they would even make a Utopia episode about this. It is too far-fetched. Rob Sitch would say, “What? The government is bringing in a bill for a strategy that it can already implement without a bill?” The government is creating all this red tape, locking it up, and creating a minister —

Several members interjected.

Mr W.R. MARMION: Now that government members are interjecting, I will give them an example. From this side of the house, we —

Several members interjected.

Mr W.R. MARMION: I will give members an example of how we can do this. For the red tape reduction strategy, did we bring in a bill? Did we bring in the red tape reduction bill? No.

Mr W.J. Johnston: You did.

Mr W.R. MARMION: No, we did not. We had a strategy.

Several members interjected.

The ACTING SPEAKER: Members!

Mr W.R. MARMION: This is the spin that government members use. They change the words. I got only one sentence out. I am explaining that the strategy and the minister involved had nothing to do with the bill. The Premier said that we will have a red tape reduction strategy.

Mr W.J. Johnston: You brought a bill in every year.

Mr W.R. MARMION: Mr Acting Speaker, can you keep him quiet?

Mr D.T. Redman: Repealing the bills was part of the strategy.

Mr W.R. MARMION: Exactly.

The ACTING SPEAKER (Mr T.J. Healy): Ministers, the member has indicated that he is not taking injections.

Mr W.R. MARMION: I am explaining how the process worked.

Mr W.J. Johnston interjected.

Mr W.R. MARMION: That minister cannot stop talking, Mr Acting Speaker.

Mr F.M. Logan interjected.

Mr W.R. MARMION: No, the one next to the Minister for Emergency Services. Whenever anyone interjects on him, he goes off his face. Why does he not just keep quiet? I am giving an example —

Several members interjected.

Mr W.R. MARMION: Mr Acting Speaker, I am speaking through you. For the red tape reduction strategy, bills came in, but they were repeal bills to get rid of acts of Parliament we did not need. We did not need a bill to tell
the minister how to bring in a repeal bill; the minister just brought in the repeal bill to get rid of acts. It was not another bit of red tape in another bill to say how to do it. There was not a bill to curate it. The minister oversaw it and made sure that each minister reported to that minister in cabinet, and then it all happened. We did not have to go through this process, which is a waste of time.

The final Utopia episode would have been about how this is done. The bureaucrats would have said to the Premier’s staff, “But we can already do this by policy.” If the government wants to achieve something for local content, it technically should be titled the “Australian and New Zealand Jobs Bill.” The episode would go, “What we want you to do, Mr Sitch, is call it the Western Australian Jobs Bill; no-one will know! Everyone—the public out there and the media up there—will just report that the government has put out a jobs bill and it is all for jobs in Western Australia. People won’t read the detail and realise that it’s all a stunt!” Nothing can come from this except more red tape and more work for the public servants who are trying to put the Western Australian industry participation strategy together by trying to work out the pro forma required for companies that might want to tender on a job and the sorts of things that might be required to define Western Australian content and jobs.

[Member’s time extended.]

Mr W.R. MARMION: I am pretty disappointed in this bill. It is unnecessary. All it does is provide a smokescreen to the public that the Western Australian government is for jobs and that opposition members are not; but we are. We strongly support jobs and we created lots of jobs when we were in government.

The ACTING SPEAKER: Member for Warren–Blackwood.

MR D.T. REDMAN (Warren–Blackwood) [11.22 am]: Thank you, Mr Acting Speaker. I do need to have this debate prior to —

Ms M.M. Quirk: Mr Acting Speaker, there was an agreement with the Whip.

The ACTING SPEAKER: Sorry; I have given the call to the member for Warren–Blackwood.

Ms M.M. Quirk interjected.

The ACTING SPEAKER: Member for Girrawheen, I have given the call to the member for Warren–Blackwood.

Mr D.T. REDMAN: I absolutely agree with the comments made by the member for Nedlands, who referred to a Utopia episode. I have a better name for the Western Australian Jobs Bill 2017; I think it should be called the “Motherhood Bill.” Why the “Motherhood Bill”? It is because the bill says a lot but it does not seem to do very much. Several members interjected.

The ACTING SPEAKER: Members!

Mr D.T. REDMAN: Quite rightly, what is the hail from government members? The hail from government members asks, “Are you going to support it or not going to support it?” Of course, the politics of this —

Point of Order

Mr W.J. JOHNSTON: I think that the member should withdraw his comment that motherhood does nothing.

The ACTING SPEAKER (Mr T.J. Healy): Members —

Several members interjected.

Mr D.T. REDMAN: Members know the terminology. They have heard of motherhood statements.

The ACTING SPEAKER: Member!

Several members interjected.

The ACTING SPEAKER: Members, I am on my feet. There is no point of order on that matter. Please stick to the matter of the bill, which I believe you are doing.

Debate Resumed

Mr D.T. REDMAN: I was obviously using a common phrase that people use when they refer to motherhood statements. There was no reference whatsoever, as I was accused of by government members, to denigrating or playing down mothers, of course. It just shows the tactics deployed by the government on these sorts of issues.

The point I was making is that the bill says a lot, but what does it do? The member for Nedlands was quite right. We put in place a whole range of things—I will talk about some of them in a little while—that fundamentally tried to address the issue of jobs for Western Australians. I understand that there is not a person in this house or in the state who does not want better outcomes for contracts that are supplied by government with opportunities to provide goods and services, building contracts or whatever it might be and to try to secure business for Western Australians and for Western Australian contractors if possible.
As a member who represents the National Party, which runs only in regional Western Australia, of course the outcomes for regional Western Australia are a strong focus for us. The challenge here is a challenge faced by any government. We all have the same objective and we try to put rules in place to be able to fix the issues that occur when we think there has been an injustice if either a contract has been picked up by someone we think should not have picked it up and there is no local benefit, or when local businesses in our community should perhaps have access to contracts but they did not get access to them, and the contract went somewhere else. I will go through some examples; there are some really ugly examples that even happened in our term. Every one of us has to fix these issues and fundamentally change how this works so we can land an outcome but, of course, the rules have to work within the constraints of a market economy. A contract needs to be market tested and we need to make sure no “jobs for the boys” are happening out there and that we are genuinely getting value for money in whatever service contracts are provided. The contracts have to be tested and, of course, rules around probity have to be adhered to. We need to operate within some bounds. As the government has found out, issues with interstate relations—constitutional issues—is one of the bounds that has to be complied with. How do we deal with that? We have a Western Australian Jobs Bill and, as highlighted by just about everyone who has talked on this bill, it could finish up providing a job to a New Zealander because we are signatories to constitutional issues. I make the opening remark that this bill says a lot, but I think it does very little, and it certainly can be done through other mechanisms. Every government has the challenge of fixing this, but I am not sure that this bill is necessarily a strategy to achieve it. The politics say that if we do not support this bill, apparently we do not support jobs in Western Australia so, of course the National Party will support the government’s jobs bill. The test will be on the government to make sure that the bill makes a difference.

At the end of my comments this morning I will ask a few questions about some of the issues that will emerge as we work through the processes. We are seeing only this bill; we have not seen regulations and we certainly have not seen what is described as the Western Australian industry participation strategy. In many modern, contemporary bills, the enabling legislation is set up for other stuff to occur and, of course, the enabling legislation does not necessarily point the finger at the tools and mechanisms that are used to land the outcome that we all want. That is one of the challenges for this bill. It mentions strengthening existing policies. Existing policies are in place; we have modified them ourselves. I will go through a couple of examples. As a regional Western Australian and a member representing a regional seat, the issues I am going to talk about happened under my watch and I did not like what happened. However, I am going to raise these issues because they are the sorts of issues that the government has to try to solve.

One issue was a contract that went to a school. Interestingly, these examples are all royalties for regions projects—our Western Australian Jobs Bill and, as highlighted by just about everyone who has talked on this bill, it could finish up providing a job to a New Zealander because we are signatories to constitutional issues. I make the opening remark that this bill says a lot, but I think it does very little, and it certainly can be done through other mechanisms. Every government has the challenge of fixing this, but I am not sure that this bill is necessarily a strategy to achieve it. The politics say that if we do not support this bill, apparently we do not support jobs in Western Australia so, of course the National Party will support the government’s jobs bill. The test will be on the government to make sure that the bill makes a difference.

At the end of my comments this morning I will ask a few questions about some of the issues that will emerge as we work through the processes. We are seeing only this bill; we have not seen regulations and we certainly have not seen what is described as the Western Australian industry participation strategy. In many modern, contemporary bills, the enabling legislation is set up for other stuff to occur and, of course, the enabling legislation does not necessarily point the finger at the tools and mechanisms that are used to land the outcome that we all want. That is one of the challenges for this bill. It mentions strengthening existing policies. Existing policies are in place; we have modified them ourselves. I will go through a couple of examples. As a regional Western Australian and a member representing a regional seat, the issues I am going to talk about happened under my watch and I did not like what happened. However, I am going to raise these issues because they are the sorts of issues that the government has to try to solve.

One issue was a contract that went to a school. Interestingly, these examples are all royalties for regions projects—I will come back to the royalties for regions program in a minute because I think it applies here. The project was to upgrade a school and the issue was that we would have preferred a regional building contractor to do it. Regional contractors were available to do projects such as this. To meet the criteria, a significant builder from the metropolitan Perth area opened an office in regional Western Australia. They stuck an office assistant in there with one telephone, paid a bit of rent and paid some phone bills, and it was then able to tick the box to say it was a regionally located building contractor. Of course, it won the contract over local contractors and unfortunately local people missed out on working on the project. How do we manage that? How do we set up some rules? Our endeavour to put rules in place to try to get regional contractors to pick up that work failed because contractors in Perth were able to set up a regional office and therefore tick the box of being located in the region. I thought that was unfortunate. Nevertheless, they endeavoured to do it.

Ms J. Farrer: That is exactly what happened in the Kimberley.

Mr D.T. REDMAN: The government will have some bounds for what it defines as regional and subregional. Presumably, it will have some thresholds for what applies within that. That is the stuff we have yet to see. That is one of the challenges. I would like to see that fixed. If the government can achieve that, that will be a credit to it.

The other concern was the issue of project scope. The Agricola Residential College project in Kalgoorlie was a $20 million project, using royalties for regions funds. The residential college supports those who attend the Western Australian School of Mines and TAFE in Kalgoorlie. Curtin University also had a role in it. The scope went out. I am relying on my memory; I do not have a cast of people behind me to support me in this discussion. The project was scoped up to be a modular design. The contractor that won it was based in Melbourne because it was the only business that could meet the scope of the project. That was unfortunate because a Western Australian business did not get to do it. The Melbourne-based contractor either went broke or went into receivership and could not deliver on it, and it finished up going overseas. That is an absolute travesty. Here is a significant regional project worth $20 million that finished up going overseas because of a scoping issue in the first instance and no capacity to shift that scope to try to get some local or regional benefit. That was a terrible example.

The other example of service provision is the head contractor model for housing in regional Western Australia. The member for Kimberley would be all too familiar with this. I would be surprised if her office is not taking calls on this.

Ms J. Farrer: There weren’t any Indigenous people locally from the Kimberley who were employed through that program.
Mr D.T. REDMAN: I have some comments about that, too, because that is another really important issue. The head contractor model set up a structure sitting over all the housing maintenance, for example, which meant that a lot of people had local contracts to support the schools. People knew them, they were able to get in there quickly and do these projects but there was this distance factor. Up in the member for Kimberley’s part of the world, people were asked to come big distances, replace a tap washer, go back out and then someone came in the next day to do something else. We did not have a coordinated approach to local contractors in housing. That was an issue that the member for Nedlands and I had issues trying to manage. I do not think the head contractor model has helped that. That came in during our time.

Mr W.J. Johnston: Under Troy Buswell.

Mr D.T. REDMAN: Yes; I admit that.

Ms J. Farrer: Most of those jobs were contracted out and a person had to go and ring a certain number here in Perth and the Department of Housing then organised contractors to do the work. It took weeks and weeks before any work was done.

Mr D.T. REDMAN: I agree.

Ms J. Farrer: But a lot of the Indigenous contractors who live in the Kimberley were not given a choice.

Mr D.T. REDMAN: I agree. I am raising this because they are key issues. They are issues that we tried to resolve and sort out under our watch.

Mr W.J. Johnston: No, you didn’t. You did nothing about it.

Mr D.T. REDMAN: I am putting it right on the table. The government’s challenge will be the same as ours. I guess that is the point I make. It was not for lack of effort on the part of at least three ministers.

Mr W.J. Johnston: What are you talking about? It was your policy. It was a stupid policy when you brought it in. We argued against it. We came into the chamber and moved resolutions. We asked questions and you kept it going.

Mr D.T. REDMAN: In regional Western Australia, I did not agree with it.

Mr W.J. Johnston: What did you do about it? You were the housing minister.

Mr D.T. REDMAN: No, I was not the housing minister when it was put in place. That was put in by Troy Buswell at the time.

Mr W.J. Johnston: And you were the housing minister after him and you kept it going.

Mr D.T. REDMAN: Of course I was.

Mr W.J. Johnston: And you kept it going.

Mr D.T. REDMAN: I did not sign off on the extension of that.

Mr W.J. Johnston: Yes, you did.

Mr D.T. REDMAN: No, I did not.

Mr W.J. Johnston: Hell, yeah! You did.

Mr D.T. REDMAN: The member can go and check that.

Mr W.J. Johnston: I will. I know because I asked you in estimates about it. We did a report into that in the PAC.

Mr D.T. REDMAN: I am making the point now. If that is exposing my underbelly, so be it, because I do not believe that in time, as we saw that play out, that was as effective as it could be. In some cases we have to test this stuff. It was well and truly tested. To my mind, it did not come up trumps.

The other issue was the Esperance foreshore development. That RforR project went through the local government in Esperance. It contracted pretty significant development. There were foreshore revetment works along with landscaping and some planting of trees and shrubs and whatever else to beautify the foreshore. That part of the project was put out to tender. It did not go to an Esperance firm. An Esperance firm missed out and there was ballyhoo about it down there. An Albany firm picked it up. As a member for regional Western Australia, it was nice to see an Albany firm pick it up—another regional business—but unfortunately an Esperance firm did not pick it up; it missed out. We have this challenge of what a region is, how far do we define the boundaries of a region and what rules do we put in place to give some advantage to those who might be located in that community? Esperance is a relatively isolated community compared with other parts of regional Western Australia and, indeed, Perth and, if we take the worst example, somewhere in New Zealand.

I have an apartment in Perth where I stay when I am in town. On hot days, I get a chance to swim in the pool. I got talking to a fellow from South Australia when I was in the pool a couple of years ago. When I asked him what he
did, he said he was an electrician from South Australia and he had just won the contract to check all the residual-current-devices in schools in Western Australia. Again, that is a challenging example. There must be enough electrical contractors in WA to pick up those projects, certainly local ones, yet this person had the contract for that. I have given five examples of what occurred under our watch. I will be the first to highlight those issues, albeit exposing some of my arguments from an opposition perspective.

Mr W.J. Johnston: Member, I want to apologise. It was not you who renewed it; it was Bill Marmion, the member for Nedlands, while you were a member of cabinet.

Mr D.T. REDMAN: I thank the member for Cannington. I know that. I am putting issues on the table. These are exactly the same issues that the government is going to face. It must endeavour to put a set of rules in place to try to sort it out. We need to start testing the bounds of some of those other structural constraints—that is, the issues of probity, market testing and constitution. Those are the bounds around which the government will have to try to put some rules in place to sort out what we and certainly the public see as some fundamental issues that need to be resolved.

The reason I had a jibe at the member for Pilbara a little while ago—unfortunately, he is not here—about being careful what he said related to the issue of royalties for regions. I make the point, despite what the member for Cannington says is in the budget, that what has changed in royalties for regions is putting in place changes that effectively cut over 45 per cent of royalties for regions out of regional programs. I make the point today that those cuts to royalties for regions will have a far greater impact on jobs in regional Western Australia than this bill will ever create. What this government has done to royalties for regions will have a far greater impact on jobs in regional Western Australia than this bill will ever create. The member for Pilbara’s region has been a significant recipient of royalties for regions funding. I suggest that he check what job creation occurred, what businesses were able to set up and what happened in those areas. There was significant regional investment that made a difference in jobs. It was about fundamentally investing in regional Western Australia. This government has cut that off at the knees. It has brought in a jobs bill, saying that it is all for jobs in Western Australia, but it took out half the money that was creating those jobs in regional Western Australia.

Ms S.F. McGurk: Sustainable jobs, member. They want sustainable investment.

Mr D.T. REDMAN: Of course.

Mr W.J. Johnston: Not one cent has been cut from royalties for regions.

Mr D.T. REDMAN: It has. I do not know how the member can hold a straight face. He is not silly; he is smart. I know that he understands how budgets work. Therefore, he knows exactly what is going on but for some reason he does not want to accept the argument.

I will go through what I see as the issues with the bill. One issue is that value for money is its primary objective. I will pick up two points and use an example to describe it. Value for money is the primary objective, but who is the adjudicator and who is the person, people or organisation that provides accountability for that value for money?

[Member’s time extended.]

Mr D.T. REDMAN: I will use a school as an example. As a former school principal, I have been in this situation. A school goes out and gets bids for the supply of a bit of equipment. It gets two bids. Presumably, a bid in this case reaches the threshold for what this bill is asking to include in terms of a local participation plan. Two bids come in. The first bid is a low-cost bid—it is the lowest price of the two bids—and it also has a relatively minor amount of local content under the local participation plan. The second bid is a high-cost bid—it is higher than the first—but its local content is lovely; the local content describes local contractors and suppliers being involved. That school has to make a decision, or have a process that makes a decision, on which bid to accept in the context of the Western Australian industry participation strategy and the regulations that this government will put in place. What will be going through their heads? The first is that if they do not take the low bid, they will have to defend the argument for why they have taken the high bid. They are going to be looking for some cover. We know that there is a high level of risk aversion in government agencies. They do not want to be exposed to a question in Parliament about why they took a particular line. They are going to need the cover if they are going to depart from a low-cost option. I remember the education department writing up a set of procurement purchasing rules about buying video recorders. It spent a few days putting it together. Someone said, “Why don’t you go and buy a couple of video recorders with that policy?” It tied them in knots because of what they were presented with—a low-cost option versus another option that came in at a slightly higher price but for which the spec went well beyond the scope of the project. The challenge here is how to make those things work. The principle being put up is that it will not necessarily be the lower-cost bid that wins. We are making an argument that, given that higher level of cost, we are putting some sort of value on local participation by local contractors and suppliers. How do we value that and who adjudicates that to ensure that the people making the decisions have the political cover so that they do not get into trouble? They are coming from a very risk-averse base. The challenge is to land the value outcomes that we all aspire to.
We have not seen the WA industry participation strategy and we have not seen the thresholds that will supposedly be put in place. All of us like to see tiered thresholds. If there are low-cost contracts, a lower level of compliance is applied. As that builds up, compliance and probity needs to build up. We have not seen that either. One of the biggest barriers to regional contractors has been this level of compliance. I suspect that the government is going to butt heads a little with contractors. We did not get any clear indication of strong market testing of the principles that the government has put up. There has not been market testing to get the necessary feedback to say that if projects are put out, capacity will be at a level to put up a competent bid. When we were in government, we put up funds to support contractors to build capacity to make bids for both government contracts and resource sector contracts. Building capacity was a necessary investment to try to overcome that issue. That is one of the challenges the government will face.

I want to pick up a couple of other issues. One will be very dear to the member for Kimberley’s heart. I do not think this bill mentions Aboriginal businesses at all. It does not refer to strategies. We were verbally told in our briefing that there are other strategies for getting a higher level of Aboriginal business engagement and Aboriginal employment. This bill does not make reference to it, but it is a really important issue. I will talk about what we put up in the Regional Services Reform Unit. It was mentioned yesterday by the member for Murray—Wellington when she talked about her electorate during the debate on the jobs bill. She aspires to a target of three per cent participation by Aboriginal businesses in her electorate. Three per cent was the target. The global number for Western Australia for the proportion of Aboriginal people in the workforce is three per cent and, therefore, that should be an appropriate target. Three per cent is fine for her electorate and it is probably fine for my electorate, but it is certainly not fine for the Kimberley. A three per cent participation rate of Aboriginal businesses and workforce is not an appropriate target for the Kimberley, nor for the Pilbara, the goldfields or many other regions, probably including the midwest. One thing we put in place as a government, which was very difficult because of push back from directors general and on a number of other fronts, was regionally based targets for government employment, government procurement and government-contracted services. I hope that the Treasurer has that on his agenda—it was on our agenda—because it has to be proactively forced. This bill makes no reference to that. There has been very little discussion of Aboriginal participation. This will be a big issue for the members for Pilbara, Kimberley and Kalgoorlie and for those electorates that have a high proportion of Indigenous population of workforce age and Indigenous businesses. We would like to have a much higher level of participation from those people and businesses in a range of government contracts and projects.

I will talk about a couple of other issues before I finish. I asked a question about the level of resourcing from the government to support this. The answer I got was $1 million a year. I also asked what level of procurement for government contracts and services is bid for every year. The answer was $25 billion. If I have got this right—it was the number given to me in the briefing—government contracts and services are worth $25 billion a year. The government is putting in $1 million a year in extra resourcing to support the bill and local content strategy on the back of $25 billion of procurement and services. Is the government dinkum, because I would have thought that that looks a little underdone?

The last point I raise to compare and contrast. The aim of this bill is to shift the dial towards allowing government contracts and services, including those of government trading enterprises, to go to not necessarily the lowest bidder, but the bidder that provides a greater level of local content and local service. That is the goal. We would like to know, and it is reasonable for the public to know, the gap between the lowest cost bid and the bids that actually win the contracts with a local participation plan. In other words, what is the cost of the baseline? The argument, which I agree with, is that we are providing jobs to businesses in regional Western Australia, which helps to sustain local schools and contributes to the economy. Therefore, there is value attached to that. How do we quantify that value? How do we justify that value? How do we adjudicate whether that value is right or wrong? I think it is reasonable to ask: if they do not take the lowest bid but take another bid, and we are setting up rules on how to achieve that and have it defended, what is the price gap? Everyone has their price. We get a bit frustrated in the regions because we all buy local. My former colleague Tuck Waldron used to use an example in here of someone who knocked on his door and told him how people were not buying local stuff, but the next time he saw this person, he was at a service station with a washing machine that he had bought in Perth. Our behaviours are tested by our pockets and everyone has their idea of what is a fair price. I for one want to do whatever I can to support regional Western Australia and my own community with my purchasing because I know that that supports those businesses. But there is the issue of price, and I will go somewhere else if I do not think a price is fair or gouging or something is going on. These are the challenges. Some of the best bureaucratic minds have been put to those challenges. The spirit of all governments, including ours, has been to try to iron out some of those challenges. I have told members some of the issues we had. I hope that was taken in the right spirit because they are challenges that the government will face.

I think there is a fair bit of politics in the Western Australian Jobs Bill. It has been put on the table in this house—of course, we will all support it. But, to me, it has more words than it has teeth. The issues that the government faces are exactly the same issues that we faced. I believe we had a red-hot crack at that. Once a government tries to put a set of rules around this issue, it exposes potential probity issues and issues around what is a fair thing in
both the scope of projects and the level of local content, supply and support that is acceptable and what the price will be for that. Yes, we will support this legislation. I think there is a range of issues, not the least of which is that every government that has come into this house has endeavoured to try to solve this issue. The objective is fine; I support the objective. I am not sure whether the legislation we have seen today is the tool that will solve all the issues we have talked about.

MS M.M. QUIRK (Girrawheen) [11.51 am]: The Western Australian Jobs Bill 2017 is part of a suite of initiatives by the McGowan government to put the important issue of local jobs for Western Australians front and centre. The legislation focuses on the supply of goods by local companies for government projects, thereby facilitating the creation of local jobs. I welcome this and other initiatives that will foster employment locally.

Unemployment levels in my electorate are unacceptably high—way above the state average—and I see regularly the impact that has on not only individuals, but also their families and the broader community. The impact is palpable. For individuals it can include the resort to alcohol and drugs, and mental health issues. The economy must serve people and where there is market failure, the government is duty bound to intervene.

Work is more than a way to make a living. As Pope Francis succinctly put it—

There is no worse material poverty, I am keen to stress, than the poverty which prevents people from earning their bread and deprives them of the dignity of work.

For many people, a job defines and is part of their identity, and once gone, they have little to take pride in. Loss of a pay cheque or, worse still, never having had one means loss of routine, security and connection to other people. It is little wonder that unemployment and the deterioration of both physical and mental health are frequently linked. Some research has suggested that the rate of male suicide amongst the unemployed in Australia is almost fivefold that of employed counterparts. The correlations between depression, suicide and unemployment are complex. For example, it is possible that unemployment causes poor health conditions such as depression, or it could be that having such conditions makes it harder to land a job as employers are looking for upbeat applicants. Similarly, social isolation and lack of networks such as those in the workplace are prevalent in the unemployed, which has a causal connection with depression. What is clear, however, is that the consequences of unemployment create conditions that foster depression and mental health issues, including suicide.

There are different considerations for different sectors of the unemployed, and strategies need to be tailored and targeted to suit the special challenges that each poses. We hear much about youth unemployment, which is a top priority to address. We need to secure a hopeful future for young Western Australians, and all efforts to achieve that outcome are a sound investment. It is tragic that there is intergenerational unemployment, but by addressing youth unemployment, we can at least arrest that cycle. Today I heard of an Anglicare report that for every one entry-level job there are 4.8 applicants, so it is very important that we focus on youth unemployment and breaking that cycle.

Without diminishing the significance of youth unemployment, there are two other categories that receive little attention that I would like to focus on in the time available. Firstly, there are older workers, and by that I mean workers over 45 years, and those from migrant and refugee backgrounds. In the context of the former, this is an acute problem in Western Australia with the contraction of the mining sector. For example, many older fly in, fly out workers are now finding themselves out of work and having to contend with a job market that actively discriminates against older workers. The Human Rights Commission’s 2016 report “Willing to Work” found that 27 per cent of people aged over 50 reported experiencing age discrimination at work and one-third when applying for a job. One-third of people gave up looking for work altogether. Age discrimination was found to be most prevalent against older women, who were more likely to be viewed as having outdated skills, being slow to learn or being likely to do an unsatisfactory job. The Human Rights Commission found that age discrimination was out in the open, with 40 per cent of companies prepared to admit that they avoided employing anyone over 55. Consequently, this has led to many applicants omitting their age or altering their CVs to make it less apparent how long they had actually been in the workforce. These findings are supplemented and supported by a survey undertaken by The Conversation journal earlier this year. In April this year, its report “Age discrimination in the workplace happening to people as young as 45: study” found —

The most common form of perceived discrimination was negative assumptions about older workers’ skills, learning abilities or cognition.

Survey participants also reported limited … opportunities for promotion or training, working in an organisation that undervalued them and difficulty securing work due to age.

Workers also describe —

… subtle pressure from their colleagues and management to stop working in order to “make room for the younger generation”. This was regardless of their experience, enduring capabilities or working preferences.
Workers also faced patronising attitudes, where employers or colleagues assumed they would struggle to pick up new technology or work systems quickly, due to their age. Some survey participants felt they were not afforded the same promotional or training opportunities as their younger colleagues.

Older job seekers reported being candidly or surreptitiously rejected through recruitment processes on the basis of age alone. Education, training and a steady working history were not guaranteed to help study participants in their search for employment.

Some interviewees had found it necessary to accept work for which they felt overqualified. Job seeker services in particular were considered ill-equipped to assist older, highly experienced and often well-educated adults.

The survey results also suggested —

... that people experiencing work-related ageism tend to report poorer health, lower household incomes and lower total superannuation fund balances, than those who have not had this experience.

Mature aged workers bring with them a range of favourable characteristics such as stability, reliability, loyalty, experience, wisdom and maturity. One way to tackle work related ageism is to firstly address negative perceptions regarding the competency of older workers.

I can sound a note of optimism, however, because the demographics in Australia are changing. Currently, 25 per cent of the population is over 55, but that will increase to 33 per cent in the next decade, and employers are having to reassess older workers. The more enlightened businesses are now realising older workers are an untapped resource; they bring a lifetime of experience, maturity and commonsense. Bunnings is a case in point. It understands that an ex-plumber or an ex-painter with a lifetime of experience can give the home handyperson really good practical advice. The other rationale for employing older workers is that the customer base itself is getting older and, in jobs requiring customer service or personal interaction, this is beneficial.

Similarly, the abilities, qualifications and skills of migrants and refugees job applicants are undervalued, and discrimination occurs far too frequently, according to research. People from culturally and linguistically diverse backgrounds come to Western Australia with a wealth of skills, experience and aspirations. They are committed to pursuing employment as a means of securing economic security and contributing to their new home. However, they face multiple barriers in applying their skills and experience and fulfilling their aspirations in the employment market. This is compounded by Centrelink’s Jobactive requirements, which are inimical to smooth transition to work, and the transfer of settlement services to the Department of Human Services, which has no skills base or corporate understanding of how to handle such cases. A report published in August 2017 titled “Not Working: Experiences of refugees and migrants with Jobactive” co-authored by Fairfield Multicultural Interagency and the Refugee Council of Australia, sums up the issues confronting migrant and refugee job seekers extremely well. It focuses on barriers caused or made worse by the introduction of the Jobactive program, including —

- Lack of specialised service
- Choosing between learning English and looking for work
- Streaming and the Job Seeker Classification Instrument (JSCI)
- Compliance measures and implications
- Limited support with resumes and interview skills
- Job Plans and lack of understanding of rights and responsibilities
- Under-use of interpreters and lack of translated materials
- Inappropriate Work for the Dole placements
- Over-reliance on, and lack of support for use of, technology to look for work, and
- Being treated with disrespect.

The report also identifies some longstanding barriers to employment. These include —

- Lack of opportunities to attain relevant Australian work experience
- Difficulties in the recognition of prior qualifications and experiences, and
- De-skilling than upskilling.

Most powerful are a number of case studies and quotes from those working on the front line as well as job seekers themselves. The report quoted a settlement service provider in Perth as saying —

We’ve now got a systemic payment suspension problem because as soon as a client misses their even one of their reporting, their payment is stopped. We are up to eighty, ninety clients who have their payments suspended for reasons that they do not understand for which the Jobactive will not help them.

A Syrian refugee from Fairfield is quoted in the report as saying —

Jobactive could not speak to me as I have no English so they gave me an Arabic newspaper and told me to look for jobs. The newspaper didn’t have a job section. Confused, I would just read the news for 2 hours until they would let me go.
A Burmese refugee in Fairfield is quoted in the report as saying —

Every time I attend my appointment, I request an interpreter service but my request is ignored by the Jobactive service and no interpreter is provided.

I am proud to be part of a government that understands the human toll of unemployment. I am proud our highest priority is to secure more jobs for more Western Australians. I am proud to be a member of the Labor Party, which knows implicitly that if the dignity of work is to be protected, the basic rights of workers must be respected—the right to productive work, the necessity for safe workplaces, the right to decent and fair wages and the right to the organisation and joining of unions. I commend the bill to the house.

MR Y. MUBARAKAI (Jandakot) [12.04 pm]: The purpose of the Western Australian Jobs Bill 2017 is to focus on small to medium Western Australian business and Western Australian jobs. An election commitment of the McGowan Labor government, and one I am most proud of, is the plan for jobs, which has led to this jobs bill that I take this opportunity to speak on. This bill has the right principles and objectives to help small and medium businesses regain the confidence that was lost after experiencing the biggest boom and bust in WA’s economic history. Times are tough, and should not be, after what was meant to be, for the next 20 years, WA’s time to grow and prosper. From 2012, Western Australia went from experiencing growth and investment to losing a chunk of its goods and services tax and experiencing a downturn in the resource sector. During this time, government intervention lacked concern for repair or a strategy to provide alternative ways to assist the economy from descending to a low point in Western Australia’s history.

This bill will provide every possible support and assistance to local industry participation in tendering for government procurement, which is one of the largest sectors in the WA market, worth around $25 billion per annum. By including local small and medium business, we are creating a micro-economic platform that previously never existed, except in principle. Their participation in this framework allows them to grow into various other opportunities. When government supports business, we create jobs, which stimulates growth and prosperity in the community that benefits everyone. I am, and will always be, a small business entrepreneur and this bill brings optimism to many small and medium businesses struggling to survive in the current market. The last three years have been the worst this state has ever seen. Business owners have struggled to make ends meet and cash flow is a daily problem, and this has led to the worst economic crisis in Western Australian history.

Not far from here is Perth’s central business district, a prime example that showcases the state’s current economic situation. We see the highest number of vacancies and closures, and it has been like that for three years with no sign of help or recovery. In my many conversations with business owners from all sectors of the market, not a single operator out there has described their situation as improving. They have experienced double-digit deficits year on year for the last three years with no sign of an end to a downward spiral that has caused chaos and unrest in the jobs market as businesses shut down. There has been no government intervention whatsoever.

During the election campaign this year, Mark McGowan announced the “WA Labor Plan for Jobs”. That strategy has government participating and assisting small to medium businesses create jobs and support local content. The bill before us provides the opportunity for the government to step in to help restore confidence and positive energy back to the business sector. Small to medium enterprises make up 97 per cent of the market share in Western Australia. Yesterday I attended a breakfast at the Hyatt Regency hosted by WA’s peak business body, the Chamber of Commerce and Industry of Western Australia, where the Premier addressed the crowd with a quick snapshot of the government’s plans to repair the budget, stimulate tourism, and fight for a fair share of the GST. He covered many other topics, but most interesting were my many conversations with some prominent business operators about their views on the current government’s strategy in addressing the current downturn. I received positive messages about the market showing signs of stabilising and they are looking forward to investing again as the market indicates that the worst of the situation is behind them and is now in recovery mode. Over the next 18 months, as investment grows and new projects are committed to, the jobs market will provide signs of recovery. The previous government was out of touch, and local industry had lost faith in its ability to perform. This was evidenced at the election, when the message from the WA community was loud and clear.

This bill will provide, through its participation strategy, diversification and growth of the Western Australian economy by targeting supply opportunities for local industry, increased access to and raised awareness of local industry capabilities and encouragement for local industry to adopt world’s best practice and innovation. This strategy will also support and promote apprenticeship training and job opportunities in Western Australia and—the best part—increased opportunities for local industry to develop import replacement capacity by giving local industry, in particular small and medium enterprises, a full, fair and reasonable opportunity to compete against foreign suppliers of good and services.

This bill will also provide guidelines through an independent body called the industry participation advisory service, which will serve the purpose of assisting business with their participation plans in the tender process and reduce red tape. The bill outlines steps that must be taken by the industry participation advisory service in the course of a procurement process for relevant supplies. It must make sure that prospective suppliers submit
a participation plan outlining its local procurement commitments. Suppliers will be evaluated on their participation plans in accordance with the strategy. The industrial participation advisory service will incorporate in all contracts awarded that the successful supplier commit to its participation plan making sure that from its first inception to the final execution all commitments are fulfilled. This strategy’s operation and effectiveness will be reviewed at its fifth anniversary and, every year, also provide Parliament with an annual report on the implementation of this legislation and the Western Australian industry participation strategy.

I am excited about our plans for Jandakot in the state budget and the direct impact it will have on the local economy. The almost $1 billion worth of infrastructure projects will deliver 3,500 direct jobs and innumerable indirect jobs. It will have an even greater impact on the local small businesses that will participate in these projects. Two major industrial precincts are in my electorate that would benefit from this bill—that is, the Jandakot Airport area and the Canning Vale industrial precinct on Bannister Road. Jandakot Airport is the only general aviation airport in the metropolitan area. It generates substantial economic benefits for the state economy. The airport occupies an area of 622 hectares, of which mixed business is projected to comprise 195 hectares or around 30 per cent. The development of the mixed business precinct has attracted leading-edge firms to the airport site and generated a number of spin-off service industries such as air tourism and training. With around 90 business tenants, the airport generates a payroll of more than $64 million. This is estimated to grow to $420 million when development of the airport is complete; 8,050 people will be employed in 300 businesses.

Home to the new Swan Brewery, the industrial and logistics precinct in Canning Vale is one of Perth’s premier industrial lots. It also makes a substantial contribution to the WA economy. With 580 businesses, including a large manufacturing contingent, and more than 16,000 local jobs the precinct adds $2.1 billion in value to the WA economy, and is still growing!

Before I close, I would like to discuss some of the objections raised by the opposition. I have been taking notes and have noticed phrases such as “window-dressing”, “question of addressing red tape”, “not convinced entirely”, “the bill should have been tested before it was implemented”, and “this is a test for this government”. Those were some of the objections that were raised, which I do not understand. The test was the eight years that the opposition was in government. We have inherited its mess and are trying to fix it. Instead of supporting repair measures, the opposition is asking questions about the intent to fix its mess without being able to outline what in the bill lacks merit. It is just fluff talk! This bill supports businesses and jobs and will increase confidence, allowing taxpayers’ money to circulate back into the economy instead of going overseas as it did when the opposition was in government. I am proud to be part of a government that is taking proactive steps to support the development of these precincts and help them reach their potential for the benefit of the WA economy. Many community members in my electorate of Jandakot will benefit from jobs within these precincts. I commend the bill to the house.

MR A. KRSTICEVIC (Carine) [12.15 pm]: I want to say a few words on the Western Australian Jobs Bill 2017 and on how important it is to support Western Australians and Western Australian jobs. Over the last couple of days in this house there has been debate that our side of government did not do anything to support Western Australian jobs. That is not true. When we first came to government in September 2008 at the height of the global financial crisis, it was the Western Australian government’s investment in infrastructure projects that carried the people of Western Australia through the global financial crisis so we did not experience its impacts. Soon after that, we moved into the period of the mining construction boom. Members will remember that during our first term in government people came from all over Australia and the world to Western Australia because we did not have enough people in the state to fill the jobs that were available. To somehow imply that during our term in government we did nothing to create jobs is completely off the mark. Members would have to have been asleep during all those years to come up with a statement like that. It is obvious that we created a huge number of jobs. That boom in construction had a trickle-down effect through state government, through us being able to keep employees in our government departments. Generous wage increases were given to lots of public servants to make sure they stayed in our hospitals and that the police stayed in the police stations and all our jobs were filled. The member for Burns Beach, having been a police officer, would be well aware of the police officers who came from overseas to fill those jobs and the great job they have done since they have been here.

We need to give credit where credit is due. We need to acknowledge the work that both sides of Parliament tried to do to make sure that jobs are available for the people in Western Australia and the difficulties that process presents. It obviously created a lot of difficulties for us when we were in government. One difficulty was having enough people for the work and we then had to pay them at the appropriate level to keep them in their jobs. Our state propped up the whole of Australia. We entered the next phase in our second term when the price of iron ore collapsed, the GST fell away and the construction boom ended. That created a range of new problems. That shows how in eight years a government can go through a massive rollercoaster ride. Government has to be nimble and light on its feet to be able to manoeuvre through these complexities, which will always present themselves. I will never oppose a bill to give jobs to Western Australians. I will never oppose anything that would create work for our children and our grandchildren in future generations to continue to generate wealth for the state and this country. The debate around the GST is a big issue for Australia and Western Australia. The way the formula is
currently done, it is a disincentive for states that are lifting and carrying the load, creating opportunities but losing that wealth to states that are doing very little work to support their state economies or the national economy. An incentive needs to be built into the scheme so that if a hardworking state contributes and adds value, it needs to be recognised, not penalised, for that. The rest of Australia does not realise that by not reinvesting in Western Australia they are holding back the whole of Australia. They need to step back and look at that. Politics always gets in the way of good decision-making and doing what is right for the people of Australia, because every state wants to look after its own interests. Every political party wants to get re-elected and every federal member wants to look after their electorate, as do state members. It always comes down to other factors that play a role in our decision-making process. We can raise the bar and start looking at things from a national and state level.

Something I say to people in businesses is that if there is someone else in their industry who is getting involved in their sector and they are helping to raise the bar, they are creating more opportunity by bringing customers to their area. They should not fight that; they should work with them, because the pie will grow. It is not about competing with each other and trying to see who can undercut whom, who can send who broke first so that they can have the cake to themselves, because there is always going to be someone new stepping into the market. There will always be someone interested in getting involved in that sector. It is about how to work collaboratively, within both Western Australia and the commonwealth. That is very, very important. We need to step back, reflect and have an intelligent debate about that. It is very easy, as we do in this house, to throw barbs across the chamber and say things to each other. That does not help our cause in so many ways. But that is politics, and I suppose we have to play within the parameters of what we are doing; we are all guilty of that. As I have said before, we can all do better in trying to make those statements more accurate and reflective of what is going on, rather than just making statements that we know are not true, are exaggerated or way off the mark, but we still make them and then lower the bar for everybody, when in fact we can focus on the technicalities. We can focus on the facts and the genuine issues because they are important and sometimes get lost in the debates in this Parliament. That is a concern because we move away from talking about the substance of what we are debating to talking in generalities and obviously not focusing on trying to make things better, which is what we are all trying to do.

When we had our briefing on the Western Australian Jobs Bill 2017, we asked a lot of questions but there were very few answers. That is a concern. Why bring a bill to Parliament when the work has not been done? Yesterday, a member mentioned that it is a fancy looking box but that when we look inside, we see that it is empty. There is no doubt that it will have something in it at some point in time but at this time it is empty. The bill indicates that at some point there will be things in there such as the Western Australian industry participation strategy. We do not know what that is, what it will look like or what the substance of it will be, but it will be there, supposedly. One assumes it will be there. As we have seen with other debates in this Parliament, just because legislation states something should be a certain way, does not mean it happens. We can only hope there will be a Western Australian industry participation strategy. At the same time, there will be participation plans and regulations but again, we do not know what they will look like. There will be a commitment to strategic projects in which the relevant minister will be able to add certain clauses, conditions and expectations to the contract, but we do not know what that will look like either. We do not know whether that will be done in a way that favours certain supporters, industries or players and cuts other people out of the market. Who knows? Because we have not seen any of this, we do not know any of it.

It is interesting, because there are a lot of very intelligent people in this Parliament. If we took away the politics from the bill and just said to someone, “What do you reckon?” They would say, “That is a good idea; tell me what’s in it.” We could not really tell them what is in it yet because it has not been worked out. They would ask, “What’s the plan?” which we do not know, because we do not have the plan yet. They would ask what the rules and regulations are, which have not been done either. They would tell us to go away, do a bit of work and once we have put it together, come back and see them to talk about it and refine it to make it work. That is really what it should be about. It should be about how we can work collaboratively to look through what has been proposed. We can take it back to our constituents. The member for Jandakot talked about all the small businesses in the various parts of his electorate. We all have small to medium-sized businesses in our electorates—some more and some less. I am sure they would like to have some input into the Western Australian Jobs Bill. I am sure they would like to see it and ask what it means for them and how it can help them to employ more people, provide more apprenticeships and add some value. I am sure they would have some good ideas. I am sure that their experiences would add some value to not only the bill itself, but also the debate of this Parliament. We all know that they are struggling. Everybody out there is struggling. There is not a person who I have spoken to who is not finding it difficult to operate in these economic circumstances. There are businesspeople out there right now—I am sure we all know them—who are losing their house and are going to be renting. In some cases, they have not made good business decisions; unfortunately, that happens. In other cases, the economic circumstances have turned sharply against them, but it is also important for the landlords who have the capacity to support small to medium businesses to step up to the plate and say that because times are tough at the moment, they are willing to take a haircut on the rental or the lease to support them through this difficult time, rather than just try to get every cent out of them that they can, resulting in them going bankrupt and the premises becomes vacant and unable to be filled with anybody.
else. It is about everybody recognising that we can benefit only by working together and helping each other out. We will always have more by sharing with others. That is the bottom line. Sometimes we seem to forget that because for some people it is all about “me”. It is all about how much they can get and how big they can grow and how much they can consume without thinking about all the others they need to bring along with them. At the end of the day, they will falter if they do not bring everybody on that journey. We have all seen that many times in business, in our personal lives and in every aspect of our life. If we do not include others and bring them on our journey, we will not succeed. Likewise in this Parliament, we need to bring everybody on that journey so that we can develop good policy, good strategies and good legislation. I do not think anybody begrudges that. We are in opposition now. We had our turn and the electorate spoke. Now it is up to the Labor Party to deliver for the community. I do not think anybody in opposition does not want the government to succeed in developing that policy.

Ms J.J. Shaw interjected.

Mr A. KRSTICEVIC: The member might laugh, but at the end of the day she has to remember that these are mums and dads, kids and people in the world who are relying on us for their livelihood, so it is not funny. We want everybody to succeed. At the end of the day, we should all be heading in the same direction for the same purpose.

We may have different ways and ideas on how we get to that end result, but at the end of the day we all want that same result. It is up to us as an opposition to go through the details and ask if the government has done enough work, if it has consulted, whether the bill really is going to create the opportunities that the government says it will, or whether it is just for show. Is it for display purposes only and there is nothing more to it than that? I hope that this bill is not just for show or for display. I heard former ministers say that everything in this bill can already be done and the minister and the government can already do these things. This bill does not add anything new, whether we have a participation plan, a strategy, or regulations. Guess what? The government can do all that now. There is nothing new in this bill that the government cannot do now. Maybe during consideration in detail we can find out what these extra things are that this bill brings to this table. I hope that it brings something to the table and that it helps. It is very interesting that the second reading speech states —

The bill requires the strategy to be consistent with section 92 of the commonwealth Constitution. The implementation of the strategy will also … be cognisant of the state’s obligations under treaties and other international agreements to which the commonwealth or the state is a party.

Already, there is a very big caveat over this bill. In that context, this bill says to me that we are now creating legislation that reinforces that statement. It reinforces our legal obligation at a much higher level than before this bill was introduced to not only be conscious of section 92 and the treaty and its obligations, but also make sure that we give everyone a fair go. What do those treaties say? Every state and territory in Australia and New Zealand are equal. Everybody in that group needs to be given the same opportunities to apply for work in this state, or any other state for that matter. When members talk about South Australia getting the work, guess what—under this, South Australia is local. New South Wales is local. Even New Zealand is local. It is very, very concerning. How do we bring that focus back to creating jobs just in Western Australia? We do that in a number of ways. The Western Australian government and the commonwealth government both have big roles to play. It is a dual responsibility. As well, as I said before, local governments are also responsible. All three tiers of government need to work together to make sure that we can help the local industries.

The bill defines “local industry” as —

… suppliers of goods produced, or services provided, in Western Australia, another State, a Territory or New Zealand;

Statements in various documents state only that the government is supporting local industry. When we tell a person in the street that we are introducing a bill that is going to support local industry, they will say, “That is fantastic. We need that.” By the way, do they know what local industry means? To them it means their local hairdresser, the butcher, the manufacturing firm down the road, the car salesman and all the businesses around the area.

Several members interjected.

Mr A. KRSTICEVIC: Maybe not the hairdresser for a couple of us, but I do visit my hairdresser Brad at Brad’s Barber Shop in Duncraig. He is a fantastic hairdresser and I recommend that people go there. He has just shifted premises down the road. He has a pool table and video games and beautiful coffee lounges so customers feel like they are at home as they sit there. It has a very friendly atmosphere. Come down and see Brad. I do, but not for a haircut. When we talk to people in the street and mention local industries, they do not think of New Zealand, New South Wales or Victoria. As a matter of fact, they think they are not doing anything to help us.

Mr M. Hughes: They do not think of Malaysia.

Mr A. KRSTICEVIC: That is right. People have spoken about this: irrespective of what we put in a participation plan, the highest level criteria for any contract is value for money. Value for money will always be a consideration. Yes, other factors come into play, but, at the end of the day, if someone has 50 per cent local participation but someone else has zero local participation and is 90 per cent cheaper, guess what—that business will probably not
get the job under the current regulations. All these other factors need to be taken into account. That is very important for people to remember. Do not give false hope. Tell them the truth. Tell them that we are trying our best and that we are hoping with all these agreements and caveats and all these barriers in the way, work stays local, but, at the end of the day, we need to make sure that we build efficiencies and productive gains. We need to produce the best product and raise our capability and look for sectors that we can perfect and in which we can become experts in the sphere of the world economy so that we have a competitive advantage in many different ways. We need to think at that level, rather than trying to sell the community a document that may not deliver anything. If four years down the track, a job is allocated to New South Wales or New Zealand and the people of Western Australia say, “How does that happen? What happened to the bill?” we will hold up the WA jobs bill. “A job went to New Zealand. Can you please explain how that happened?” Members have to remember that at some point these things will happen and people will ask why it happened. Guess what—we in this Parliament knew that was going to happen. If the government is selling a message that does not tell people that, people are going to say, “Hold on, you lied to us. You did not tell us the truth.”

[Member’s time extended.]

Mr A. KRSTICEVIC: It is important to realise that. Recently, there was a big hoo-ha in this Parliament about the gold royalty increase and whether it was a good idea. I understand that the state government has a financial problem. We had that same problem. I understand that the Treasurer said that there was a $5 billion writedown that he did not know about and was unexpected, but we had a $40 billion writedown. These things are not new. These things happen. Some of them we know will happen, some we do not and they come out of left field. In today’s paper the Telfer boss said that now that the gold tax is dead, he will make sure that in the Pilbara—the member for Pilbara will be happy about this—Telfer will reinvest about $93 million to upgrade its investment and on an annual basis it will invest around $800 million a year for another four years in the economy. There was a good chance it was not going to do that if the gold tax went through because its operations are very marginal. There are 1 550 employees who still have a job. There is $800 million generated for the economy. What was that measure going to get us? It was going to get us less than $400 million of which 60 per cent was going to go to the commonwealth anyway. We were going to end up with $160 million over four years. Telfer is investing $800 million a year on top of the $93 million. On any measure, that was a good decision for just this one mine not to mention the hundreds of others that would have been impacted by this.

We need to create a balance and understand that it is not all about trying to stop things from happening. It is about saying, “Hold on, there is a bigger picture. We need to look at this more carefully and strategically and see whether we are making the right decision.” Members need to reflect on that. It is not about budget wrecking. The way we pay off our deficit is by growing the economy and making it bigger. By making it bigger, we can generate more wealth and get more money coming in, and that is how we pay back debt and reduce our deficit as well as obviously the other measures that need to be taken into account. It is important to make sure that we understand that.

We are going through public sector reform. I assume lots of people have been through different reform phases through their lives and working careers. I have definitely been through a number of them. When we have planned a reform, dotted the i’s and crossed the t’s and gone through all the detailed analysis of what needs to be done, a lot of times we do not get it right. We still make mistakes along the way and that is with all the right intentions. We have gone from 42 departments to 25. We have got rid of expertise. People were on the books and were getting paid, but instead we paid them out and said, “See you later. We will pay your redundancy and give you hundreds of thousands of dollars and thanks for coming.” Instead, we could have said, “Hold on, why don’t we keep them in the sector, keep their knowledge base and their expertise?” We have to pay them out anyway, so we may as well employ them. The difference between paying someone out and keeping them on is relatively insignificant.

My late father used to work at the Midland Workshops and I remember him saying that when redundancies came along, many people took it, but the company did not pay attention to who was taking redundancies—and all of a sudden, after everybody had left, it thought, “Oh! Who’s going to do that job? John’s gone; Peter’s gone. There’s no-one to do it!” Guess what? The company got back to them and asked, “Do you want to come back and work on contract? We need you back. We paid your redundancy but there’s no-one who can do the work!” I am scared that this round of redundancies will create lots of problems because we cut down the public sector. We tried to reduce what was going on in the public sector. I am personally more a fan of partial targeted redundancies rather than voluntary redundancies because every organisation knows the areas and the people for whom it is time to move on to something else. That would add some efficiency because the government will find with redundancies that all the good people will take it. All the people with corporate knowledge will say, “Yes, we’re out of here! We can get jobs in the private sector” or, better still, guess what they will say? “We know from our internal experience that this department gets contractors in.” All they will do is sign up to a contracting firm and the money will come from a different bucket in the government system, which is therefore sort of lost in the budgeting process and can come off a different line item. That is what happens now. I am sure everybody knows it happens. There are contractors everywhere. I have no doubt that a number of people who are taking redundancy pay will be back the next day working in the same location, doing the same job as before they took the redundancy—and I reckon they will probably be making more money than they did when they were employed there. There are plenty of examples in which that has happened in the past. We really need to rethink the way we do this.
Again, the payroll tax is an awful tax; everybody hates payroll tax. We were shafted by the GST system. We should have got rid of payroll tax. It should not be there at all.

Mr W.J. Johnston: Did you know that the GST is a payroll tax?

Mr A. KRSTICEVIC: Yes, that is right: the more people you have, the more you generate.

Mr W.J. Johnston: Yes, but you cannot rebate your payroll for GST. That means that you actually pay 10 per cent of your payroll as GST.

Mr A. KRSTICEVIC: Yes.

Mr W.J. Johnston: When people say that the payroll tax is a tax on employment, so is the GST; they act in exactly the same way in respect of their operations for payrolls.

Mr A. KRSTICEVIC: Then it is even worse!

Mr W.J. Johnston: The point I am making is that the argument against payroll tax is actually an argument against the GST as well.

Mr A. KRSTICEVIC: I thank the member for that interjection. Like I said, I hate payroll tax. I think we should get rid of it as soon as we can. Obviously, as a state government, we have only so many mechanisms to raise revenue. There are not many mechanisms and they are all awful. They all stymie business, stymie investment and stymie employment and they do not help to build the economy. I think we need to really look at this bill in detail and be smarter about the way we create work. I know that members have talked about the footbridge going to Malaysia. My understanding is that local contractors did not have the capacity or the ability to do the bridge at the time. They were too busy because things were booming at that stage, so it went to South Australia. I am not sure why we did not know that South Australia was going to tender things overseas but—guess what?—lots of companies tender things overseas or get supplies from overseas. We do not get down to that level of detail to be able to be across those things. We have expectations and we expect people to meet certain standards but they do not always do that, unfortunately. People do not always do the right thing. I know that sometimes ministers are blamed—ministers are blamed for everything really! How is the minister to know who put a screw on a nut at some point in time and whether they put the nut properly under the screw? That is the sort of thing ministers get pulled up for all the time in this Parliament. Members ask ministers, “What did employee 643 do on Wednesday at 3.00 pm?” They reply, “I’m sorry but, how do I know?” and the member’s response is, “You should have known; you’re the minister!” We play that game all the time—we throw blame at each other and make accusations—but, in reality, when we do that, we know it is not their fault. We used to be attacked by the former opposition all the time and the politics of it is that it does not matter whether it is a minister’s fault; the opposition will blame them anyway and think: hopefully the media will print a story and it will make them look bad. It really brings down the standard and a lot of times it will let off the contractors and public servants so I think we need to interrogate the Western Australian Jobs Bill 2017 in the consideration in detail phase. We need to go through it in a lot more detail and try to make sure it delivers what it promises to do. Also, the title of the bill is very misleading. I think it should reflect the fact that under this bill, New Zealanders and people in other states are also eligible to get work in Western Australia. The people of Western Australia should know what they are getting and not be surprised when these things happen.

I also wanted to talk about the “WA Labor Plan for Jobs” but I do not have a lot of time. It is interesting. I looked at it. It has 138 pages including: a cover page; 10 pages intentionally left blank; a contents page; an introduction page; a 16-page executive summary; 11 full-page chapter covers with no content; and a back cover. So there is nothing much in it really when we look at the detail.

MS J. FARRER (Kimberley) [12.45 pm]: I rise to add my contribution to the debate on the Western Australian Jobs Bill 2017. I think this bill is a big step in the right direction and I know that small and medium businesses in the Kimberley will be hoping to see it enacted with gusto in the north west.

Many of the towns and communities in my electorate, like most in the state, have seen big downturns in the local economies. It is often even more pronounced in regional communities due to the devastating impacts on services in towns that are unable to keep their doors open when other businesses and their services leave town. In Broome alone, we have seen many retail closures, hospitality closures and multiple building companies close over the last few years. Anyone travelling to Broome or Kununurra over the last year will have noticed these changes and the empty storefronts. The truly sad thing is that over the boom period, many of the communities that should have experienced large bumps in employment and training did not, because of the failure of successive state and federal governments to ensure that major government contracts and projects delivered local jobs and engaged local business.

One of the most stark examples that I can remember, and that I raised previously time and again in this place, is the National Partnership Agreement on Remote Indigenous Housing funding. This was a significant funding pool, designed to transform many remote communities and towns with over $5.5 billion worth of investment into remote Indigenous housing over 10 years to 2018, and a commitment from the commonwealth to construct 4 200 new
houses and 4,876 rebuilds. Nearly $300 million was allocated to the Kimberley region, with the capital processed through the Western Australian Department of Housing. Effectively, a single tender was put out for almost all the work and it was won by Pindan. In many of the communities, very few locals were employed. Aboriginal employment targets were met with people already employed by the company, non-locals, or it was alleged, people flown in from the eastern states from labour hire firms. Further, this huge expenditure meant very little opportunity for local businesses to provide materials or to even service the workforce. We have also seen this with the construction of the new courts in Kununurra.

One of the worst examples of the failure of these arrangements was in Fitzroy Crossing. Here, almost nothing was spent in the local community. The company did not even use the existing work camp in Fitzroy, instead spending $2.6 million on constructing its own work camp, which was then largely run with everything shipped in from out of town, from outside the Kimberley region. This was one of the worst examples I have seen in my time; however, it is by no means the only example of government departments failing to adequately address local content and local jobs in the Kimberley. It is crucial that the government is truly committed to local jobs and development because we can see the great benefits that this type of commitment can have in my region, particularly in remote communities.

When a local project or development truly engages with the local community, we see not only better employment outcomes, but we also see more young people, and older people, engaging in education and training, and we see improved literacy and numeracy, with people eager to take up opportunities. We often also clearly see an improvement in the overall wellbeing of communities. For example, young people who engage in employment and training often also become more involved in the management of their communities. There is also a sense of hope for the future. Old and young people can see a way forward for the community and for the next generation.

Every job created potentially saves a life. As the Premier has said, the Western Australian government spends billions of dollars every year running schools, hospitals and public transport systems, and building critical infrastructure and delivering services across the state. This should correlate with local jobs and opportunities in the region.

Debate interrupted, pursuant to standing orders.

[Continued on page 4974.]

TAYLOR WATSON

Statement by Member for Carine

MR A. KRSTICEVIC (Carine) [12.50 pm]: Today I ask the house to recognise an exceptional young leader of the future—Miss Taylor Watson. The fact that she lists among her hobbies public speaking and politics should serve as a warning to all parliamentarians to watch out for this up-and-coming young lady. Taylor is a very busy 20-year-old who has just completed her Bachelor of Arts at the University of Western Australia, majoring in political science, and law and society, and is looking to go on and complete her law degree in 2018.

Volunteering is high on Taylor’s list of passions. It is her desire to make a difference in the community by being active with local sporting groups, older athletes and schools that makes her a very special individual. Not one to be idle, Taylor successfully revived the Gwelup Progress Association in March 2017 after years of inactivity. Taylor also encourages others of her generation to become involved and active in the community.

Some of her other achievements include: the 2014 City of Joondalup Student Citizenship Award for outstanding service to local school community; in 2015, she was the youngest WA candidate in local council elections; in 2016, Taylor was the youth member for Kwinana, shadow Minister for Environment; and in 2017, she was the youth member for Carine, shadow Minister for Women, when she presented a bill to the 2017 Youth Parliament that passed unanimously and is now being considered by the state government for implementation—a bill relating to revenge pornography and image-based abuse legislation.

I wanted to bring this fantastic young leader to the attention of members and just say that one day, everyone will know about Taylor Watson when she follows her passion and serves as a parliamentarian.

TAMBELLUP COMMUNITY PAVILION

Statement by Member for Roe

MR P.J. RUNDLE (Roe) [12.52 pm]: I was invited to attend the opening of the fantastic community pavilion in Tambellup, which is a wonderful facility initiated by the community to provide a hub for sporting and community groups to meet, celebrate and gather in a building that offers something for everyone. Ray Squibb is the chair of the community pavilion. With his committee and the support of the Shire of Broomehill–Tambellup council, they were able to receive funding to build the complex. Along with Ray, the executive consisted of Jane Cunningham and Beth Schleuter. Club representatives involved were: Trevor Prout, Holly Farrell, Peter Sheridan, Trixie Hampton, Jedd Herbert, Craig Webster and Stuart Witham.

The pavilion was opened by Richard Goyder, AO, who grew up in the area on the family farm and attended Tambellup Primary School. He attended the event with his wife, Janine, and was able to tell many stories of
Steven Carnamah, Jordan Comeagain, Adrian Curley, Dylan Curley, Godfrey Curley, Jandamarra Dwyer, by 30 points in this year’s GNFL grand final. The Mullewa team comprised Leedham Papertalk as captain, congratulations to Mullewa, last year’s wooden spooners, coached by Adrian Comeagain, for beating Railways.

Khian Hill, Ethan Merry, Linton Merry, Jamien Papertalk, Kristian Papertalk, Darcy Rowe, Thomas Rowe, Railways. The Geraldton Newspapers Football Writers’ Award went to Jamie Koric of Rovers; the JMC Truck and Loader Hire Club Person of the Year was Grant Russell of Snap Action; the Coastal Wealth Management Wal Clarkson Memorial Medal for best and fairest in Country Week went to Kingsley Smith of Northampton; the East Fremantle Rookie of the Year Award went to Harry Grant of Brigades; the Maurie Drennan Rising Star Award went to William Faithfull of Northampton; the Hi-Lite Security Colin Burgess Medal and all costs associated with its operation, maintenance and capital upgrade. This is a big undertaking. If no business case is provided, the demolition will occur as soon as practicable after 24 January. This is a challenge to the community that has galvanised it into action, and I feel confident that the community will achieve its goal.

The demographics of Mahogany Creek are changing, with an increasing number of young families moving into the area. The facility is needed. It is clear that if this much-loved facility is lost, it will not be replaced. Ironically, it will cost $100,000 to demolish the hall, which could go towards the first stage of a phased refurbishment. I was present at the community consultation session on Sunday last, which was attended by a wide cross-section of the community to contribute their creative ideas towards saving their only community facility and ensuring it continues as a community hub and focus of community engagement. Kara and the members of the association are committed to their community, and I will do whatever I can to assist them in their quest. This is an example of local leadership in action.
DIWALI FESTIVAL

Statement by Member for Jandakot

MR Y. MUBARAKAI (Jandakot) [12:58 pm]: Today, the Indian community all over the world celebrates Diwali, commonly known as the Festival of Lights—a celebration of the sentiments of light over darkness, knowledge over ignorance and good over evil. It is a time during which Hindus from around the world light traditional lamps and pray for peace and prosperity, and ask the Lord to dispel ignorance and bring spiritual enlightenment.

Over the weekend, I was pleased to see a strong presence of ministers and members, including Premier Mark McGowan, at the Swan Festival of Lights—a flagship event on the Perth cultural calendar—and at the BAPS Diwali celebrations held here at Parliament House. I was also filled with pride at the weekend as we celebrated the launch of Piara Masala, a celebration of Indian culture in Piara Waters. This is a joint festival with the City of Armadale’s Community Safety Day. I would like to acknowledge the staff at the City of Armadale and Mayor Henry Zelones, as well as the president of the Piara Punjab Club, Raj Paul, and volunteer Naresh Shah, who have worked hard to bring this event to fruition in a very short time from inception. This event was well attended by the residents of the Jandakot community. The day began with a wonderful welcome to country by Indigenous elder Nigel Wilkes, with words of support to the new migrant community encouraging harmonious integration of culture and people. Our cultural diversity is one of our greatest strengths and it makes Jandakot a great place in which to live. I also recently had the privilege of working with chairman Joe Zhang and vice chairman Herbert He of the Canning Vale–based Australia China Youth Business Association.

Sitting suspended from 1.00 to 2.00 pm

QUESTIONS WITHOUT NOTICE

548. Mr P.A. KATSAMANIS to the Attorney General:

I refer to comments of the Premier regarding legislation to remove the statute of limitations for victims of child sexual abuse to seek compensation. The Premier said that every day there is a delay, there is justice denied. Is the Attorney General’s failure to introduce this important legislation due to his inability to win the support of his party colleagues, and which of his party colleagues are denying justice to victims of child sexual abuse?

Mr W.J. Johnston: You did! You voted against it.

The SPEAKER: Minister for Mines and Petroleum, your own member is on his feet. I call you to order for the first time.

Mr J.R. QUIGLEY replied:

I thank the member for the question. It is the government’s policy to lift the statute of limitations insofar as it applies to victims of child sexual abuse and, as the Premier also stated, to include in that legislation the identification of the correct defendant, so that schools will not be able to hide behind religious trusts. We agree that there is a delay, but that delay is occasioned by this: the government having taken that decision, there is a hold-up with the Parliamentary Counsel’s Office. The hold-up with the Parliamentary Counsel’s Office is because the previous government introduced a workforce replacement policy that required that a public servant who left could be replaced only by somebody earning 60 per cent of that person’s wage. The Parliamentary Counsel’s Office was denuded of parliamentary draftspeople. This government faced a crisis when we came into office because there were not enough draftspeople.

Mr P.A. Katsambanis: The dog ate my homework!

The SPEAKER: The dog might have eaten your homework, member for Hillarys, but I call you to order for the first time.

Mr J.R. QUIGLEY: We have flown in from interstate—we have recruited from interstate —

Dr M.D. Nahan: What about local jobs?

Mr J.R. QUIGLEY: We have flown in from interstate, retired draftspeople. What about local jobs, he says. The previous government denuded the Parliamentary Counsel’s Office, and we are advised that it takes five years to train up a lawyer to be a parliamentary draughtsperson. We did not have the draftspeople there.

Mrs L.M. Harvey interjected.

Mr J.R. QUIGLEY: The member for Scarborough knows that we did not, because her elder sister works there and would fully inform her of this.

Mrs L.M. Harvey: She is not my elder sister.

Mr J.R. QUIGLEY: The member knows who I am talking about. She will fully inform the member of this—we have not had the personnel —
Withdrawal of Remark

Mrs L.M. HARVEY: The Attorney General has implied that I have a relative in the office who is discussing confidential business of the government with me, and it is incorrect, and he should correct the record. It is completely false.

The SPEAKER: Member, if what you said is incorrect, can you withdraw it?

Mr J.R. QUIGLEY: I withdraw it, if it is incorrect. I only gave my understanding, but I withdraw it.

Questions without Notice Resumed

Mr J.R. QUIGLEY: In any event, I do not know about that relationship, but members opposite know what they did to the Parliamentary Counsel’s Office.

Mrs L.M. Harvey interjected.

The SPEAKER: Member for Scarborough, I asked him to withdraw it, and it has been withdrawn, so just let it rest.

Mr J.R. QUIGLEY: Members opposite know full well what they did. They decimated the Parliamentary Counsel’s Office, which has held up the legislative program of the incoming government. We have had to fly in from interstate experienced retired draftspersons, and as soon as this bill is drafted, it will be presented to Parliament. Let me repeat: the government’s decision is to lift the statute of limitations, which at the moment prohibits and bars the victims of child sexual abuse from bringing suits after the expiration of three years since the act was committed. That will be lifted, and the provisions for the correct identification of the defendant will also be in that bill, and it will be before Parliament as soon as the Parliamentary Counsel’s Office presents it to the government.

CHILD SEXUAL ABUSE — CIVIL LITIGATION — STATUTE OF LIMITATIONS LEGISLATION

549. Mr P.A. KATSAMANIS to the Attorney General:
I have a supplementary question. Will the Attorney General take the opportunity now to explain to the victims of child sex abuse—those same people whose expectations he raised last year—why he is denying them justice, rather than the response they have had so far from him, which is an impersonal, automated email response with no information whatsoever?

Mr J.R. QUIGLEY replied:
I remind the member that the opposition voted against a private member’s bill to lift the statute of limitations only last year. I remind the opposition of that. I also want to inform the house that victims—a lead advocate for the victims—a victim herself—attends my office regularly for updates, and is very pleased with the Premier’s statement, and very pleased with what the government is doing in this regard. I do not want to name her onto the Hansard, although I am happy to give her name to the member for Hillarys afterwards so that he can contact her himself, but I wish to assure Parliament that the victims I am talking with and keeping updated are very pleased with the government’s decision, and are a little frustrated that the Parliamentary Counsel’s Office, by reason of what members opposite did when in government, has been unable yet to deliver the bill. But it will come here and we will present it.

WESTERN AUSTRALIAN JOBS BILL 2017 — REGIONAL JOBS

550. Mr D.T. PUNCH to the Premier:
I refer to the McGowan Labor government’s commitments to creating and supporting local jobs right across the state—a commitment we have demonstrated through the landmark Western Australian Jobs Bill 2017. How will the Western Australian Jobs Bill support jobs in regional Western Australia, particularly those in Bunbury, and how will the Western Australian Jobs Bill ensure regional businesses have the best chance of securing government contracts?

Mr M. McGOWAN replied:
I thank the member for Bunbury for the question. Before answering it, on behalf the member for Kalamunda I welcome the year 5 students of Carmel Adventist College, their teachers and accompanying parents who are visiting Parliament this afternoon in the public gallery. There they are—a very happy bunch.

Firstly, I indicate to the house once again that confidence is back in Western Australia. Under this government, confidence is back in the business community, and we are seeing the Western Australian economy continuing to improve. Today we saw the jobs figures come down. We have seen the trend figure for unemployment steady at 5.6 per cent; the seasonally adjusted figure has fallen from 5.9 per cent to 5.7 per cent; 8 000 new jobs have been created in Western Australia; and Western Australia, unlike the situation under the former government, no longer has the worst unemployment rate in Australia.
Can you imagine, Mr Speaker, that under the Liberal–National government, Western Australia had the worst unemployment rate in Australia? We are now ahead of Queensland, Victoria and South Australia. Under Labor, our state’s economy is continuing to improve. But we have before the Parliament right now the Western Australian Jobs Bill 2017 to ensure that Western Australian businesses have the best opportunities to secure government work. One of the things we want to do is work with regional businesses to give them the best chance of winning government work. Currently, only six per cent of the value of government contracts goes to regional businesses. We have converted our regional development commissions to ensure that they have a dedicated local content officer working with local businesses to win government contracts. We have ensured that the websites of the regional development commissions have government work and contracts on them so that regional businesses can work with the development commission, look on its website to see what is available and have assistance in winning government contracts. We want to make sure that regional businesses are the beneficiaries of government contracts. We heard in the Parliament yesterday—I do not think it was picked up by many people but it is worth mentioning—why the last government failed to support regional businesses. The Minister for Water interjected on the member for Churchlands and said that voters —

threw the Liberal Party out because it had eight years without a jobs plan.

The member for Churchlands responded and said —

Yes, but the people of Western Australia know that. The member is not telling us anything we do not know.

I rest my case.

GOLD ROYALTY RATE INCREASE — NEWCREST MINING

551. Dr M.D. Nahah to the Premier:

Yesterday, Newcrest Mining announced a decision to invest an additional $93 million into the Telfer mine, which extends the life of the mine and the jobs of 1 550 people for a further four years. Newcrest Mining made it clear that this investment would not have been made and that jobs would have been lost if there had been an increase in the gold royalty. Will the Premier rule out trying again to increase the gold royalty during this term of Parliament, and will he rule out the vindictive threat of his Minister for Mines and Petroleum to axe the exploration incentive scheme in exchange for the gold industry’s support for axing the tax?

Mr M. McGowan replied:

I am pleased that Newcrest Mining has announced its decision to invest. Once again, it shows confidence is back in Western Australia. Newcrest Mining did not make that decision under the Leader of the Opposition’s government; it was made under our government. We are very pleased to see that the mining industry is making those decisions to invest, including Newcrest Mining. In fact, I met with a range of mining companies recently that were very happy with the direction of the Western Australian government. They know that in Western Australia under this Labor government they can invest with certainty. Together with my Treasurer and the Minister for Mines and Petroleum, we are working hard to attract investment to Western Australia.

Over the last few months we have had announcement after announcement by gold mining companies that they are investing in Western Australia. They have confidence in Western Australia—one after another after another. The other day the Mayor of Kalgoorlie–Boulder said, “If you come to Kalgoorlie, you will get the highest paying jobs in the country.” He was promoting his region, under our government; that is what is happening.

I turn now to the gold royalty increase. I will just remind members, because I do not think it has quite penetrated their heads, that it was an increase of $20 an ounce and a net cost of $14 an ounce, because it is deductible against corporate taxation paid to the commonwealth government. The price of gold is over $1 600 an ounce; that is $14 out of $1 600. Members opposite should think about that. Do they really think that would inhibit investment?

Dr M.D. Nahan interjected.

The SPEAKER: Order!

Mr M. McGowan: I can only quote the former Premier when he said a few years ago, and I do not actually agree with this—

Mr A. Krsticevic interjected.

Mr M. McGowan: I can quote him. Am I not allowed to quote him?

Dr M.D. Nahan interjected.

The SPEAKER: Order! Leader of the Opposition, I call you to order for the first time.
Mr M. McGOWAN: I have some respect for the former Premier, unlike members opposite. He said that the goldminers are getting away with murder, and the price was much lower than it is now.

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition!

Mr M. McGOWAN: We are very pleased that Newcrest Mining has announced its decision to invest. It comes on the back of a range of other goldminers making announcements. It comes on the back of confidence in the goldmining industry, a lot of which has to do with not only the Labor government in Western Australia, but also the fact that the gold price is at a record high.

GOLD ROYALTY RATE INCREASE — NEWCREST MINING

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

I have a supplementary question. Will the Premier apologise to the 1 550 hardworking employees at the Telfer mine for first saying that their job was not at risk and now saying that their jobs do not count?

Mr M. McGOWAN replied:

Once again, we have seen a bizarre performance by the Leader of the Opposition

Dr M.D. Nahan interjected.

The SPEAKER: Leader of the Opposition!

Mr M. McGOWAN: The extremeness of the language, the level of shrillness and the extraordinary personal attacks tell us that he has not adapted to opposition well. The Leader of the Opposition is currently in one of those stages of grief.

The SPEAKER: Excuse me, Premier. I warned you three times, Leader of the Opposition, and you keep going. It is not your chat show.

Mr M. McGOWAN: The Leader of the Opposition is currently in one of those stages of grief. I understand that there are seven stages and he is in about stage 3 or so—he has a long way to go. If the opposition, the Liberals and the Nationals, do some actual policy work and be a bit positive sometimes about Western Australia, their current, very poor reputation in the Western Australian public might improve.

PUBLIC SECTOR — CPSU–CSA — NEGOTIATIONS

553. Mrs L.M. O’MALLEY to the Minister for Commerce and Industrial Relations:

I refer to this government’s fair and reasonable wages policy, which is a vital measure in repairing the state’s finances. Can the minister update the house on any progress in the ongoing negotiations with the Community and Public Sector Union–Civil Service Association of WA?

Mr W.J. JOHNSTON replied:

It is an excellent question from the giant killer of Bicton. I remind the house that the member for Bicton was so scary that the member for Bateman would not run against her. He changed seats and knocked off a Liberal candidate because he was not prepared to run against a Labor candidate.

I want to let you know, Mr Speaker, that today the Civil Service Association announced the outcome of its ballot for what is called the General Agreement 7 negotiations, in which 92 per cent of CSA members supported the agreement with the government. I want to congratulate the members of the CSA for taking a responsible attitude to budget repair. They understand that Western Australia’s finances are in a dire situation, and they are in a dire situation for two reasons: firstly, because of the incompetence of the former Liberal government that increased debt in this state by over 1 000 per cent and took the budget from a $3 billion surplus to a $3 billion deficit, and also because there have been $5 billion of writedowns since the election. The members of the CSA have acted responsibly to support the government’s actions to have a fair and balanced wages policy in this state that provides a flat increase of $1 000 a year for all public sector workers. I congratulate the CSA members on that. They have shown great responsibility for the situation that confronts the finances of this state.

I note that a number of other unions, including the WA Police Union, are also moving towards settlement of this amount. I remind members that the Leader of the Opposition said he was jealous of our policy and that he had wanted to do it himself, but he was not able to get it through his cabinet. We are implementing it because it is a fair and balanced approach. I also urge the opposition to come on board and fully support the government’s wages policy, and not just occasionally in front of journalists, because it is urgently required to help repair the budget damage left by the Liberal Party. If the public servants of this state can take the responsible attitude that they have demonstrated by their vote today, I urge the Liberal Party to adopt the same responsible attitude that the Civil Service Association’s members have taken.
MINISTER FOR REGIONAL DEVELOPMENT — WAVE ENERGY PROJECT — CONFLICT OF INTEREST

554. Mr D.T. REDMAN to the Premier:
Given the Premier’s response yesterday that Carnegie Wave Energy was “a” likely proponent, not “the” likely proponent, for the Albany wave energy project, can he confirm that on 23 February 2017 he announced the Labor plan to make Albany a renewable energy hub, in the presence of the member for Cannington, Hon Alannah MacTiernan and the chief executive officer of Carnegie, who spoke at the function, standing behind a Carnegie-branded podium and in front of Carnegie banners?

Several members interjected.

The SPEAKER: Members, you are not allowed to hold up something in the chamber unless you have asked permission to do so beforehand. I would probably have allowed that, but you cannot, so do not do it again, please.

Mr M. McGOWAN replied:
Obviously, the coalition is back! All it took was the giant-killer, the member for Pilbara, to knock off Brendon and they are back working hand in glove! Best mates over there! As we know, the member for Warren–Blackwood was a member of the Liberal Party, and I think he is heading back in that direction!

As we know, Carnegie is a company that has a presence in Western Australia. It is well known and has done some work around the world, as I understand it, in wave energy. It has won contracts at a state level and, I think, also at a national level. It has an operation off the coastline of my electorate, and I could probably produce for members a few score photographs of federal Liberal and National ministers with Carnegie. If the member’s criticism is that I have appeared somewhere in a photo with Carnegie, he will find that I could produce those photos for him, although I would not be so stuntman-like as to bring them into this house. I could find for him photos of Liberal and National MPs with Carnegie. Therefore, what is his point? If his whole argument turns on the fact that I was in a photo with Carnegie, his point holds —

Several members interjected.

The SPEAKER: Member for Warren–Blackwood, I said not to put that up. I call you to order for the first time. Put it down, please.

Mr M. McGOWAN: If his argument is that I appeared in a photo with Carnegie, if he will excuse the pun, it holds no water.

MINISTER FOR REGIONAL DEVELOPMENT — WAVE ENERGY PROJECT — CONFLICT OF INTEREST

555. Mr D.T. REDMAN to the Premier:
I have a supplementary question. Given that the Premier was launching a Labor Party policy in front of Carnegie-branded banners, why is this not a potential or perceived conflict of interest for Hon Alannah MacTiernan, as she was a Carnegie shareholder at that time?

Mr M. McGOWAN replied:
I will just explain this to the member for Warren–Blackwood again. Hon Alannah MacTiernan was not a member of Parliament; she attended a launch. She attended lots of launches.

Mr D.T. Redman interjected.

Mr M. McGOWAN: Let me address you, my friend. If the argument is, as was put by the member for Cottesloe last night, that she at one point in time held some shares before she became a member of Parliament and a minister and that therefore what happens in government is influenced by the fact that at some point in the past she held some shares, the question therefore for the member for Warren–Blackwood is: did he exclude himself from any discussions in cabinet about matters to do with liquor, considering that at one point in time he owned a liquor store?

Mr D.T. Redman: When I had a liquor store, yes.

Mr M. McGOWAN: When he had a liquor store, yes. So when he did not have a liquor store, he did not exclude himself. Hon Alannah MacTiernan did not hold any shares.

Point of Order

Ms M.J. DAVIES: Mr Speaker, we are talking about Carnegie Wave Energy, and —

Several members interjected.

The SPEAKER: Members, the point of order will be heard in silence.

Ms M.J. DAVIES: The Premier is talking about nothing to do with the question at hand. He is talking about a liquor licensing matter that has nothing to do with the question that was asked.

The SPEAKER: No, in my opinion the Premier is talking about having an interest in something, which is the question that was asked, and he is just answering in his own way.
Mr M. McGOWAN: As the member for Cannington just said, it is what is called an analogy. The Minister for Transport raised this last night, so it is not new; the member heard it yesterday. The member owned a liquor store at one point in time, and I recall that when he owned that liquor store he participated very fully in debates in this house about my plans for small bars and liquor stores being able to open on weekends. He was in here, arguing in those debates at that time when he owned a liquor store. Let us think about that. He was participating when he owned a liquor store.

Several members interjected.

The SPEAKER: Premier! Members, you asked the question. You might not like the answer, but it is the answer you are getting.

Mr M. McGOWAN: I was shepherding through this Parliament, against the objections of the National Party, the reforms that have transformed our liquor and hospitality industry in this state, and the member for Warren–Blackwood was in here voting and arguing against them when he owned a liquor store. He should not come in here, pretending that he has some sort of standards, because he does not.

Hon Alannah MacTiernan gave the shares away to Leprosy Mission Australia before becoming a member of Parliament. The member for Warren–Blackwood is trying to say that because at some point in time she held some shares in a company related to an issue about which she has held a view for decades, and that because as a minister no longer holding those shares her portfolio made a decision on an issue after a tender process, she is somehow conflicted. One, that is absolute hypocrisy on the part of the member; but, secondly, it is absolutely preposterous.

REGIONAL ENFORCEMENT UNIT

556. Mr B. URBAN to the Minister for Road Safety:

I refer to the regional enforcement unit, which will help save lives on country roads, and claims by the member for Hillarys that it is being funded by the road trauma trust account. Are these claims correct; and, if not, when was the member for Hillarys told that these claims were not correct; and, for the benefit of the member for Hillarys, how is the regional enforcement unit being funded?

Mrs M.H. ROBERTS replied:

I thank the member for Darling Range for that question and for his commitment to policing and road safety in this state. As members know, he is a former police officer and he has a big commitment to and interest in these areas. He, unlike the member for Hillarys, generally gets his facts straight.

The regional enforcement unit was announced as part of the budget when it was brought down on 7 September this year. It is a large commitment of some $18.5 million over four years. It will equip an extra 25 police officers—three sergeants, 22 constables and six vehicles. It will be focused on regional roads and having fewer deaths and serious injuries on regional roads.

Mr P.A. Katsambanis interjected.

Mrs M.H. ROBERTS: I could hear the member for Hillarys interjecting there. If he had looked at page 269 of budget paper No 2, he would have seen where it was being funded from, which was not from the road trauma trust account. He could also have looked at the Hansard of the estimates hearings that he participated in on 20 September when he asked —

Will those six vehicles be from the existing fleet or will they be additional to the existing fleet?

…

Is … this initiative in the regional enforcement unit being funded from the road trauma trust account or is it …

Blah, blah. I clearly say —

No. It is police budget; it is not road trauma trust account.

But as we have learnt, neither the member for Scarborough nor the member for Hillarys let the truth get in the way. They make outrageous and incorrect claims not only in this house, but also put them in black and white in their press release. On 1 October, well after the budget had come down, more than a week after he had asked the question, in the presence, I note, of the member for Scarborough, who was also part of that estimates committee, and been told plainly that that money was not being funded out of the road trauma trust account, they jointly put out a press release on 1 October that states in part —

“The Police Minister has already admitted the McGowan Government will tap the RTTA to fund its new WA Police regional enforcement unit and also that funding cuts will mean 300 000 fewer West Australian drivers are breath tested,” Mr Katsambanis said.
We cannot believe anything he and the Acting Leader of the Opposition, the member for Scarborough, a former Minister for Police; Road Safety, say. If they had made the claim based just on the budget, we could say that maybe they are too lazy to read the budget papers and despite the fact they have had a couple of weeks, they still have not been able to work it out. But they sat there in budget estimates and asked the question directly: is that $18.5 million coming out of the road trauma trust account? I said, “No, it is not.” Then they put out this shoddy, shoddy work. I think someone told the member for Scarborough that if she were still at Mercedes, the nuns would have said, “Take this back and try again.”

PERTH CHILDREN’S HOSPITAL — THERMOSTATIC MIXING VALVE

557. Mr W.R. MARMION to the Minister for Health:
I refer the minister to his statement in the house on 5 September that the Building Commission removed two thermostatic mixing valve assembly boxes at Perth Children’s Hospital to examine parts for compliance, its advice that some elbow joints were not watermarked and that further tests were required. I refer to the minister’s announcement on 11 August that the TMV assembly boxes were the cause of the lead in the water and his commitment of 5 September to provide an update within a fortnight.

(1) Why has he not provided that update and will he now do so?
(2) Can he advise if all the TMV assembly boxes have been replaced and at what cost and is the hospital now lead free?

Mr R.H. COOK replied:
(1)–(2) I thank the member for the question because I am sure he is keen to know how we are cleaning up the mess his government left us once it left office. I can assure the member that we are doing everything we can to make sure that hospital is absolutely safe for the sick kids who will ultimately be using it. We will do so in a manner that the Chief Health Officer has certified as being appropriate and correct for delivering a safe building for those sick kids. I did say that we were investigating the replacement of the TMV assembly boxes. That process is ongoing. I can inform the member that we are replacing about a dozen of those TMV assembly boxes with a process to test before and after their replacement. It is interesting—I am sure the Minister for Transport will also reflect on this—that even though these TMV assembly boxes have been sourced from all over the world, the solution for it was in Western Australia. A local firm understands the problem and can produce the stainless steel elbows we need to replace those components in the TMV assembly boxes.

I committed in this place to provide updates on a regular basis, unlike the previous government, about that process. We have already replaced some of the TMV assembly boxes and testing is going on before and after their replacement to understand the contribution from those TMV assembly boxes to the lead contamination issues. I also committed to coming back in November and providing a clear time line for the opening of this hospital. We will do so because by then we will have a clear understanding about the flight path we will need to deliver a safe hospital. We will do it because the other side would not.

PERTH CHILDREN’S HOSPITAL — THERMOSTATIC MIXING VALVE

558. Mr W.R. MARMION to the Minister for Health
I have a supplementary question. Will the minister now admit that, given his claim that he acted decisively by taking practical completion of the hospital some 182 days ago, he was wrong and, indeed, should not have taken practical completion?

Mr R.H. COOK replied:
No. Can I just say that that question flies in stark contrast to the contribution from the member when he was giving his reply to the budget, when he said the hospital should have been opened six months ago. The member for Nedlands, at some point, has to understand that there is science behind this. The science is being driven by the Chief Health Officer. I understand that for the Liberal Party, science is sometimes a bit of an obstacle to ideological obsession, whether it be the conspiracy theories of the member for Bateman or the ideological mantra from the member for Warringah, Tony Abbott. Strange forces drive the other side of the chamber, members—strange forces, indeed. The member for Nedlands in particular has this rather confused analysis. One minute we should have opened it and the next minute we should not even have taken practical completion.

Mr W.R. Marmion: Just make a decision.

Mr R.H. COOK: I can inform the member for Nedlands that we took practical completion because we had to get in there to fix the problem his side created, otherwise we would continue to struggle to confront these issues head-on. We will continue to fix these problems and the other remediation issues that we have engaged the main contractor to fix. In the meantime, we will get kids in that hospital and it will provide the world-class health service that those kids deserve.
Dr A.D. BUTI to the Minister for Aboriginal Affairs:

I refer to the remains of Aboriginal people that have been discovered in Fitzroy Crossing, some of which are at risk of being destroyed by erosion of the Fitzroy River. Can the minister update the house on what the government is doing to save and protect these remains?

Mr B.S. WYATT replied:

I thank the member for Armadale for some notice of the question.

Those who travel to Fitzroy Crossing will no doubt be familiar with the Pioneer Cemetery. Many of the gravesites that are identified are non-Aboriginal. A long time ago, over many years when a lot of Aboriginal people died, they were effectively dumped in the vicinity of the Pioneer Cemetery. Some of those gravesites were marked by their family at the time but, over time, by and large, have not been. Recently, particularly with the big wet just gone in the Kimberley, because the Pioneer Cemetery is on the banks on the western side of the Fitzroy River, erosion has pushed into the footprint of that cemetery, which is basically crown land. Terribly sadly, a number of bones have been uncovered. Some were washed away, to the great distress, of course, of the local community. As a government, we therefore found several hundred thousand dollars to ensure we could work with the local community to exhume those bones to be buried more appropriately, in consultation with the elders and the local community. A smoking ceremony was held last week. The work is happening now and will be undertaken and completed before the next wet season, which is not far beyond us, because we do not want to see more of those bones washed away in the event of another large wet.

As members will appreciate, this has caused the local community some great distress because, ultimately, we are talking about 65 or 80 bodies, as we go through this process. It is certainly something I was keen to see done with great respect and, of course, with the involvement of KALCC, the Bunuba Rangers and the local community. We are working with the Bunuba Rangers and the Kimberley Aboriginal Law and Culture Centre as we go about this process. A smoking ceremony was held last week. The work is happening now and will be undertaken and completed before the next wet season, which is not far beyond us, because we do not want to see more of those bones washed away in the event of another large wet.

CARNEGIE CLEAN ENERGY — ASX ANNOUNCEMENT

Mr V.A. CATANIA to the Premier:

Is the Premier aware that on Monday, 13 March 2017, the first working day after the election, Carnegie Clean Energy made an ASX announcement confirming the commitment of $19.5 million in funding for the Albany wave project?

Mr M. McGOWAN replied:

Based upon past experience, I am always dubious about whatever the member for North West Central says. Based upon past experience, I am always very concerned that whatever he says may not be true, so I will wait and see whatever evidence, if there is any, the member for North West Central might have to back his claims. As we know, he has come into this place as a Labor MP and he has changed sides. It makes us doubt his trustworthiness.

Point of Order

Mr V.A. CATANIA: The Premier is not answering the question I asked. I am happy to read it again.

The SPEAKER: That is not a point of order.

Mr S.K. L’ESTRANGE: Under standing order 94, a member’s speech must be relevant to the question under discussion.

The SPEAKER: It must be relevant, but it does not say it has to be relevant. It “must”—that is an official thing. I am sure the Premier will get on to the question.

Several members interjected.

The SPEAKER: Members, standing order 78 states —

An answer must be relevant to the question.

It does not state “directly relevant”. It is up to the minister to respond to the question in the best way they see fit provided it is relevant. If the minister goes off topic, they should be brought back to the question. I am now bringing him back to the question.
Questions without Notice Resumed

Mr M. McGOWAN: Mr Speaker, to close that off —

Mr V.A. Catania: Why won’t you answer the question? Why are you hiding?

Mr M. McGOWAN: Mr Speaker —

Mr V.A. Catania: What have you got to hide?

The SPEAKER: Order, member for North West Central!

Mr V.A. Catania: He’s hiding.

The SPEAKER: It does not matter; you don’t shout across the chamber.

Mr M. McGOWAN: Just to close that off, I was thinking about the member for North West Central recently. I went to the Abrolhos and stayed on Big Rat Island!

Point of Order

Mr S.K. L’ESTRANGE: The Premier has been asked a direct question.

The SPEAKER: Yes, it is a point of order, and I ask the Premier to get back to it.

Questions without Notice Resumed

Mr M. McGOWAN: Whatever Carnegie tells the Australian Stock Exchange has nothing to do with the government. We do not live in a society in which governments tell companies what to tell the stock exchange. I cannot —

Mr V.A. Catania interjected.

The SPEAKER: Member for North West Central, you have the opportunity to ask another question, but just listen to this answer.

Mr M. McGOWAN: I and the government have no control over what Carnegie reports to the stock exchange— absolutely no control whatsoever.

Mr V.A. Catania interjected.

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

Mr M. McGOWAN: If they make a statement to the stock —

Mr V.A. Catania interjected.

Mr M. McGOWAN: Mr Speaker, it is impossible. I am not —

Mr V.A. Catania interjected.

Mr M. McGOWAN: I cannot be bothered with you.

Mr V.A. Catania interjected.

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

CARNEGIE CLEAN ENERGY — ASX ANNOUNCEMENT

561. Mr V.A. CATANIA to the Premier:

I have a supplementary question. What handshake deals have the Premier, the Minister for Energy or the Minister for Regional Development made with Carnegie for it to feel confident enough to make an ASX announcement two days after the election?

Mr M. McGOWAN replied:

The advice I have from the member from Cannington, who has just done a bit of research, is that Carnegie advised the Australian Stock Exchange that Labor had won the election and that was the policy we took to the election. If we took a policy to the election and Carnegie advised the stock exchange what the policy we took to the election was, what is the big deal? I do note this: the Liberal and National Parties continue to bump along in the gutter. For the member for North West Central to attack Hon Alannah MacTiernan, a person of the utmost respect across Western Australia, whilst he is one of the most reviled people in Western Australia is a joke.

VOLUNTEER FUEL CARD

562. Mr Y. MUBARAKAI to the Minister for Emergency Services:

I refer to this government’s decision to extend the volunteer fuel card. How has the McGowan Labor government provided certainty for our emergency services volunteers, something the previous Liberal–National government failed to do?
Mr F.M. LOGAN replied:

I thank the member for Jandakot and acknowledge his support for his local bush fire brigade—the Jandakot Volunteer Bush Fire Brigade. He does a great job there.

The volunteer fuel card was introduced in 2015 by the then Liberal–National government. It was, in my view, funded by the National Party, particularly the bulk of it, out of royalties for regions, to ingratiate itself with the volunteers out there. I will explain that. The former government funded the volunteer fuel card only until 2018–19. It was funded for only four years. The Liberal–National government wanted to ingratiate itself with the volunteers before the election, hoping it would get some votes out of it. That is what it did. Clearly, that worked!

Several members interjected.

The SPEAKER: Members!

Mr F.M. LOGAN: For the member for Jandakot and other members, I have some very good news.

Several members interjected.

The SPEAKER: Members, just let him finish.

Mr F.M. LOGAN: The volunteer fuel card continues on, and will go beyond the period announced by the Liberal–National government, which was until 2018–19, to 2020–21.

Several members interjected.

The SPEAKER: Members!

Mr F.M. LOGAN: Those opposite are asking, “How much?” Of course it has been reduced. It is now going to be equitably distributed at $1 000 per annum —

Mr D.T. Redman: You can’t do it?

Mr F.M. LOGAN: Just listen, member. It will be equitably distributed at $1 000 per annum, metro and region, for a longer time. I am sure—not only am I sure, I know—the volunteers appreciate that because they have told me so. They actually appreciate what we do.

Several members interjected.

The SPEAKER: Members!

Mr F.M. LOGAN: Mr Speaker, I bring your attention to the criticism that I have had over this volunteer fuel card, particularly from a member of the upper house who should know better. Hon Steve Thomas has claimed that somehow I have slurred the volunteers about making improper claims. He has put it in the following terms —

“For Mr Logan to say the card is a ‘financial mess’ … he needs to ‘ensure taxpayers … are accounted for and spent appropriately’ devalues the amazing resource that these people so selflessly provide to their communities.”

As the member for Midland has indicated to the house, never believe anything they say. Here is what I actually said, and I quote my press release —

It is incumbent upon the McGowan Labor Government to make sure the scheme is not only sustainable and practical, but there is … appropriate oversight.

Is there a problem with that? That is because the previous Liberal–National government issued the card with no rules whatsoever. The poor volunteers were left in the situation in which the brigade captains did not know how to actually expend the money. The previous government did not provide any guidelines, any oversight or any rules. I am being criticised—Mr Speaker, I will wind up, but I bring this to your attention—over this by someone called “Steve Thomas, MLA”. Where is Steve Thomas, MLA? Apparently he is the opposition’s shadow Minister for Environment; Water, and he is putting out press releases under a misleading claim that he is a member of this house. He is putting himself out as a member of this house.

Several members interjected.

The SPEAKER: Members!

Mr F.M. LOGAN: Leader of the Opposition, I thought Steve Thomas might have learned something after he was devastated in the 2013 election by the member for Collie–Preston. I thought he might have learned something while he was outside the house. He has now caused a demarcation dispute with the fire and emergency services shadow minister in the upper house, and he clearly does not know which house he is in. Why does the Leader of the Opposition not provide a bit of leadership for his members in the upper house, if he possibly can!
CHILD SEXUAL ABUSE — CIVIL LITIGATION — STATUTE OF LIMITATIONS LEGISLATION

563. Mrs L.M. HARVEY to the Attorney General:
I refer to the Attorney General’s previous answer about his failure to introduce legislation to remove the statute of limitations for victims of child sex abuse to seek compensation. On the one hand the Attorney General says he does not have the resources of Parliamentary Counsel, but on the other he says the legislation was debated last year. Is it not true that the Attorney General has not introduced the legislation not because of Parliamentary Counsel, but because he was rolled by the member for Cannington and other party colleagues?

Several members interjected.

Mr J.R. QUIGLEY replied:
No. No. No. The answer —
Several members interjected.

The SPEAKER: You might know, but what we want to do is hear the Attorney General’s answer.

Mr J.R. QUIGLEY: The answer is no, but the rhetorical question is: is the member for Scarborough going to support the legislation when we introduce it into this Parliament?
Several members interjected.

Mr J.R. QUIGLEY: She voted against the private member’s bill to lift the statute of limitations. This is a very important issue for all victims of child sexual abuse.

Several members interjected.

The SPEAKER: Members, listen to the answer!

Mr J.R. QUIGLEY: They attend upon me at my electorate office, and I keep them up to date with the development of the policy, including, as I say, the most important issue—the correct identification of the defendant so that church schools cannot hide behind trusts, and not have anyone to sue. This will be brought before Parliament. Is the member for Scarborough going to support it this time? She voted against it on the last occasion: is the member for Scarborough going to support it this time —

Mrs L.M. Harvey: Yes! Yes!

Mr J.R. QUIGLEY — or is she going to further disappoint all the victims of child sexual abuse?

CHILD SEXUAL ABUSE — CIVIL LITIGATION — STATUTE OF LIMITATIONS LEGISLATION

564. Mrs L.M. HARVEY to the Attorney General:
I have a supplementary question. If the Attorney is serious that his failure to introduce the legislation is because of resourcing in Parliamentary Counsel, is he saying that the Animal Welfare Amendment Bill 2017, the Tobacco Products Control Amendment Bill 2017 and the vacuous Western Australian Jobs Bill 2017, among others, has higher priority over victims of child sex abuse?

Several members interjected.

Mr J.R. QUIGLEY replied:
All —
Mrs L.M. Harvey: You think it’s funny?

Mr J.R. QUIGLEY: Sorry?
Several members interjected.

The SPEAKER: Having fun? I call the Minister for Transport to order for the first time. Attorney General, have you finished?

Mr J.R. QUIGLEY: Thank you. In eight years, the opposition did nothing in this area —

Mr B.S. Wyatt: Except vote it against it.

Mr J.R. QUIGLEY: Except vote against it. Thank you, Treasurer.
Several members interjected.

The SPEAKER: Member for Carine, I call you to order for the second time. This is the last question; let us get it out of the way.

Mr J.R. QUIGLEY: What became clear in drafting the legislation and preparing the legislation was that it would not be effective to all victims of child sexual abuse unless —

Several members interjected.
Mr J.R. QUIGLEY: Under the private member’s bill, there was a hole.

Several members interjected.

Mr J.R. QUIGLEY: Does the opposition want to hear the answer or not? The really important issue is that a whole lot of private schools are operated by trusts. They are church schools, but they are protected by trusts. By lifting the statute of limitations, children who found themselves in state institutions or in private households would have a defendant to sue. For those children in Catholic Church schools, in Church of England schools—all those victims who have been identified—

Several members interjected.

Mr J.R. QUIGLEY: All those victims who have been identified as having been abused in church schools and other private schools would have been left out.

Several members interjected.

Mr J.R. QUIGLEY: That was the subject of a specific recommendation of the national Royal Commission into Institutional Reponses to Child Sexual Abuses. Having started and prepared the lifting of the statute of limitations, the national royal commission came out with its recommendation for the identification of a proper defendant so that churches and other organisations could not hide behind a trust. When we present the bill this year, it will be the lifting of the statute of limitations and the identification of a proper defendant so that children will have someone to sue.

TRANSPORT — TAXI REFORM — CONSULTATIONS
Question on Notice 2083 — Answer Advice

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [2.57 pm]: I rise under standing order 80 to inquire of the Minister for Transport where the answer is to question 2083, lodged on 12 September.

MS R. SAFFIOTI (West Swan — Minister for Transport) [2.57 pm]: That was the second question I have ever had from the member in seven months. I will find out where it is and make sure I get on to it as soon as possible.

ROAD SAFETY — LEACH HIGHWAY — FATALITIES AND CRASHES
Question on Notice 2088 — Answer Advice

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [2.57 pm]: Under standing order 80, I inquire as to the status of question 2088 asked of the Minister for Police; Road Safety on 12 September.

MRS M.H. ROBERTS (Midland — Minister for Police) [2.57 pm]: I expect to be able to provide the member with that answer very shortly.

MINISTER FOR TRANSPORT

Elizabeth Quay Train Station — Personal Explanation

MS R. SAFFIOTI (West Swan — Minister for Transport) [2.57 pm]: I rise to make a personal explanation under section 148 of the standing orders.

The SPEAKER: Yes, Minister for Transport.

Ms R. SAFFIOTI: This morning, in a parliamentary debate on a grievance, I gave an incorrect figure in relation to the costs of renaming the Esplanade station to “Elizabeth Quay”. It was not in fact $400 000, it was $700 000. I just wanted to correct the record.
Resumed from an earlier stage of the sitting.

MRS L.M. HARVEY (Scarborough — Deputy Leader of the Opposition) [2.58 pm]: I rise to offer my comments on the Western Australian Jobs Bill 2017. The opposition has indicated it will support this legislation, but it will interrogate it to ensure that it will achieve what the government purports it will for the community of Western Australia. One of the gaping holes in this legislation is the definition of “local industry” at the beginning of the bill. The bill states —

**local industry** means suppliers of goods produced, or services provided, in Western Australia, another State, a Territory or New Zealand;

The opposition is of the view that the argument that has been prosecuted by the government in the community is that this legislation will ensure that more Western Australian companies will achieve priority jobs with government and that there will be more opportunities for small to medium-sized Western Australian businesses and their employees as a result of this legislation. However, the legislation in fact does not allow for that. It allows local industry to include goods produced or services provided in not only Western Australia, but also the Northern Territory, Queensland, New South Wales, Victoria, Tasmania and New Zealand. I put to members that New Zealand would not be considered local by any Western Australian. Indeed, as a small business owner, I would consider a local small business to be one that a person can walk up to the front door of and that is located in Western Australia and owned by Western Australians. That is the whole definition of “local” in the minds of the very parochial Western Australians whom this jobs bill has been pitched to as some kind of rescue mechanism for local participation. We believe local participation is important. We did our utmost when in government to try to ensure local participation in government work wherever possible; however, it is not as easy to achieve as the Premier would purport. A legislative instrument is often not the easiest way to achieve those sorts of initiatives.

I would like to point out some issues with the legislation. Clause 14(b) provides that the supply contract entered into with a prospective supplier under the Western Australian industry participation strategy must include a requirement for reports to be given to the procurement agency in accordance with the participation strategy. The intention of including a reporting clause in supply contracts is to assist agencies in monitoring the implementation of commitments made and in reporting on the outcomes. Therein lies the problem with the legislation. The problem with this sort of legislation and these sorts of government initiatives is always in the implementation, monitoring of commitments made and in reporting on the outcomes. Therein lies the problem with the legislation. The problem with this sort of legislation and these sorts of government initiatives is always in the implementation, monitoring and management of the program. Indeed, history shows that government agencies are not always terribly adept at following these kinds of policy initiatives. In fact, there have been many attempts at these sorts of policies in the past. Government procurement is a fairly tricky area and agencies find ways to circumvent even legislative requirements such as the bill before the house today.

I turn to clause 15(3). The explanatory memorandum states —

Clause 15(3) is aimed at transparency and requires that the procurement agency for a WAIPS supply publish on a website maintained by or on behalf of the agency, a … notice of an exemption given to the agency, and if the exemption is amended or revoked, notice of the amendment or revocation.

This is an interesting clause in the legislation, because it refers to the ability of an agency to achieve an exemption in certain circumstances. We will get to see those circumstances when the government gets around to drafting the regulations, but at this point, as we examine the bill in this house, we do not know what those exemptions might be. In a short while, I will outline some of the problems we have had with exemptions to government procurement policy in particular, with agencies, by means of delegation from the minister, having been able to exempt themselves from the requirement to comply with instruments such as the one we are debating. The fact that there is an ability for an exemption and that the exemption needs to be published on a webpage allows agencies basically to have a toe in the door not to have to comply with the legislation.

Under clause 17(2), it is intended that monetary value thresholds will be part of the criteria for participation in the strategy and that there will be a requirement to have a WAIPS. However, we do not know what those thresholds will be; they will be prescribed by regulation. We do not know whether those thresholds will be $5 000, $20 000, $150 000 or $10 million worth of procurement. We do not know what those thresholds will be. The legislation is silent on that. They will be prescribed by way of regulation. The second reading speech does not give the opposition or this Parliament any indication of what those thresholds will be, which leaves us in the dark about the point at which this jobs bill and the participation strategy will kick in. There is a requirement, as usual with these sorts of things, for the minister to prepare a report and bring it to Parliament, and that is a good thing. It will allow for parliamentary oversight of the compliance of these agencies with the policy. We on this side of the house will be very interested to see that report, because there is a requirement in this legislation that the agencies incorporate the successful suppliers’ participation plan commitments into any contract awarded. Indeed, it will be very easy for the Auditor General and others to go through those government contracts and find those that have complied with the legislation and those that have not.
As I said earlier, the devil in these sorts of strategies is in their execution by, and the compliance mechanisms put in place for, the agencies. I refer to a report of the Office of the Auditor General published in 2011 into public sector performance and particularly agency compliance with procurement requirements. It is not a great report. The audit in 2011 found that compliance was inconsistent. Fewer than half the agencies that were looked at managed procurement strategically and only two complied consistently with the four principles of good procurement practice. Five agencies complied consistently with the principles of good procurement, but not all of them, and two agencies did not comply with any of the principles of good procurement—none. That is a significant problem. When the government introduces another piece of regulation, which is ultimately what this legislation is, agencies tend to buck up against those kinds of requirements—they do not like them—and suppliers dealing with government generally view these things as unnecessary red tape and do whatever they can to circumvent their participation in them. In 2011 the Office of the Auditor General looked at the strategic management of procurement by a number of agencies. Sadly, most of them failed the test. One of the agencies achieved a poor outcome. Four agencies received what I suppose we could call a grade of C, two of them got a B for average and two of them got good—I would say that is a B+ in the context of this report, because the report was not great.

One of the other initiatives that the Office of the Auditor General looked into at the time was the Priority Start building policy, which was introduced by the Labor government in 2007. The purpose of that policy was to encourage employers to take on apprenticeships and traineeships. It was a difficult policy to implement; indeed, compliance with Priority Start was incredibly poor, partly because its structure did not work. The mechanism by which businesses had to demonstrate that they could comply with the policy became quite cumbersome. There was ambiguity about what the agencies’ reporting requirements were and the agency that was supposed to be managing the Priority Start program. The public sector’s compliance performance with the Priority Start building policy was damning. The Department of Training and Workforce Development tried to manage the policy. It said in the Auditor General’s report that its issue with being given the job of ensuring that government agencies complied with the policy was that the policy was never adequately resourced. Its view was that the systems and processes in implementing the policy were not clearly defined and certainly there was limited resourcing to enable the department to hold agencies to account in the letting of construction contracts and ensuring that there was compliance with the apprenticeship and traineeship uptake.

Some of the contracting arrangements, such as panel and staged contracts, made application of the policy difficult and costly for government and contractors, and that was a major disincentive to an otherwise useful strategy. That is where I see there will be problems with this Western Australian Jobs Bill. If the provisions are not really driven by government and not resourced adequately, if there is no clear collection of a business unit of public servants whose job it is to routinely go through every contract awarded by government in every agency to ensure that there is compliance with scheme and if things are left up to the agencies, they will take the path of least resistance and find ways to exempt themselves from participating in the strategy—and therein lies a significant problem. If agencies know that their budgets are clipped, they will try to save money any way they can and quite often their reasons for procuring externally from Western Australia is that the costs of delivering contracts to Western Australian companies are higher. Indeed, that was often the argument we would get in government.

When the Auditor General looked at the Priority Start building policy, he found that the policy required that head contractors maintain minimum levels of apprentices before they were awarded government construction contracts with an estimated labour component of more than $300 000. Contractors were required to provide employment opportunities for a set number of apprentices and trainees. There is a similar kind of theme in the jobs legislation that is before the house. When the audit looked at the implementation of the policy, there were many inconsistencies in the key policy requirements of the head contractors. Of the 58 contracts that the audit looked at, the Department of Training and Workforce Development and agencies could not provide assurance that employment opportunities had been provided for in 55 contracts. For 55 of the 58 contracts, the agencies could not demonstrate that there had been any application of the Priority Start building policy or indeed that any effort had been made to make contractors comply with the policy. That is where the challenge will be in implementing this bill.

One of the issues with managing exemptions was that chief executive officers had the power to exempt procurements and they could delegate that power to staff. Eight of the nine agencies that were looked at had done so using their agency’s standard financial delegations register, which meant that staff who were authorised to procure items also had the power to exempt agencies from market-testing arrangements and Priority Start participation. This government will face that challenge. If this policy is not resourced appropriately and if the government does not have a very strong compliance mechanism behind the implementation of the program, it will fail. And that, I put to members in this place, is always the challenge in government.

I want to go a little further into the Priority Start policy because when I was Minister for Training and Workforce Development, we dumped that program because it was too difficult to comply with.

[Member’s time extended.]
Mrs L.M. HARVEY: We changed the program so that it required businesses to prove to the government that they routinely maintained around 11 per cent of their workforce as apprentices and trainees before they could apply for government work rather than having in each individual contract the requirement that 10 per cent of those on-site be apprentices. In that way, businesses could get government work only if they could show a clear, long-term commitment to employing apprentices and trainees. There would be some job sites at which there were no apprentices and trainees but for other jobs they would be on-site. Generally, as a proportion of the employment base they needed to be running at about 11 per cent. That was a much easier policy for the construction industry to comply with and ultimately that is what we as a government were trying to achieve—long-term commitment to traineeships and apprenticeships. We wanted companies to demonstrate that they were committed to training our young people in particular if they wanted to get government work.

The first line in the conclusion of the Auditor General’s 2011 report on the Priority Start building policy states —

Agencies were not meeting the objectives of the Priority Start - Building policy …

That is pretty clear cut. In the detail of the report it states that in 2009–10, the Department of Treasury and Finance did not provide an annual report to the Department of Training and Workforce Development to demonstrate that the program met the intent of the policy. That failure went through to the ether. When the audit looked at what the agencies were doing, the agencies did not notify the Department of Training and Workforce Development that they were awarding 22 contracts. Of the 58 contracts that were examined, 19 had exemptions that did not require contractors to employ any apprentices—they exempted themselves. The Auditor General recommended that the government ensure that the policy be applied to all eligible contracts, and that is what this government will need to do. It will need to ensure the legislative requirement for local content. Local businesses in Western Australia, Queensland, Northern Territory, Tasmania, Victoria, New South Wales and New Zealand will need to comply with the legislation. The government will need some kind of registration mechanism for contractors who want to do business with government to ensure that they have a local content participation strategy. That will create a lot of work for a lot of small to medium businesses that want to do business with government. Most small to medium businesses simply do not have the resources to develop participation strategies such as those that I expect the department will require of them. Often there is a mechanism in the legislation to allow for a simplified form of a participation scheme. However, I can assure members that from the conversations I have had with small businesses, and being a small business owner, I know that small businesses do not have the resources and individuals to not only pull these schemes together but also demonstrate, via a reporting mechanism, that they have complied with the scheme. That is another onerous reporting requirement on small business by the government that will be an impediment to complying with the legislation. The legislation is silent on how this will work. Which agency is going to be responsible? Will a unit be established to ensure compliance with the legislation? One concern I have with the bill, which members might be surprised to learn about, is that there is no disincentive or penalty for either agencies or companies for noncompliance with the scheme. Clause 24, “Effect of contravention of Act or WAIPS”, states —

(1) No civil or criminal liability attaches to an agency or any other person only because the agency or other person has contravened this Act or the WAIPS.

(2) A procurement decision made, or supply contract entered into, in respect of a WAIPS supply is not invalid only because an agency or any other person has contravened this Act or the WAIPS in relation to the WAIPS supply.

The government has brought in legislation that it says is going to be tough on agencies and will ensure that agencies procure locally in New Zealand, the east coast and, hopefully, Western Australia, to create jobs in Queensland, Northern Territory, Tasmania, Victoria, New South Wales and New Zealand will need to comply with the local participation strategy in that contract. One has to question whether the intention of the government is sincere. Generally, if one wants a piece of legislation to have effect, one builds in some kind of penalty for individuals who are not complying with the legislation. Sadly, some human beings work by way of incentive and some work by way of punishment—reward and punishment; that is how some of us are wired. We have seen the behaviour of some of these head contractors and businesses over time. We have seen head contractors get work from the government and subcontract out to smaller operators, who are usually local Western Australian companies. Often the head contractors are from the other states and are not necessarily local Western Australian contractors. All head contractors will have to have a WAIPS in place, but they will push it down to the subcontractors. If their strategies are consistent with the way in which they have operated previously, it will be the subbies who will bear the brunt of the implementation of a scheme like this, and they are the ones with the least resources to be able to comply with these sorts of schemes. I have grave concerns about how this legislation will be implemented successfully. If there is no penalty and no disincentive for noncompliance, I question whether industry will take the legislation seriously in any event. If I were a business and there was a piece of red tape that I thought was unnecessary and onerous, and if I was managing to get government work via an exemption through an agency...
and there was no penalty for noncompliance, then there would not be much of a reason or incentive to actually bother to comply. That is a significant defect in this legislation. In my view, there should at least be a penalty for contractors for noncompliance. If the government is serious about this industry participation strategy, a significant penalty needs to apply to the agencies and contractors that do not comply with the scheme. That can easily be written into contracts. The agencies, in letting contracts, could require an industry participation scheme be entered into that ensures a significant proportion of the company’s work is procured from Western Australian–based companies that employ local Western Australian people; and, if they did not, it could withhold 20 per cent of the contract amount or hold the final payment for the work in abeyance until the company had complied with the legislation. That would give this legislation some teeth. That would ensure that employers and businesses from New Zealand, which will be able to come over here and participate in this industry participation scheme, have to employ Western Australians and to source Western Australian companies when they are tendering for government work.

We will interrogate this legislation in the consideration in detail stage. As I have said, there are a number of considerable weaknesses in the bill. If the government were serious, it would not have made it so easy for agencies to exempt themselves from complying with this strategy, and there would be a penalty for noncompliance. None of that exists in the legislation. It makes it weak. Once again, it brings us back to what we have said since this government came to power—that it is disappointing and there is far more spin than substance. This is just another stultifying legislation that the government has prioritised ahead of victims of child sexual abuse, for whom the government was supposed to bring forward priority legislation. The Western Australian Jobs Bill 2017 allows for jobs in every state of Australia and New Zealand. It is not geared up as a legislative instrument to achieve what the government says it will achieve. I fear that the implementation of this legislation is going to be difficult and problematic and will cause unnecessary red tape for local Western Australian businesses that want to get government work.

MR R.S. LOVE (Moore) [3.28 pm]: I would like to make a brief contribution on the Western Australian Jobs Bill 2017. We are told that the purpose of the bill is to use the state government’s procurement process to enhance local industry participation in government projects, particularly for small and medium enterprises. I just hope it does not end up being yet more red tape that strangles job creation and strangles small to medium enterprises, because they are struggling already. It is disappointing that part of this program is not about cutting some of that red tape, as far as I can see. I want to talk very quickly about an example in my electorate. Last year I went up to Dongara Marine and looked at the 18.5 metre pilot boats that it produces. The company was applying for a contract with a Western Australian government enterprise, in the form of one of the port authorities. It was actually quite well-established in the boatbuilding industry. It had been doing it for many years and these pilot boats were, of course, proven products. Unfortunately, in the end, the Western Australian port authority in question decided to get a Victorian producer to produce the craft, as I understand it, rather than a Western Australian producer, because this company was staffed mainly by guys from Victoria.

I believe that the Western Australian Jobs Bill 2017 has within it provisions for the development of a Western Australian industry participation plan and that it must not transgress the constitutional and legal requirements around allowing other states and New Zealand to also be suppliers of the goods. In the case of the Dongara pilot vessels, although it would clearly benefit Dongara, my electorate and Western Australia if those vessels were manufactured in Western Australia, as far as I can see this legislation would do nothing to assist the suppliers. I am not sure what it is we are actually hoping to achieve. I would have thought that if we are talking simply about competition from chief producers elsewhere that there would be other ways of assisting, because the actual benefit will be spread right across the nation, not just within Western Australia. I see some issues with that.

Not much information on the bill was made available. We did have a briefing from some gentlemen who were involved in the development of this bill, and I thank them for that. They answered the questions as best they could, but no real detail was provided on some of the criteria for the size of the projects and types of strategic supply that might be involved. All we had were just general discussions. It seems that an awful lot will have to be put into the development of the actual plan and the regulations surrounding the whole issue. Although we have the legislation, it does not actually tell us an awful lot or do an awful lot. Whether it turns out to be a good thing, time will tell. As I said earlier, small business owners, especially in country areas, already struggle to understand what it is that the government intends to do and the regulations and hurdles that will prevent them from expanding their business. I just hope that this does not create another hurdle, because I assume that once the plan is set, the government will expect it to be followed. If the bill sets out some criteria that could effectively limit the ability of small business, especially in country areas such as mine, to participate, then that would be a very bad thing. First and foremost, the industry participation plans have to enable smaller enterprises to participate in government procurement and supply contracts. There is no magic bullet for these sorts of things. It is a good thing that at least the government is looking at such issues. The previous government had a Building Local Industry policy as well, which had a fairly high threshold. However, we do not know what the thresholds will be for these particular plans, so we are whistling in the dark when it comes to how this will work or whether it will work at all.
As we heard from other speakers, sanctions cannot be applied to government agencies as far as we can see, should they fail to fulfil their obligations under the act and the participation plan. There does not seem to be an understanding of the cost that would be involved to properly police these plans. It is all very well to draw up a plan and to have a policy, but it must be enforced and we need to have an understanding of how the businesses are reporting, whether they are reporting accurately and how the outcomes will be measured if the plan is to be implemented. At the moment, we are completely unclear on an awful lot. It could be a good thing, but it will take an awful lot of work. Having looked at how our state government agencies reported in the past and how they prioritise issues, it will be awfully hard to, first, get them to look at things other than price, and, second, get an understanding of whether they are taking any notice of these participation plans when the bill is enacted. Some serious thinking needs to be done on the level of resource that we can put in to ensure that the plans are being properly monitored and enforced.

One of the basic obligations that I would like to see involved in any of these types of plans is to restrict the situations that have developed in my electorate, at least on a number of occasions, whereby a largish contract is run often through a state government agency, which may not be particularly experienced at project management, that has a number of contractors cascading down the chain that do the work. At various points along that chain, occasionally, and quite brutally, I have seen interruptions, if you like, between the payment flows. People at some point in the chain get the money that is intended under the contract, but the local subcontractor—who might have put the tiling in at the Leeman boat ramp or might have provided the accommodation for workers in Kalbarri—is not actually contracted under any of the government agreements or agencies. They are that far down the chain that they are not recognised and they are still not getting paid. We need to make sure that the very small businesses that exist, especially in the regional areas, are recognised within those plans and there is a mechanism whereby if someone is not paying the people at the bottom of the chain, sanctions can be put in place to ensure that that happens. It takes an awful lot of effort for a very small business to make up a dead loss in income, especially if they have supplied materials as well. That is just about enough to send many small businesses under. It is a very sad thing to see a beautiful project being developed in an area and to see that the net effect, rather than being positive for the local business community, is that people are struggling to pay their bills because someone has not paid them.

We have already heard some discussions about how not much was done previously to provide or create job opportunities in the state. I totally and utterly reject that assertion. Certainly, within my electorate, a number of projects have been rejected by the government that were approved by the previous government and would have been job creators in the long term. For instance, the improvements around the Jurien Bay marina, which I think was an $8.7 million project, were approved by the previous state cabinet back in August last year. That would have helped to create a more vibrant and more sustainable economy around that marina precinct which, if rebuilt, would be worth several hundred million dollars. Instead, it is struggling to pay the bills and cannot look after itself. Its marine environment is suffering and there are repeated problems with water quality and the like, which limits its ability to be used by other people such as fishermen, who cannot process crayfish there because the oxygen levels in the water that runs through the craypots are too low to keep the crays alive. The boats themselves are attacked by the acidic water, and the tourists, who would otherwise use the area, are driven away by the offensive odours and the sight of dead fish and other crustaceans and marine animals lying on the beach. It is not very good. If that could be turned around, it would be a tremendous asset for the area and to see that the net effect, rather than being positive for the local business community, is that people are struggling to pay their bills because someone has not paid them.

I also note that there was a discussion fairly recently around gold royalties. We know that the two sides of politics here do not agree on gold royalties and whether they should or should not be lifted. It seemed to me that the government had a rather cavalier approach to claims by the industry that thousands of jobs would be at risk under that royalty increase. In fact, there was some discussion today about the Telfer situation and that that probably would not have gone ahead had the royalty increase been brought in. Although the government makes a lot of noise about the production of more jobs, the proof is in the pudding. The government has brought in a piece of legislation that does not have anything really attached to it yet—it does not have any plans, regulations or very much thought attached to it. It should work on those details as opposed to trying to actively increase the gold royalty and put thousands of Western Australians out of jobs. There is a bit of a conflict there. I do not think the government has sold that story very well thus far.

There are a couple of other issues. The National Party was opposed to the recent proposals for payroll taxes to increase. I know the Liberal Party has agreed to allow that to occur, but I also note that the chief executive officer of the Chamber of Commerce and Industry of Western Australia said in a media statement the other day that between 1 335 and 5 297 jobs could be lost in the first year as a result of that payroll tax increase. Again, words and actions do not seem to be matching up here. The government says that jobs are a priority, but thousands of jobs could be just thrown away without a thought, as far as I can see.

In the country areas we have the community resource centres. Very significant opportunities are provided by community resource centres in country regions. I think the Premier was talking about this a little while ago. They grew out of telecentres, which once upon a time were all about providing internet access and allowing country
communities to communicate with the rest of the world, but they have grown far, far beyond that, and they provide a whole range of services that are essential to the social fabric of the communities involved. They also act as enablers for start-up businesses and increase the preparedness of the community for employment by running various courses and providing opportunities for young people to do some training. They also provide an incubator base, in some cases, for small businesses to get going, so they are very important, but, of course, what have we seen? We have seen the government cut $10 million from their funding over two years. That is $10 million cut out of their potential to grow jobs. Again, it is rhetoric as opposed to action, and it does not seem to be matching up.

Finally, I want to talk very briefly about the previous government’s record on jobs and the fact that the National Party and its Liberal Party colleagues were pushing billions of dollars of investment into country areas through royalties for regions. At last count, I think something like 3 700 different projects had been developed in country areas by royalties for regions, many of them direct employment creators, and some of them providing services that had not been provided in the past in those areas. It is not all about capital projects. Many of those funding opportunities, such as the Jurien Bay marina, for example, are being slashed by the current government as it hacks its way through the royalties for regions program. We will see, in the long term, that that program will be left as basically just a part of the recurrent payments being made for things such as water, sewerage and the like, instead of actually providing opportunities for development in regional WA, which is what it was all about in the first place.

A program that particularly interested me in my area was Seizing the Opportunity Agriculture, which was all about driving the economic development of agriculture, and it had the ability to create jobs. As we know, that is one of the industries that need to pick up some of the slack as mining employment comes down. There are tremendous opportunities in agriculture going forward. Unfortunately, the current minister seems to want to go back to the past and have a very large department full of people, when in fact over many years now we have seen a move towards a more nimble and far more profit-driven investment program in terms of knowledge and research. Although it might create a few direct jobs if we try to go back to what was happening in the Department of Agriculture and Food in the 1950s and 1960s, it will actually waste money and limit opportunities in agricultural areas. It will be very disappointing to see that happen.

I do not think I will need an extension; I am just about finished here.

Another very important job-creating tool that was used by royalties for regions was the development of more tourism opportunities throughout the regions—things like the Kalbarri Skywalk, the Parks for People program and regional events programs. They are all about driving tourism. Again, it is one of those industries that is needed to pick up the slack as we see mining construction retreat as a main driver for our economy.

All in all, if we compare the program of the previous government with that of this government, we will see that there were actually runs on the board under the previous government. Lots of money was being spent on very important projects throughout the state. The current government has simply cut a lot of those programs and, with them, the potential for many jobs. It has sought to bring in a number of tax increases when it said it was not going to bring in any tax increases. It has proposed increases in royalties and increases in tax, and thousands of jobs are directly at threat because of those proposed increases. What do we have? We have a piece of paper that says that the government is going to develop a plan for each government agency, each government trading enterprise. The government is going to have a plan for them all, and that plan will provide jobs for people because the government is going to make sure that businesses from New Zealand, Victoria, Tasmania, Queensland, New South Wales and South Australia, as well as Western Australia, can benefit from this scheme. It is a lovely piece of paper and I hope some good plans are drawn up, because there is an awful lot that has to be done to make up the difference between the two governments’ records in job creation.

**MS J.J. SHAW (Swan Hills)** [3.47 pm]: I rise to speak in support of the Western Australian Jobs Bill 2017. I advise that I am not the lead speaker for the government today. I want to focus on two key elements of the bill: the local content requirements, which will help local small businesses, and the strategic projects provisions that are really going to help my electorate. I particularly want to focus on the people of the community of Ellenbrook because it is a community that has really been left behind. It is in need of some love and attention and I am pleased to reflect upon the ways in which the WA Jobs Bill is really going to help my electorate.

Ellenbrook was the third-fastest growing suburb in Western Australia between 2001 and 2006, and then again between 2006 and 2011. In each of those periods, Ellenbrook doubled in size. In 2017, the population is a nudge over 43 000, and the City of Swan projects, in its most recent local area plan, that by 2036 more than 70 000 people will live in the Ellenbrook area. That is a 61.95 per cent increase in population. It is a great place, comprising seven villages around the town of Ellenbrook, all of them nearing completion, apart from the town centre. The town centre has really been waiting for a big strategic project to come along and finish it off. Within Ellenbrook itself there are about 3 000 small businesses, 500 of which are engaged in the construction industry. As a daughter of a bricklayer—my whole family is in the trades—and as a local as well, the first member, I will add, in nearly three decades who has been local to the seat of Swan Hills, I understand how important it is to deliver jobs into local businesses, local small businesses and construction businesses. I am on a bit of a charm offensive with the
newly appointed general manager of the Swan Chamber of Commerce, Kelly Marshall, who is doing a great job. We will visit as many of the small businesses as we possibly can to talk about the way in which this Labor government will prioritise the generation of local jobs.

Twenty-one per cent of people in Ellenbrook are employed in the construction and manufacturing industry, but we have an unemployment problem. In the north-east corridor unemployment is sitting at around 6.6 per cent and about 18 per cent youth unemployment. Contrast that to unemployment in Ellenbrook in 2011 when it was 3.9 per cent. We also have a very high proportion of fly in, fly out workers. In its local area plan, the City of Swan is very cognisant that the downturn means there will be some unemployment issues. There has never been a more important time for a government to focus on generating and supporting local jobs in my community. I want to have a chat about how this Western Australian Jobs Bill will help local small businesses. Annually, the state government spends around $23.5 billion and, as part of this bill’s provisions, we are going to target opportunities for small businesses to supply and access some of this funding. We will help them identify opportunities, enable them to compete for government work and support them through the process—through the industry capability network the Premier announced during the state election.

We have already initiated a number of local projects. We are upgrading Reid Highway and dualling Lord Street, which will significantly change traffic congestion in the area. NorthLink will swing around the back of Ellenbrook. There are jobs associated with these projects for local earthmoving operators, civil construction companies, water carriers, dust suppression and basic raw materials operators that will, basically, support road and rail construction. We are already delivering local jobs into the area and this Western Australian Jobs Bill will only enhance that.

There is a really important second way that the Western Australian Jobs Bill will help the people of Swan Hills and the people of Ellenbrook, and that is the ability under this legislation for the minister to designate strategic projects. In his second reading speech the Premier said —

The government will apply this framework to significant projects that drive economic activity and job opportunities, such as the projects under Metronet.

Obviously, that is a very key and a long overdue project for the people of Ellenbrook. On 9 February, the Premier confirmed the commitment to the Ellenbrook rail line. He outlined that there would be six new stations associated with the project and, indeed, one of those stations will be located in the heart of the Ellenbrook town centre. Its completion will create a vibrant, commercial and residential precinct. There will be 3 000 local jobs associated with the delivery of that project and thousands more statewide. That railway line will serve over 200 000 people throughout the north east metropolitan corridor. There will be jobs during construction and, more importantly, around these strategic projects, ongoing sustainable jobs will be associated with the delivery of these strategic projects. We have already started the work on the Metronet project. The earthworks associated with the Lord Street dualling will form the basis for the earthworks for the Ellenbrook rail line. At the town centre, where the station will be located, preliminary works have commenced to relocate a communications tower. We are getting on with the job. In the state budget, we announced $22.1 million of funding for the detailed planning, design and engineering, which we really need to do to cost accurately the projects we intend to do. Last Friday, I was very pleased to join the Premier and federal opposition leader, Bill Shorten, to announce a $700 million commitment from the $ 1.6 billion Fair Go for WA fund. It is a long-overdue commitment and follows a long legacy of commonwealth and state government partnerships for key infrastructure projects—projects such as Gateway WA, the Perth City Link and upgrades to Great Eastern, Great Northern, Tonkin and Leach Highways, and the building of NorthLink. There is not a commonwealth government funded infrastructure project under way in Western Australia right now that was not funded by the former federal Labor government. It is fantastic that federal Labor will come to the party and support Metronet and strategic projects and the kinds of initiatives that will come to fruition associated with this Western Australian Jobs Bill. This is a very positive development. It will address the bleeding of GST from Western Australia to the eastern states. It will help us get our fair share and it is about getting a fair share for Western Australia and for Ellenbrook. It perfectly complements the Western Australian Jobs Bill.

I think it is really important that both sides of the chamber get behind this bill rather than seeking to scuttle it. As I have been listening to the debate I have been very frustrated at the degree to which those opposite have denigrated the Ellenbrook rail project. The shadow Minister for Transport openly admits that Ellenbrook rail is irrelevant to her and did not even ask a question about it during estimates. We know the Leader of the Opposition wants Metronet to fail. We will work with him to make sure that does not happen. The federal member for Pearce has finally started coming to Ellenbrook. We remember his record as state Treasurer with the bleeding of GST from Western Australia to the eastern states. It will help us get our fair share and it is about getting a fair share for Western Australia and for Ellenbrook. It perfectly complements the Western Australian Jobs Bill.
remember his record as state Treasurer. We remember that, despite their efforts to try to soften up a sort of Ferris Bueller—Save Porter—kind of way to save his image and shift him into the Attorney General’s portfolio. We remember the problems he had around the National Disability Insurance Scheme. We remember his responsibility for the robo-debt debacle and his support for cuts to paid parental leave, Newstart and the Youth Allowance. Let us just hope—I do hope—that his new-found interest in Ellenbrook and his new-found passion for Ellenbrook rail will mean that Turnbull will try to save Ferris and will try to match the Shorten opposition commitment to Ellenbrook rail. I nearly said the Shorten government; I really hope that becomes the case.

It is absolutely essential that we support the people of Ellenbrook. I can tell the people of Ellenbrook that I will be fighting really hard for this project and for every strategic project that will be delivered under the Western Australian Jobs Bill that will help my constituency. I commend the bill to the house.

Mr P.A. Katsambanis (Hillarys) [3.58 pm]: I rise to speak on the Western Australian Jobs Bill 2017. Initially, I was not going to speak on it, but having heard the contributions from both sides of the house, I thought I might be able to add something to it.

Several members interjected.

Mr P.A. Katsambanis: Of course, Western Australian jobs are no laughing matter, member for Perth and member for Mount Lawley. Western Australian jobs are no laughing matter at all. The public of Western Australia, like the public across the world, understand that jobs are fundamental to the living standards of families right across our state. There is not a member of Parliament, whether in this place or the other chamber, of any political party that does not support the creation of jobs for Western Australians. I make that clear at the outset. Nobody is against jobs. I am certainly not. I am in favour of creating jobs and in creating the environment in which as many jobs as possible can be created until we reach the stage that every single person who wants a job can get a job that they want to work in. That is what I am committed to, and it is one of the things that drove me into public life—to create an environment in which we have, firstly, a safe society and, secondly, a prosperous society in which everyone can aspire to get a job and to maximise their potential in life. When a bill comes before us that is called the Western Australian Jobs Bill, I look at it and I think, “Well, Western Australian jobs are a good idea”, but I then immediately think to myself, “When was the last time a piece of legislation created jobs? When was the last time a piece of paper”—as I think the member for Moore put it—“created a job?” It is the contents of that piece of paper that sometimes can create the situation in which jobs will flourish or, at other times, perish. We have seen governments do that here in Western Australia and across the world many, many times.

Having looked at this bill, I do not think it is going to do much of either of those. I do not think this bill is catastrophic—certainly not. It does not do anything terrible. It creates a framework in which the government will create what is called the Western Australian industry participation strategy, which is not actually spelt out in the bill at all. We are just told in clause 5 of the bill that the criteria for what will be in the strategy will be prescribed—so it will be made by regulations. We do not even know at this stage what the criteria will be until we see those regulations, because they have not been tabled in this place and, as far as I know—correct me if I am wrong, Premier—they have not been made publicly available yet. I am sure in due course they will be and we will have a look at them. Based on that criteria, a strategy will be created under clause 5, and it will be called the Western Australian industry participation strategy. Strangely, clause 5(4) states—

The strategy is not subsidiary legislation for the purposes of the Interpretation Act …

That means, of course, that as subordinate legislation—subsidiary legislation—it cannot be scrutinised by Parliament. It cannot be scrutinised by the Joint Standing Committee on Delegated Legislation. The criteria prescribed under clause 5(1) can be, because that will be prescribed—that will be subsidiary legislation—but the strategy itself will not be. Again, I think that is neither here nor there, because it will be made public. I am sure it will be published on a website. I am sure the Premier will come in here and by either ministerial statement or dorothea dixer in question time tell us about this wonderful, new, you-beat Western Australian industry participation strategy when it is finally made available publicly. That in itself is not a problem.

This is really a skeletal bill that establishes a framework by which the government can then produce a Western Australian industry participation strategy. It is a strategy that other members of this place have pointed out the government could introduce today, or it could have introduced yesterday or it could have introduced on 12 March—perhaps not on 12 March because the government was not sworn in, but in those days immediately after the election. The government did not need legislation to introduce the strategy; it could have been done by directive or by Premier’s circular. It could have been done simply by an agreement amongst all cabinet members that that is how the agencies under their control would operate. But the government has decided it will be done by legislation. That is fair and good and absolutely no harm is done, but this bill, in and of itself, creates not one job. It is what happens when the strategy is implemented; it is what this government does in totality. The actual strategy that will determine whether we get more jobs or fewer jobs in Western Australia will not be the Western Australian industry participation strategy; it will be the broad overall strategy of this government. It will be the landscape that this government creates in Western Australia to enable business to flourish and to enable entrepreneurs to make
decisions to invest in this state so that they can create long-term, sustainable jobs for the people of Western Australia. What is needed to do that? A series of things are needed. It is not a secret; it has been done for hundreds and hundreds of years across the world and it has been proven that in free economies, under a capitalist system, the best thing government can do is set the framework and sit back and watch the private sector create long-term sustainable jobs. Part of that framework —

[Interrupt.]  
Mr P.A. KATSAMBANIS: Music is playing in the chamber; hopefully, we can enhance our thriving music industry, because we have a very good music industry here in Western Australia.  

The ACTING SPEAKER (Mr R.S. Love): I do not know which member it was, but I hope they have turned off their phone now.  

Mr P.A. KATSAMBANIS: I did not recognise it as a Western Australian song, albeit.

As long as the settings are in place, the government can be a participant. We know state governments in particular create infrastructure projects that drive growth, jobs, construction and all the industries that are based around construction. But all that is part of a growth strategy; it is part of the rest of the economy growing. We saw that in the last decade. As the mining construction boom took place, so did the infrastructure boom that was required to service the growth of the mining sector and ancillary industries and to service the growth of the population—the massive growth of the population in Western Australia that required over half a million people to move here, including myself, I point out. That was the size of the population of Tasmania moving to Western Australia in a decade. That drove not only the mining construction boom, but also, overall, an infrastructure boom and everything else that we saw happen. Things may not be as prosperous today, but the government still has the opportunity to set the framework under which an economy can grow.

One of the first things we need is confidence. Investors need to be confident that they are investing in a place that will continue to progress. To have confidence, investors need to know that the environment will be stable, that government will not make major policy changes—in particular, that government will not increase taxes and charges on business—and that government will not introduce more red tape. Unfortunately, this government has not done that in its first few months in government. Instead, it has flagged a series of tax increases that it promised before the election it would not introduce. It has increased payroll tax and it has attempted to increase the gold royalty. It has also increased household fees and charges and, along with that, fees and charges charged to businesses, because they pay the same fees and charges—whether it is motor vehicle registration charges; water charges; electricity supply charges, particularly for small businesses that are not in the contestable space for electricity; gas charges; and the like. The government has increased taxes. It has increased fees and charges. That indicates that it is not going to be a government that cuts taxes and fees and charges. It is also not a predictable government, because it said before the election that it would not increase fees and charges, would not increase taxes and would not introduce new taxes. All those promises are gone in its first budget. It has created uncertainty and instability.

The other thing this government has done is continue to talk this economy down. It is actually quite shameful that the Treasurer in the past few weeks has been seen publicly to be almost barracking for a credit downgrade for our state—barracking for it—and casting blame on this downgrade that has not happened yet, sending signals to investors, Western Australian businesspeople and households in Western Australia that this government is going to be not only increasing taxes and charges and red tape, but also talking the economy down. The economy has slowed down from the heights of a few short years ago. Even today we saw the unemployment figures that the government is crowing about and in question time was jumping up and down about. The unemployment figures do not just drop overnight. Unemployment is still relatively high—higher than we want it to be—but lower than other states, and certainly lower than some of the bigger states that I will talk about in a minute. That is how jobs are created. It is not done by introducing a bill, and it is not done by introducing a Western Australian industry participation strategy that we have not yet seen. I do not think it will do harm or be a bad thing for the government to have that sort of strategy, but, again, the proof of the pudding will be in the eating. That is what I want to get to. In the substantive contribution of the member for Forrestfield and some interjections from the member for Cockburn, they pointed to Victoria as a good example of having one of these industry participation strategies that the government will bring in—how successful Victoria has been. The member for Cockburn, in an interjection earlier today, said, “Look at Victoria. It is doing fantastically well under its industry participation strategy.” So what did I do? I looked at the unemployment figures that came out today. Victoria has the highest unemployment rate in Australia at six per cent. That is much higher than the national average of 5.5 per cent and higher than South Australia and Tasmania. It is certainly higher than Western Australia. We will be emulating Victoria, which has an industry participation strategy that we are told makes it better and creates more jobs, yet it has a higher unemployment rate at a time when its property market is booming. Exhibit A from the member for Cockburn is that Victoria has one of these strategies so we should copy Victoria.

More scarily about the proof of the pudding being in the eating is the contribution the member for Forrestfield made when he used the Victorian Desalination Plant in Wonthaggi as a perfect example of how such an industry
strategy would work. Members have to have been living under a rock if they have not heard of the absolute financial disaster—as well as ongoing comedy show for people who do not live in Victoria—that the Wonthaggi desalination plant has been. It has been an absolute horror show. It is a perfect example of how not to do things. It was held up as the only and shining example in all the contributions of all members of all sides of this chamber of a great project created under other industry participation strategies. The Wonthaggi desalination plant was announced by the Bracks government in 2007 when Victoria’s water storage was down to under 30 per cent of capacity. It was in the middle of a drought. People were saying, “These droughts! They never happen, these droughts. It was the greatest drought in history.” Of course, it was not as big as the drought of 1981 to 1983, but people have very short memories. It was the greatest drought of all time and Victoria needed to waterproof itself by building a desalination plant. We know that as a principle and concept desalination plants to help waterproof a city are not a bad thing. The proof of the pudding is here in Western Australia; we have two operating and they are serving our needs well. At the time the Victorian government thought it was a good idea to build a desalination plant and it did. It suggested it was going to cost $2.9 billion to build—not to operate, just to build.

As the project went on— I will come to the reasons in a minute—the projected costs went up to $3.1 billion, then $3.5 billion, then the total build cost was projected to blow out to $4 billion. By the time the project was completed in December 2012—more than one year after it was scheduled to be built—the total build cost had risen to $5.4 billion, which was almost double the projected cost of this you-beaut project under the industry participation plan. Over the 30-year life of the project the contract amount to the company that built and is operating this plant—commissioned by a Labor government in Victoria—and the total cost to Victorian taxpayers and water consumers is estimated to be somewhere between $18 billion and $20 billion. In 2012 terms, it will add a cost of $600 a year on every Victorian household as an additional charge on their water bills for this desalination plant.

Mr P.A. KATSAMBANIS: It would have been great if the desalination plant had come in on time and on budget, but why did it not under the industry participation plan? When we look at the union agreements on that site, we see that they are the model example of how not to do things. I do not have time today to highlight the straight out-and-out rorts that the unions, the government and its preferred tenderer negotiated on this closed-shop site. There were insane travel allowances, ridiculous extra penalties and the ability for staff to take on a job and go on leave before they had actually started working at the plant! People can look it up for themselves; it is a classic example of how not to do things. That is what led to the blowout in costs from $2.9 billion to $5.4 billion. It is interesting to note that some of the union leaders who negotiated these agreements—particularly the Victorian secretary of the Electrical Trades Union, Dean Mighell—loved these agreements so much that they wanted to implement them across 850 agreements that Dean Mighell had on the go at the time. I have come across Dean Mighell, and he is a very shrewd, sharp operator. I rated his work as an ETU secretary—

Dr A.D. Buti: Like you!

Mr P.A. KATSAMBANIS: I do not know about that. I have never been a union boss, and I do not intend to be so we will see how that goes.

But if this cost blowout was not enough, it is what happened after the plant was finished that is the biggest disgrace of all. Of course this big you-beaut plant had been built in the middle of a drought that had not been experienced for about 25 years, and people thought they would need the water forever. By the time the plant was available for use in December 2012, more than a year after it was scheduled to open, Victoria was awash with water; its dams were more than two-thirds full and they did not need any water from the desalination plant. It sat idle, but the bills were still being paid to the operator because it had an operating contract for 27 to 30 years—somewhere around there. The consumer was still paying the $600 a year on their water bills.

Finally, because it became such an embarrassment to the government of the day to have that plant sitting there idle, in March this year it commissioned a water intake from that plant. It said to the operator, “Can you please go and turn it on and give us a bit of water?” At that stage the dams were still two-thirds full. The water was not needed but it had become such an embarrassment that the government had built a plant that was not operating that cost $18 billion over a 30-year life that it said, “Turn the thing on.” It was just a stunt, but the stunt backfired on the Victorian government. Because the plant had been sitting idle for more than four years, when it was turned on, it did not provide the water the government had asked for. In a bizarre world, this plant, which the government commissioned as a stunt and which was built under the Victorian industry participation strategy—or scheme I think they call it; I stand to be corrected on that—could not produce the water that was not needed, so the company operating the plant had to pay a penalty to the government. It is just extraordinary. As I said, it is a fantastic comedy for people who do not live in Victoria. I am glad I left that state long ago and do not have to suffer that sort of indignity. But, unfortunately, Victorian taxpayers—the Victorian water consumers, who are every single living and breathing person in Victoria—have to keep paying $600, indexed of course, in today’s terms for the next 25 years to keep this silly plant alive. Today I checked, because I thought I had better, where the water storage is, because the government has commissioned water for the next three or four years, I think, as part of this stunt. The government did not learn when the plant was turned on and commissioned water for the next
few years. The dams in Victoria are roughly 70 per cent to 80 per cent full. If anyone knows the history of water storage in Victoria, the Thompson Dam was commissioned in the 1970s, but did not open until the 1980s. The Thompson Dam is this massive reservoir that, once close to full, can provide water for years and years—70 per cent to 80 per cent full means that Melbourne does not need to worry about water.

I have spent some time highlighting the example of this desalination plant because it is the one shining example provided in all the contributions in this house of how an industry participation strategy may work in practice in Western Australia. I am an optimist; I am an optimistic person. I always look on the bright side of things. I hope that the experience of the Victorian desalination plant is taken into account by this government and subsequent governments so that, as a state, we do not repeat these mistakes in projects commissioned by this government—whatever they are, whether they are strategic or non-strategic. The member for Forrestfield used that plant as an example of how industry participation strategies create jobs, but the proof is in the pudding. The reason that a supposedly thriving economy such as Victoria’s has such high unemployment—the highest unemployment rate in the country today—is that those union preference agreements negotiated on the site have filtered through Victoria’s economy and made things worse for employers to create jobs in that state. It has become a higher cost jurisdiction to do business in and people have walked away. That is one of the reasons. There are many other reasons; they have their own problems over there and I will let them sort it out. I am extremely conscious of the fact that both the member for Cockburn and the member Forrestfield used Victoria and the desalination plant as examples of the great things that could be achieved under legislation such as the bill before us today. It was incumbent upon me to highlight to the chamber and the people of Western Australia that that is a really big warning sign. I have said it before and I will continue to say it: I wish this government well in its quest to govern Western Australia and provide a strong and stable economy here. I do not see reds under the bed with this bill. I do not think it is going to destroy jobs, but it is not going to create jobs either.

Several members interjected.

The ACTING SPEAKER: Members!

Mr P.A. Katsambanis: It is a bill that is simply a great press release. Good on the Labor Party; it is in government. This bill is a stunt. I hope that it does not backfire like the stunt of reopening the desalination plant backfired on the Victorian government. I hope that when the government starts implementing this strategy, the government uses it for good. We will be sitting on this side and scrutinising what happens.

Mr J.N. Carey interjected.

The ACTING SPEAKER: Member for Perth!

Mr A. Krsticevic interjected.

The ACTING SPEAKER: Member for Carine, you are on three calls now.

Mr P.A. Katsambanis: I reiterate that it is not this bill that will determine whether we create more or fewer jobs in Western Australia. It is not the industry participation strategy; it is the overall strategy of this government. So far, what the government has shown has not filled the public of Western Australia, the business community of Western Australia or the potential investors in Western Australia with too much confidence, and I hope that in the next little while the government stops the tax increases, stops the increases in charges, stops talking this economy down, stops governing by press release and starts governing for the creation of jobs in Western Australia.

MR M. McGOWAN (Rockingham — Minister for State Development, Jobs and Trade) [4.46 pm] — in reply: I will respond to the commentary of members in relation to the Western Australian Jobs Bill 2017. Firstly, I thank members for their contributions and I also thank the house. This bill has occupied the time of the Legislative Assembly since Tuesday, basically, so I am pleased it has had a full airing and there have been many hours of debate and contributions from members. As I said in the second reading speech, the intention of the bill is to ensure that Western Australian businesses have the best opportunity possible to receive contracts issued by the Western Australian government. I think most of us would agree that making sure that Western Australian businesses will be afforded every opportunity to obtain government work from both government contracts and government trading enterprises. There is currently a range of policies out there and the advice I have is that they are relatively haphazard and difficult to enforce. They have not applied to government trading enterprises and there has not been a requirement for transparency or reporting to Parliament about those policies. Some of them stretch back some years; some of them were brought in by the Gallop government in 2002. Clearly, it is time for some reform, expansion and enforceability of these arrangements. That is what this legislation does. It provides greater opportunities for enforceability; it extends the operation of policies to both the general government sector and government trading enterprises; it requires a reporting mechanism from the minister—me—to Parliament on these policies; and it allows a strategy and regulations to be put in place to
set out the government’s approach to these issues. I think the fact that the government is doing this is broadly welcome by the Western Australia business community and the public.

We are looking and have looked at the example of other states, in particular Queensland and Victoria, which have put in place these sorts of policies before. Our legislation is more comprehensive than that put in place in Victoria and Queensland. Their policies are more sparse; ours is more comprehensive. The idea is to provide the opportunity for local businesses to receive those contracts as much as possible within the constraints we have. I have heard for many years that it is a concern when local businesses that have the skills and capabilities to carry out work that the government might have on offer do not receive those contracts. Obviously, there is a whole range of issues involved, such as value for money and the like, but certainly local participation will be an enhanced factor in determining which business wins a contract under the new legislation that the government has put in place, and that is a good thing. There are some celebrated examples, which I will not go into, in which major contracts were issued elsewhere by the Western Australian government and the performance of the elsewhere contractors was not up to scratch and Western Australians suffered as a consequence. The idea behind the Western Australian Jobs Bill is to ensure that Western Australian businesses and contractors have a better opportunity. I think most of us would welcome that.

I will go through some of the issues raised, bearing in mind that I have 40 minutes remaining and we need to do the consideration in detail stage this afternoon. I will go through the issues raised and hopefully that will answer some of the questions asked by members of the opposition.

Members raised concern about the title of the bill. The title of the bill is the Western Australian Jobs Bill. Obviously, every piece of legislation needs a name. We decided on that name because we wanted to be clear about the purpose of the legislation. The purpose of the legislation is to ensure that the procurement of goods and services by the Western Australian government is done for the benefit of Western Australians. It is called the jobs bill because it applies obligations on Western Australian agencies and government trading enterprises to ensure that Western Australians are the contract beneficiaries. Some members have described the title as misleading and as window-dressing. To be honest, I think members are just looking for something to criticise. That is the purpose of the bill and it is very, very clear. I do not think there can be any confusion about the purpose of the bill in the minds of government agencies, contractors and/or government trading enterprises because the name is very clear.

The second criticism from members opposite is that the bill is not required. Essentially, the bill will improve government procurement practices and outcomes. It will work in conjunction with the industry participation advisory service that the government funded in the budget. It has made a $4.2 million commitment to fund an advisory service to provide advice in particular to small and medium enterprises in Western Australia. Members who say that it is not required should talk to a range of businesses that have missed government work and that would like a bit of assistance and would like a policy like this, which is all about ensuring best opportunities for Western Australian businesses in our state.

The bill includes obligations, which I broadly mentioned but I will go through them. It requires that commitments made by suppliers in participation plans be included in the supply contracts. When I talk about enforcement, I mean that the enforcement mechanism is to document and manage the commitments made. Provisions must be included in contracts for suppliers to report on whether those commitments are being or have been met. As the Minister for State Development, Jobs and Trade, I must report to Parliament each year on the implementation of the legislation and its strategy. Agencies across government must report to me, as the minister for jobs, on how the legislation is working and I am then required to report to Parliament. These provisions, which are not included in current arrangements and will be an improvement, require legislation. When members say that they do not require legislation, each of those things, in particular the requirement to report to Parliament, requires legislation.

I will make a few points about the definition of “local industry”. The jobs bill, together with complementary measures and initiatives—I mentioned before the new local participation service and I mentioned in question time the arrangements of the development commissions as local content offices and opportunities on the website to identify contracts that are available in local areas and, in my view, that is what regional development commissions should be doing—will provide new opportunities for Western Australians in a number of ways. First of all, they will open up government trading enterprise markets for the first time. They will be required to adhere to these processes. The bill will require prospective suppliers to provide to a procurement agency the details of how they will contract further work, including the kind of work, the value of the work and the process by which they intend to contract that work. This does not mandate the use of WA suppliers or subcontractors, but it does require prospective suppliers to provide details, which is likely to increase consciousness of these issues and potentially influence their commitments and actions. This process will allow us to ensure that local suppliers get the best opportunities, and it is consistent with the Constitution and, in particular, the trade agreement with New Zealand. We, as a nation and a state, are, of course, required to adhere to the Commonwealth Constitution. That is one restriction that none of us can avoid, no matter what we do. That is one way to comply with that.

Another question was: how will participation plans be included in procurement assessments? The jobs bill requires that value for money be the primary consideration in procurement decisions. That does not always mean the lowest
cost. Existing policy includes non-cost factors, which may be included as part of the policy. It is not an exhaustive list, but they include fit for purpose, technical and financial issues, supplier capability, sustainability, risk exposures, compliance with specification et cetera. These non-cost factors will be compared with price and a value-for-money decision will be made. This will be an informed judgement, not a mathematical formula. The assessment of participation plans will be considered as part of the assessment of all the non-cost factors in the procurement assessment process. The participation plan will be considered along with value for money and all those other issues, in particular supplier capability, in determining who wins a contract. It is in the mix as to who will win a contract. We do not always—I am very firm on this—go for the lowest price because the lowest price is not always the best. When we buy a car, we do not always look at the car with the lowest price; rather, we look at a range of issues when considering which car to buy. In contractual matters, we take into account not just the lowest cost but also other matters, including participation plans, and that will be one of the considerations along with value for money. We all know that the lowest cost is not always the best.

Mr J.E. McGrath: It happens now. I have been in situations where tenders have come in and the government has not given it to the lowest price because in some cases they do not believe that that company can deliver for the price they put forward. There are a lot of factors that are already looked at in these considerations.

Mr M. McGOWAN: I am in furious agreement with the member for South Perth, as I often am; or more likely it is the other way around.

A whole range of non-cost factors are already considered. What we are saying is that the participation plan that is put in place by a contractor will be one of the non-cost factors that is considered, and it will have significant weighting.

Another of the opposition’s questions was: will participation plans lock in outcomes? The lock-in is essentially writing the participation plan into contracts. The lock-in is a contractual matter. I think some members think it should be penalty based or whatever, but it is a contractual matter. It is about writing participation plans into contracts so that if a business says that it is going to do something, it is written into the contract and is enforceable. That is the way enforcement will be ensured under this new legislation.

Members queried how public the participation plans will be. Obviously, there is commercial sensitivity in these matters. Whilst we think that that has some merit, there is commercial sensitivity, but there are some ways to ensure that participation plans have some transparency or public airing. The commonwealth government makes summaries of participation plans available under its programs. That is perhaps a more across-the-board summary of participation plans than individual participation plans. That is one way the commonwealth government deals with these issues and it is one thing we would consider in the drafting of regulations around this legislation.

Questions were asked on how the legislation and strategy will be enforced on government trading enterprises. As we know, government trading enterprises are the creation of statute. The enforcement will be that this is in applicable legislation. In the hierarchy of the rules of our society, legislation is the highest, regulations are second and after that comes government policies and the like that are not contained within regulation. By elevating this to legislation, it provides a greater enforcement mechanism on government trading enterprises—they will be required to comply with the legislation. That has apparently also been included in the legislation that applies to GTEs in Queensland. Of course, the boards, chief executive officers and the like are always very aware that they must not break the law. By not complying with the legislation, they would be breaking the law, so I would be very confident that GTEs will be following the requirements of the government under this legislation.

The next question was about the expertise that would be available to assess participation plans. Agencies will obviously be required to do that. There are various contracting officers and the like within agencies. If there is a requirement for training or anything of that nature, or a requirement for guidance, that will be provided to officers to make sure that the participation plans are adhered to.

Questions were apparently asked about how an agency would seek an exemption. There is a capacity under the law for agencies to be exempted from the obligation to require a participation plan for some types of supplies. The categories of such supplies would be included in regulations. In addition, agencies will be able to seek exemptions from the Minister for State Development, Jobs and Trade for specific supply examples. There will be guidelines on how to do that. Once an exemption is provided by the minister, the agency must publish the notice on its website. Exemptions might be in relation to very small matters or the like, or if there is an excess of red tape for the benefit that might be acquired. As I just said, if they are smallish matters and if the red tape is greater than the benefit acquired by government, that would obviously be a case for exemptions or for categories of supplies to be exempted from the rules.

Questions were raised about how the legislation and strategy will be monitored and how the government will ensure compliance. The commitment that suppliers make in participation plans will be required to be included in supplier contracts. Agencies must require contracts to include a clause obligating suppliers to report on their performance against the commitments made, and agencies will be responsible for determining the appropriate course of action if commitments are not met. This would be expected to occur through normal contract
management activities. Obviously, there is the capacity to take legal action and to work with the contractor to make sure they comply. Also, if they do not comply, that will obviously be taken into account in future contracts. That is normal commercial practice. If a supplier does not comply with the contractual arrangement, obviously they may not get another contract. There are various ways in which these things can be enforced, but obviously it is different from the existing arrangements, which do not allow these matters to be written into contracts.

Questions were raised about how reporting will occur to Parliament. I will be required to report annually to Parliament on the implementation of the bill and the strategy. Agencies will be required to provide information to me for that purpose. In Victoria, an annual report is produced on legislation of this nature. That provides a good example of how reporting can take place.

Other members raised concerns that the bill is not accompanied by the draft regulations and a draft strategy. The regulations and strategy are currently under development. This is an involved process that involves a number of agencies, which are working on the strategy and the regulations. It involves revising and updating existing policies, and both internal and external consultation will be required before the documents are finalised. Our bill contains more detail than the legislation in Victoria and Queensland, which only require that a policy be developed. Ours involves regulations and a strategy, so ours is more comprehensive in many ways than that of Victoria and Queensland. The regulations will set the thresholds and provide exemptions, if required. They will be subject to disallowance, so there will be the opportunity for Parliament to deal with those in the future. The strategy will be developed and obviously will be released in due course. These things are not yet drafted, but they are being worked on. Members have been advised of that. Some members indicated that it was a ridiculous or silly process to not have the regulations and strategy ready. I have a range of examples of legislation in which that has occurred in exactly this way in the last few years, which I can take members through if they like. The Biodiversity Conservation Bill 2015, the Electricity Corporations Amendment Bill 2013, the Misuse of Drugs Amendment (Search Powers) Bill 2016, the Mining Legislation Amendment Bill 2015 and the Workforce Reform Bill 2013 all had regulations that had to be drafted prior to the act coming into effect. It is not unusual for this to occur. For hundreds of years, Parliaments have drafted the head legislation with a regulation-making capacity. The act itself receives royal assent and a day on which it comes into operation, and the regulations come into operation at the same time. That is the ordinary practice of government and that is occurring here, even if some members were not aware of that.

Some members asked whether this legislation will add too much to red tape. It will replace a range of policies and the like across government, so our view is that it will actually reduce red tape—it will straighten out, simplify and provide a consistent approach across government on these issues. Thresholds will be set, below which participation plans will not be required. There will be lower thresholds for regional areas, where procurement opportunities or contracts are often less, so the threshold may be less in regional areas to ensure that regional businesses get a better opportunity for the contracts on offer. More basic or simpler participation plans will be required for lower-value procurement processes, which will reduce compliance efforts for those lower-valued processes. The industry participation advisory service will be established to accompany this bill and will provide assistance to companies preparing participation plans. There have been suggestions that the funding is inadequate. The government has made available $4.2 million to establish the industry participation advisory service to provide a free service to assist businesses in Western Australia on these issues.

Members asked how long have these policies been in place in other states and territories. In the case of Victoria, the legislation came into effect in 2003 and it has been in place through governments of both persuasions that have set various thresholds and the like. In Queensland, it came into effect in 2011 and has been in place under governments of both persuasions, as it has in Victoria, and it has not been repealed. In both Victoria and Queensland this approach has been used. I suspect that consequent to the passing of this legislation, which will hopefully be shortly supported by the Western Australian Parliament, that other states will follow suit.

Questions were raised about the expected outcomes. We expect that the introduction of the legislation will provide several benefits, including a signal to agencies and suppliers about the government’s expectation of the use of local industry in government procurement, particularly for small to medium-sized enterprises. It is a strong signal to agencies to be far more aware and supportive of local businesses and local contractors. It establishes legislative obligations for agencies in government reporting. Each year we will get the opportunity to scrutinise the report that is put forward about local content. This is, again, another signal to government of any persuasion in office in Western Australia about the importance of local contractors—this has not been done before. This legislation extends the obligations to government trading enterprises. Again, this has not been done before. These are three important signals to government and business in Western Australia. I note that the Chamber of Commerce and Industry of Western Australia in particular has been very supportive of this legislation. I appreciate its concern for small to medium-sized enterprises and I support them in that concern. The CCI is very supportive of this legislation.

The Western Australian Jobs Bill 2017 provides a simplified and streamlined policy and process for agencies and businesses. It will provide a one-stop-shop approach through the Western Australian jobs portal, which will be launched as part of this legislation, and greater support for industry and small to medium-sized enterprises through
the industry participation advisory service, which has already been funded in the government’s budget that was handed down a couple of months ago. The advice I have is that government expenditure on goods and services and works was over $24 billion in the financial year ending 2015. As I said before, this does not guarantee—I do not think anyone can—or mandate that every bit of work sought by the Western Australian government will go to a local business. However, any improvement, and we expect a significant improvement, will be welcome when it comes to more local business as a consequence of this legislation.

I turn to the legislation’s relationship with industrial relations issues. The bill has been developed to focus on local participation and government procurement; therefore, it requires the development of a strategy and agencies to take participation plans into account in the assessment of offers to supply. It is not focused on or related to industrial relations matters. I have not really understood that line of argument. I did not understand the line of argument I was listening to before about the Wonthaggi desalination plant in Victoria. The difference between Victoria and here is that when they built the desalination plant in Victoria, it rained; therefore, they did not need it—it rained and it rained and it rained.

Mr J.E. McGrath: For 40 days and 40 nights.

Mr M. McGowan: Yes, it was like the Great Flood. They built the desalination plant and it rained like cats and dogs for months so the requirement for the desalination plant did not exist. In Western Australia’s case, we built two desalination plants and they were very much required. But for those very wise decisions of Geoff Gallop and Alan Carpenter, our state would have been in serious trouble. I note those decisions to build the desalination plants were opposed by some people in political life in Western Australia who now form the state opposition. Had those decisions not been made, our state would have been in serious trouble.

Mr J.E. McGrath: Those people are not here anymore.

Mr M. McGowan: One of them is. He looks happy in here every day.

Several members interjected.

The Acting Speaker: Members! Can we just move on.

Mr M. McGowan: I am not sure that we are talking about the same person.

Dr M.D. Nahan: I know who I am talking about.

Mr M. McGowan: Who are you talking about?

Dr M.D. Nahan: You.

Mr M. McGowan: Me!

Dr M.D. Nahan: Yes.

The Acting Speaker: Okay members. It is getting quite late. I think we will just let the Premier finish his reply, thank you.

Mr M. McGowan: I am looking miserable, apparently, Mr Acting Speaker—looking miserable! Yes, that is a good one. There are a range of other issues. If I have time I will try to address them before we get to the consideration in detail stage of this legislation. Members have raised concerns about the status of regulations and the strategy, which are currently being prepared and not available for Parliament at present. The draft strategy covers information on coverage, implementation guidelines, procurement-related policies and principles, participation plans, strategic projects, regional procurement, value for money, a reporting compliance review of the strategy, assistance to business, governance, and relationship with the Constitution and free-trade agreements. The contents of the regulations are also being considered as part of this process. The regulations will include thresholds for Western Australian industry procurement participation strategy suppliers, thresholds for strategic projects and criteria for suppliers for which agencies may be exempted. As I indicated earlier, there might be exemptions. The thresholds will be included in the regulations and developed as part of those considerations. That has not been finalised yet but it will be finalised as part of the regulations, which will be provided to the Parliament and members can scrutinise it at that point in time. The agencies are working on what is the most appropriate level of thresholds to be put in place.

Members opposite asked about the concept of a strategic project. The bill provides for the concept of a strategic project, which is supplied by a contractor and meets two requirements. Firstly, that it meets the criteria prescribed in regulation, which will likely include monetary value thresholds that will be larger in scale than normal supply. Secondly, that I, as the Minister for State Development, Jobs and Trade, must consider the project to be of strategic significance to the Western Australian economy. If I make that determination, I will give that to the procurement agency responsible for the supply. After determining that something is a strategic project, I am then able to specify particular matters that the procurement agency must require prospective suppliers to address in participation plans. These matters may be additional to or different from those contained in a normal participation plan and they may relate to specific aspects of local participation. The project could potentially put additional obligations on local
Mr M. McGOWAN: Do you support enhanced levels of local content or do you not? That is the philosophical argument. There is actually a philosophical argument that it should just be completely open. Just to extrapolate a little, there is a philosophical argument that all our air routes in Australia should be completely open, and that any airline in the world that wants to come and fly domestic routes should be able to come and fly them. That is a philosophical economic argument. The proponents of that would argue that there might be advantages in terms of cheaper airfares. Of course, those against it—of whom I am one—would argue that it would cost us local jobs and would be a significant potential safety issue for our nation, so we have decided, as has virtually every country in the world, that we will not open up our domestic air routes to any operator that wants to operate here.

When it comes to local content, we hold the view that when government contracts we should, as far as we can within the law, ensure that we preference local suppliers; that is our view. It is certainly our view that it not only provides jobs and opportunities for our citizens, but also acts as a bit of an incubator for local business. In that regard, I am particularly looking at manufacturing and fabrication. If those industries, of which there are many of high quality in Western Australia, are employing Western Australians and receiving contracts from government, and if they are able to build things, whether they are bridges, rail carriages, rail lines, housing or whatever else it might be, they will provide skilled tradespeople and skilled and prosperous businesses that can then take advantage of private sector contracts that might be out there. It is actually an opportunity for other businesses in Western Australia in other areas of the economy to have skilled people and skilled businesses. Of course, there is a financial advantage to the state. If local businesses are employing local people, there is a payroll tax benefit to the state government. If work is done elsewhere, that significant payroll tax benefit is lost to our state.

The contrary philosophical argument, which some people might agree with, is that we just open the doors and windows and let anyone compete, and whoever wins it should be the winner based largely on the lowest price. Some countries around the world practice that, although I am not aware of many. Most countries around the world are very careful about government work. Even the open trading economies, like China, are very careful about government work. Local businesses get the lion’s share. In an open trading economy like Japan, government work goes to local businesses. That is the way they work. In the United States, government work goes to local business. That is the way it works. I always remember when I was advocating for the construction of Armidale-class patrol boats in Western Australian shipyards, I went to the United States on a delegation along those lines in 2002 or 2003. The Jones Act was always quoted to me. In America, if a warship is built, it is built in America. That is the way they work. That is why we have to be aware that other countries look at things that way and we need to be aware that we need to defend our state and our national interests in the same way that other countries do. That is the view of this side of the political debate and the view of most Australians, I would think.

That is why we are proceeding down this route. This is our legislation. We hope members opposite agree with it and we hope it has rapid carriage through the Parliament. We are currently working feverishly on the regulations and the strategy. We want to put it into operation as soon as possible—hopefully early in the new year. We want to get it into operation; that is what we are aiming for. I request that it does not get stymied in the Legislative Council, because this legislation will be good for employment and good for jobs for Western Australians.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clause 1: Short title —
Western Australian Jobs Bill 2017. The Premier made certain statements in his second reading speech that he intends to apply this legislation literally to Western Australian–based firms, whereas local industry is defined as including other states and New Zealand. How is the Premier, in actuality, going to hone the focus of this bill on Western Australian–based firms? I do not necessarily mean firms whose headquarters are based in, for example, Queensland, and who maybe have an office here; I mean Western Australian–based employment and activity. That is the essence of the Premier’s argument for this bill. Could he explain how he can peer through the various types of international agreements and national agreements that inhibit him from doing that?

Mr M. McGOWAN: As the member knows, we are required to comply with section 92 of the Constitution, and we are particularly required to comply with the Australia and New Zealand government procurement agreement and various free trade agreements between Australia and other countries around the world. This is not new; it has been around since 1901. That is what we are required to comply with. I get the feeling that the opposition is railing against the Constitution —

Dr M.D. Nahan: We’re not. I’m asking you a legitimate question; please answer it.

Mr M. McGOWAN: In our view, this has positive outcomes for Western Australian–based suppliers because based on the existing value-for-money policy, it is sound practice to consider whole-of-life contract costs as part of the evaluation award process. These costs include ease of inspection, ease of delivery, ease of communication and ease of response to operational maintenance requests. These would favour Western Australian suppliers. The use of Western Australian–based subcontractors can provide advantages through minimisation of risk in contract delivery, and this can be taken into account. Participation plans will place an emphasis on those sorts of subcontracting arrangements. There will be greater focus on establishing a uniform process across all forms of procurement and all types of agencies. A consequence of that, if there is uniformity, will, I think, be of benefit to Western Australian businesses. They can work more closely with government agencies in providing that uniformity. The bill will also allow government agencies in particular, through the Department of Jobs, Tourism, Science and Innovation, to provide local businesses with assistance in upgrading their capabilities and through the new organisation with setting up the industry participation advisory service. When a government agency issues a contract, of course it can take into account a range of things. This will enhance the opportunity for local businesses to put in place participation plans that an agency can take account of and local suppliers will be engaged in providing those participation plans.

Dr M.D. NAHAN: I fully understand why Western Australian domiciled firms, contractors and goods and services are competitive. Local content, as defined by goods and services originating in WA, make up most of the purchase by government activity. We are very competitive. I understand, as the Premier highlighted, that there has always been an issue. Can he, and will he, in this bill discriminate in favour of Western Australian domiciled employers, employees and providers of goods and services over those in other states or, indeed, New Zealand. If so, how will he do it?

Mr W.J. Johnston interjected.

Mr M. McGOWAN: I am happy to deal with this issue. The Leader of the Opposition will no doubt go on about section 92 of the Constitution throughout this debate. The jobs bill, together with complementary measures and initiatives that the government puts in place will provide new opportunities for Western Australian industry in a number of ways. It will open up a government enterprise trading market for the first time and GTEs will now be required to consider participation plans as part of the procurement process by requiring prospective suppliers to provide to the procurement agency details of how they will subcontract further work. That will include the kind of work, the value of the work and the process for how they intend to contract that work. Although this does not mandate the use of WA suppliers or subcontractors, it requires prospective suppliers to provide these details, and that is likely to increase the awareness of these issues and influence their commitments and actions. This is not dissimilar to mandatory reporting requirements for matters such as Indigenous participation, greenhouse gas emissions, women on boards and the like.

So that the Leader of the Opposition understands, putting in place legislation requiring local participation plans, of course, means government agencies will take account of the government’s desire for local business to win contracts. That is what it means. The Leader of the Opposition might not quite get that but that is what that means. It means local businesses will be first and foremost when contracts are being issued by government agencies. That is what the whole tenor of this is. That is what the intention of the partition plan is and it is the intention of the strategy. That is how it works in Victoria and Queensland. Obviously, the opposition leader does not support that. That is exactly what this legislation is. That is the government’s clear intention with this legislation.

Dr M.D. NAHAN: I go back to the question. As the Premier said, this has been one of the biggest issues facing local content for decades. He is coming out with a new approach. Various approaches have sailed close to the wind on the issue. Just because I am questioning it, does not mean, as he is trying to imply, that I am against local content. That is a complete myth.

Mr W.J. Johnston: You are.
Dr M.D. NAHAN: No, I am not. That is completely ridiculous. By that accusation the Premier is treating this important issue very shallowly. As I said, the Premier stated just a minute ago that the whole intent of this legislation is to ensure participants defined as domiciled in Western Australia that provide goods and services, including labour, have preference for government contracts. I accept that. I welcome that. There have been a whole range of other intentions. The problem I have is implicit in the short title “Western Australian Jobs Bill”. Under “Terms used” in the bill, local industry, the target of this bill, is defined as “… suppliers of goods produced, or services provided, in Western Australia, another State, a Territory or New Zealand”. I am asking the Premier a practical question: how will he make sure that this bill, or his strategy, which we do not have, actually targets “local”, which is defined as domiciled in Western Australia? This is a big challenge. I am not being flippant here; the Premier is. How will he go about doing this? That is the question.

Mr M. McGOWAN: The whole intention of the legislation is to ensure that local business —

Dr M.D. Nahah: How?

Mr M. McGOWAN: The Leader of the Opposition might not like local content. He swallowed Milton Friedman’s text book back in the 1970s and opposes local content. That is the truth of it. He is an academic who does not support local content. His anger comes through every single day in this place—his anger at the fact he cannot do the job he has been given and at being promoted above his ability. That is the truth of the matter about him. That is why he sits there looking down, snarling and being nasty every single day. He was promoted above his ability.

Dr M.D. Nahah: Answer the question.

Mr M. McGOWAN: He only got the job because the two characters next to him are waiting for next year to knock him off. That is the reason. Those two characters are waiting to knock him off. He knows it, we know it and she knows it.

Point of Order

Mrs L.M. HARVEY: This is a valid question about the short title of the bill and we are asking the Premier to articulate —

The SPEAKER: What is the point of order?

Mrs L.M. HARVEY: The point of order is that the Premier is not in any way, shape or form discussing anything to do with the short title of the bill.

A member interjected.

The SPEAKER: I will not take any interjections from you. There are injections from both sides. Let us just get on with the bill. Premier, can you get to the point that the Leader of the Opposition asked, please.

Debate Resumed

Mr M. McGOWAN: Obviously, as I indicated earlier, the intent of the bill is to ensure that local businesses get the best opportunity. It will ensure that there is greater focus by procurement agencies on contract design, scale and technical complexity to ensure that Western Australian contractors are able to compete to a far greater degree to win work in Western Australia. They will not be excluded because the scale is too great, as they were under the former government, or that something cannot be built here for technical reasons. This bill is not intended to exclude participation by businesses based elsewhere but to ensure there are more opportunities for Western Australian industries to compete. The intention of the bill, the strategy and the regulations under it are all about making sure that there are requirements for Western Australian businesses to be considered first and foremost. That is what it is. The Leader of the Opposition does not like it and he is trying to undermine that. That is what happens in other states. There are examples in other states such as Victoria and Queensland where businesses have done particularly well in winning work as a consequence of local jobs bills in those states. He is shaking his head, but he would not know what happens in other states.

Dr M.D. Nahah: I think I do.

Mr M. McGOWAN: No, you do not.

Dr M.D. Nahah: I do. I think I understand a lot more than you do.

The SPEAKER: Leader of the Opposition, you have asked a question.

Mr M. McGOWAN: If we look at other states, they report to the Parliament on all the jobs created by local procurement. The minimum local content requirements in Victoria are reported to the Parliament. The range of projects and the amount of money that is delivered for local content is reported to the Parliament. Agencies are required to take that into account in issuing contracts. If a contract is issued in Western Australia, an agency must understand that the minister and the Premier will be reporting to Parliament on these issues. Does the Leader of the Opposition think that that means they are going to ignore the government’s desire and intention for local contracts to be issued to Western Australian companies? He does. He thinks they are going to ignore that?
Dr M.D. Nahan: I am listening to you.

Mr M. McGowan: He actually thinks they are going to ignore that! It is bizarre!

The SPEAKER: The question is that the short title —

Dr M.D. NAHAN: I will answer the question for the Premier if he wants. There are many ways to do this.

The SPEAKER: Excuse me!

Dr M.D. NAHAN: There are many ways you can do this.

The SPEAKER: Member, I have not even called you. I was just saying, “It is the short title, Leader of the Opposition”, and you started talking.

Dr M.D. NAHAN: I do not think we are going to get anywhere here because he does not want to answer it. I understand the intent of the bill—that it is to ensure greater local participation. I understand that and I accept that. I am not arguing against it. We are supporting the bill. What we are trying to do is understand how the government is going to do it. There are many ways it can do it. We are stumbling here because I think it is going to be outlined in the Western Australian local jobs strategy that will come, I understand, next year. That is being worked on now, which I accept, and I think we have been told that it will come next year or before. But what I expected was some kind of illustration of some of the issues and mechanisms that will be used to make sure that “local” means WA. Decades of work has been done in Western Australia to try to overcome that if a domicile firm or groups of firms are uncompetitive, that they can get up to scratch and beat, in the tendering process, firms from other states. I am looking for some of those. Many of them exist now. Are some of those being incorporated into the strategy?

Mr M. McGowan: Incorporating some of what?

Dr M.D. NAHAN: Some of the policies that exist now to try to —

The SPEAKER: Leader of the Opposition, I think we are getting off the —

Dr M.D. Nahan: No, I’m not.

The SPEAKER: If you just let me finish. A lot of the things you are talking about now will come up in clause 7. This is the short title of the bill.

Dr M.D. NAHAN: Yes. I am trying to explain; this is a simple point. The short title of the bill is the Western Australian Jobs Act. The intent is to give local content to domiciled people in Western Australia. That is the title. A stumbling block is local content. “Local industry” is defined as national, including New Zealand. How are we going to go from that definition to the intent of the bill to provide locals defined as domiciled in Western Australia given preference. How do you bias Western Australian? What is the mechanism? Yes, the Premier is right. He said it is the intent of the bill. We accept that. The Premier and the ministers are going to focus on that. We accept that. But how? It is a legitimate question—one that governments have dealt with and, by the way, have a range of mechanism under which they can do it. I am just asking.

Mr M. McGowan: Maybe we should deal with this when we get to the clause. We are dealing with the short title.

Dr M.D. Nahan: That is right. It is the Western Australian Jobs Bill.

Mr M. McGOwan: I will explain it. Western Australian jobs are about ensuring that Western Australian businesses are given the best opportunity to win contracts in Western Australia. That is why it is called the Western Australian Jobs Bill.

Dr M.D. NAHAN: A raft of other policies exist right now in legislation about local content. A lot of departments have different ones. Housing has a pretty comprehensive one—local policies—and it implements it through a price scheme in the tendering process, whereby it gives preferences to local firms and explicitly gives them a price discount or price increase. There are preferences in the selection process. It also has local content targets for the Department of Housing, for instance. Will those existing policies and preferences be built into this policy or strategy?

Mr M. McGowan: No doubt we will get to that when we get to the clause. We are dealing with the short title.

Dr M.D. Nahand: That is right. It is the Western Australian Jobs Bill.

Mr M. McGowan: I will explain it. Western Australian jobs are about ensuring that Western Australian businesses are given the best opportunity to win contracts in Western Australia. That is why it is called the Western Australian Jobs Bill.

Dr M.D. NAHAN: A raft of other policies exist right now in legislation about local content. A lot of departments have different ones. Housing has a pretty comprehensive one—local policies—and it implements it through a price scheme in the tendering process, whereby it gives preferences to local firms and explicitly gives them a price discount or price increase. There are preferences in the selection process. It also has local content targets for the Department of Housing, for instance. Will those existing policies and preferences be built into this policy or strategy?

Mr M. McGowan: No doubt we will get to that when we get to that clause.

Dr M.D. Nahand: What clause?

Clause put and passed.

Clause 2: Commencement —

Mrs L.M. Harvey: With respect to clause 2, “Commencement”, when does the Premier expect the bill to receive royal assent?

Mr M. McGowan: My expectation is that it has to get through the Parliament. Once it gets through the Parliament, the expectation is that the act will come into effect next year. Obviously, it can get royal assent with a date of it coming into effect at a future date, but my expectation is that sometime in February and March we will go live with the jobs portal, the regulations and the strategy, all underpinned by this legislation.
Mrs L.M. HARVEY: Obviously, some regulations will need to be drafted. To what extent have the regulations been considered at this stage of the legislation?

Mr M. McGOWAN: The regulations are currently being drafted by the agencies across government. They are working on the regulations and the strategies across government. Work is going on between the Department of Jobs, Tourism, Science and Innovation with other government agencies to work on the regulations and the strategy. That is an ongoing process. I think the member has been advised of that. It would all need to be concluded before such time as the act comes into effect.

Mrs L.M. HARVEY: Obviously, this clause has an option for part of the act to be proclaimed separately from other parts of the act. Does the Premier expect that the entire piece of legislation will come into effect at the same time or does he expect it to be proclaimed in stages?

Mr M. McGOWAN: The expectation, on the advice I have, is that all the legislation will come into effect at the same time. The drafting allows for that, but that is not what we are going to do.

Dr M.D. NAHAN: We will get to this later, but this is relevant for the commencement because it really cannot do much. When does the Premier expect to have the Western Australian industry participation strategy that provides the body to the implementation of the act?

Mr M. McGOWAN: As I said, we expect that the strategy, along with the regulations and the portal, will all go live at the same time in February or March.

Clause put and passed.

Clause 3: Terms used —

Mr S.K. L’ESTRANGE: Clause 3 is “Terms used”. It states on page 3, line 9 —

Local industry means suppliers of goods produced, or services provided, in Western Australia, another State, a Territory or New Zealand;

How does this definition impact on the intent of the bill?

Mr M. McGOWAN: That definition is as required by various agreements reached by the commonwealth government with other countries, so as to make the bill consistent with section 92 of the commonwealth Constitution. Under the bill, we cannot actually have a mandated clause for Western Australian suppliers or individuals, but the bill provides for a process to require local industry participation to be taken into account in a structured and consistent way across government when agencies evaluate offers to supply—so where it gives an advantage to local business. Obviously, value for money and closeness of the source is an advantage.

There is the assistance to local industry by the industry capability advisory service and the opening up of the government trading enterprises to this approach. It is a signal to both bidders and government agencies of the government’s preference for local suppliers. There is increased security of reporting because the Minister for State Development, Jobs and Trade, and other ministers, potentially, would be required report to Parliament on the operation of the plan. Of course, when we develop the strategy and the regulations, our intention is to be very clear that we expect Western Australian businesses to be the beneficiaries of the legislation. That is what we can do. Supporting Western Australian business is the intention behind the legislation and they are to be the beneficiaries of the legislation. That is what underpins this legislation. Obviously, the strategy and the regulations are not ready, but they will be seen when they go live. They will be similar to what has occurred in other states whereby a strong signal is given to both government and business that the contracts or business provided by government show preference to businesses in that state. That is the intention behind it. I cannot undo section 92 of the commonwealth Constitution.

Dr M.D. Nahan: We are not asking you to.

Mr M. McGOWAN: The opposition seems to be doing that. It seems to be asking me to undo section 92 of the commonwealth Constitution. I cannot do that. Under this legislation, which is more than is currently in place, we will be doing everything we can to ensure that preference is given to local suppliers. We are doing everything we can do. I could have put in a clause that was inconsistent with section 92 of the commonwealth Constitution, but then the whole act would have been found invalid, so I cannot do that. The clauses are there and the strategy will be very clear about Western Australian business being the intended beneficiary of the legislation. The regulations will be very clear and very much attuned to Western Australian businesses being the beneficiaries, but obviously section 92 of the commonwealth Constitution is there and I cannot undo it.

Mr S.K. L’ESTRANGE: The minister has acknowledged that he cannot undo section 92 of the Constitution and we as an opposition fully understand that. The concern we have about this bill is that, as the Premier has outlined, section 92 of the Constitution allows the definition of “local content” to include suppliers of goods produced or services provided in states other than Western Australia, the territories and New Zealand, but the whole intent and premise of the bill that the minister has communicated both in his second reading speech and the community is
that section 92 can be ignored. We are concerned that the minister is saying that his bill will be able to provide
preferences to local suppliers over those of other states, the territories and New Zealand, but on the other hand he
is acknowledging that section 92 precludes him from being able to achieve that. The question remains that the
minister’s definition of “local industry” contradicts the intent of the bill.

Mr M. McGOWAN: Our bill is consistent with what the other states are doing in this area. I will run the member
through that again. The legislation applies to government trading enterprises, to which it has not applied before.
There is a requirement to report to Parliament on how much local content is being provided by government, which,
of course, sends a very strong signal to government agencies and GTEs and also provides a great deal of
transparency around these issues. It revises and improves existing policies by putting in place a strategy, and the
strategy will be very clear about the fact that we are of the view that Western Australian businesses should be
given opportunities to provide their services in the provision of contracts to government. By incorporating in this
legislation these directions, or this advice, to government, combined with the strategy, local businesses will get
better opportunities to win government work. I also outlined to the member earlier the role of the development
commissions, the industry participation advisory service and those sorts of bodies to ensure that
Western Australian businesses have better opportunities to win government work. We are consistent with other
states; our expectation is that WA business will be the beneficiaries of the legislation. We have to draft the
legislation consistent with the commonwealth Constitution. As we know, by sending very clear messages to the
public sector, government trading enterprises and local business, we expect greater amounts of local business will
be generated as a consequence.

Mr S.K. L’ESTRANGE: Following on from the Premier’s answer, and sticking with clause 3, he mentioned that
the Western Australian industry participation strategy, which he terms “the strategy”, will answer how this
definition of local industry is going to favour Western Australian suppliers on government contracts. From the
answer given, the Western Australian industry participation strategy, as shown on page 4, which is still under
clause 3, is a key aspect of how this definition will be approached, yet we have not seen the Western Australian
industry participation strategy. Can the Premier give us a clear indication of when we, as an opposition, will be
able to critique the Western Australian industry participation strategy, so that at the very least we can assess and
investigate how the government is going to, firstly, get around its own definition of “local industry” to include all
states and territories outside Western Australia plus New Zealand, and, secondly, how it is going to favour local
Western Australian businesses and suppliers without going against section 92 of the Constitution?

Mr M. McGOWAN: It is interesting that the member said he wants to critique the strategy. He wants to criticise
the strategy.

Mr S.K. L’Estrange: Critique is different from criticise.

Mr M. McGOWAN: I think the member will find that the word critique is generated by the word criticism. The
intention is to bring down the strategy next year. As the member knows, government bodies bring down policies all
the time; they are released virtually every day. The strategy will come down next year when the legislation comes
into effect, which we expect will be in February or March. The opposition will see the strategy at that time. I can tell
the member that the strategy will be very much focused on ensuring that we send as many directions or as much
information and/or signals to government agencies and to GTEs as possible. We expect Western Australian
businesses to get full and fair consideration and better consideration than they are currently receiving.

Mr S.K. L’ESTRANGE: The Premier was concerned about the use of the word “critique” in my last question. We
quickly looked it up and got a definition of “critique” for Hansard.

The SPEAKER: We are talking about the clause.

Mr S.K. L’ESTRANGE: We are, but it is an important aspect, because I was relating to a critique of the
Western Australian industry participation strategy. The Premier thought critique meant to criticise and I said,
“No, it doesn’t”. The definition of critique states —

a detailed analysis and assessment of something, especially a literary, philosophical, or political theory.

In actual fact, the term critique is very apt for the line of questioning that has been taken on what the
Western Australian industry participation strategy is going to be. Will we be given the opportunity to critique it?

Mr M. McGOWAN: Good for you, member for Churchlands, on your googling.

The bill requires the development and implementation of a written strategy about the participation of local industry.
The strategy will include different provisions for different classes of suppliers, which will allow, for example,
different provisions depending on the monetary value and the type of supply and guidelines as to its application
and procedures to be followed in complying with it. The bill also provides that the strategy will provide further
detail about participation plans and a procurement agency’s assessment and consideration of a participation plan
submitted by a prospective supplier when evaluating the offer to supply; incorporate commitments outlined in the
participation plan of the prospective supplier in the supply contract; and include the requirement in the supply
contract for reports to be given to the procurement agency on the extent to which incorporating commitments are being or have been met. The Department of Jobs, Tourism, Science and Innovation is currently in the process of developing a framework for the strategy document. This will also include considering the broad outline of participation plan templates and, in doing so, this will include the deliberation on key concepts and consultation, and that is occurring with various agencies to ensure that they minimise red-tape burden on industry and business.

Dr M.D. Nahan: We are trying to accept the Premier’s point that there is no strategy yet, but some local content policies that exist do what we have been trying to address. For instance, there is a Buy Local policy for housing that requires the consideration of local content in the tendering process, which this bill proposes to do, and explicitly builds into the tendering process that tenders get explicit discounts or preferences in the tendering process for local content that is defined as Western Australian in the form of regional locations. It also deals with things such as local discounts for imported goods if those discounts are not banned by free trade arrangements. There are existing policies that get around the issues that we are addressing. We are trying to explore whether the government will go further and adopt what is already there, because the Premier has argued that the existing policy is failing. I might add that the Premier has not provided evidence of that yet. There are Buy Local policies for a range of areas, including housing, that go down to contracts of $200 000 that explicitly require tenderers to build local content domiciled in Western Australia, as defined, and get explicit monetary preferences in the tendering process. Is the government going to do things such as this? Is it going to adopt the processes that are already in place?

Mr M. McGowan: There are processes in place. The current Buy Local and Building Local Industry Policies—there are a few; I think there might be others—are government policies without legislative backing. They are not consistently applied by government trading enterprises—entities that are agents of the Crown—which is a big point of difference that the legislation deals with, and they apply differing requirements to different agencies and suppliers. There are different policies for different agencies. The Buy Local policy is dated July 2002. It has operated in a modified fashion since around 2008 and is outdated in the agency’s view. It does not provide a rigorous process for capturing claims under the local content criteria and it does not ensure that successful suppliers outline the reported benefits. Those are all very important points. The design and implementation of existing policies, therefore, has meant that they are not being achieved across all forms of government procurement and are not resulting in outcomes desired by government. The existence of multiple and convoluted policies has also caused confusion for both agencies and suppliers. I hear that a lot. Indeed, Mr Speaker, I have heard it said in Albany on a number of occasions that the local content provisions are not working effectively and are confusing. I have met with contractors in the office of the Speaker who have been unhappy with the way that they have worked. Based on some justifiable personal experiences, they do not feel that the policies have been implemented properly. We are bringing together the best of these policies. We are redefining them. We are making them more rigorous, giving them legislative backing and applying them to government trading enterprises. Those are all good things, I would have thought. Geoff Gallop put in place the Buy Local policy back in July 2002, which is 15 years ago. Therefore, it is time for a rebuild and some consistency. It is time to bring the policies together and update them. I think it is time for it to apply to government trading enterprises.

Mrs L.M. Harvey: My question relates to this definition of “local industry”. Obviously, section 92 of the Constitution is set up precisely to prevent states from prohibiting trade with other states and other businesses across state borders. I am concerned about the ramifications for our agencies, for example, in forcing contractors to go specifically to only Western Australian businesses when that is at odds with section 92 of the Constitution. Is there a possibility, for example, that businesses from other states could be tendering for projects and an agency might say, “No, we have been directed by the government to consider Western Australian contractors ahead of you?” What could then transpire? Is the state at risk, for example, of legal action on behalf of those businesses from other states?

Mr M. McGowan: So that the member understands, we are not directing that businesses go to local suppliers. We are not mandating. We are putting in place very strong signals and a strategy to ensure that local contractors get better consideration than they currently do. It is not a direction for local business. That is consistent with what other states do. That is what is behind it. I expect that if anyone wanted to challenge these matters, they would have to take legal action in the High Court.

Mrs L.M. Harvey: Premier, further —

Several members interjected.

The Speaker: Members! I was just telling people not to talk.

Mrs L.M. Harvey: Further, the Premier said that a strong signal is being sent to the sector. Obviously, if people in the public service involved in these contracting processes are being advised or strongly pushed by government to consider Western Australian businesses over other businesses—that is the intent of the bill and I suspect everybody in this chamber would like to see more Western Australian businesses participating in these government contracts—and a contractor from another state felt that they had been unfairly treated in that tendering process and that it was ultra vires section 92 of the commonwealth Constitution, where would the state legally stand with that behaviour?
Mr M. McGOWAN: The legislation is consistent with legislation put in place in Victoria and Queensland, which has not been challenged or, if it has been challenged, has not been struck down by the High Court. I will read out the advice in the explanatory memorandum—

The use of ‘small or medium enterprise’ is consistent with existing meanings used in procurement policies of other Australian jurisdictions, which are based on businesses with less than 200 full-time equivalent employees. Various international free trade agreements to which the Commonwealth is a party and which apply to Western Australian government procurement preserve capacity for government measures to support local small or medium enterprises in the context of government procurement.

Therefore, the strategy would reflect that provision to ensure that SMEs are given that preference and free trade agreements are not infringed. In relation to section 92 of the commonwealth Constitution, the member will find that every state—or certainly Victoria and Queensland—has constructed its strategy to ensure that the guidelines put in place for contracts reflect the government’s desire for local businesses to win those contracts. As I said before, there are a range of ways in which that can be done—the closeness of the source of the contractor will be an advantage; assistance to local industry will be provided by the industry capability fund; government agencies and GTEs will understand that they will be under increased scrutiny should they contract elsewhere; and it will be scrutinised in the Parliament, as members will no doubt scrutinise the reports that I present. The degree of local involvement will be one of the factors assessed in the strategy. The wording of the strategy itself will also send a strong signal to both government and bidders that the view of the Western Australian government is that we have high quality contractors and businesses in Western Australia that deserve to be properly considered in winning contracts.

Mrs L.M. HARVEY: I have a question on clause 3(1) and the definition of “agency”. One of the definitions of “agency” that is provided in that clause is “a government trading entity”, but in paragraph (c) it is defined as —

a person or body, or a person or body of a class, prescribed for the purposes of this paragraph;

What does the Premier anticipate would otherwise be prescribed with respect to the definition of “agency”?

Mr M. McGOWAN: Let us imagine that a government in the future creates a new government trading enterprise. That paragraph would allow for that trading enterprise to be prescribed.

Mrs L.M. HARVEY: This obviously provides for other institutions to be included by way of regulation. Is it envisaged, for example, that local government could be prescribed to comply with this legislation through this definition?

Mr M. McGowan: No.

Mrs L.M. HARVEY: Why would a requirement for local content and local jobs not include local government?

Point of Order

Mr W.J. JOHNSTON: The member cannot talk twice.

The SPEAKER: I thought it was a continuation of the question.

Mr W.J. JOHNSTON: The member sat down, you put the question, and she stood up again.

The SPEAKER: That is not a point of order at this time of the day. Premier, did you get the question?

Debate Resumed

Mr M. McGOWAN: Yes, I did. The intention of the government is in relation to the state, because that is what we control. If it is successful, subject to consultations with local government, we might extend it to local government. It is not the intention at this point in time, but that might be the intention in the future. I signed a partnership agreement with local government a few months ago. Obviously, within the terms of that partnership agreement, we could look at extending it, subject to that consultation.

Dr M.D. NAHAN: There are a few cases now in which public trading enterprises enter into joint ventures. I think this will be particularly the case with renewable energy in the future. Landgate has a joint venture with Property Exchange Australia Ltd—it is an asset holder in PEXA. Some of those deal nationally as well as mostly in Western Australia. Will this be applied to joint ventures with government agencies; that is, joint ventures that are probably mixtures with private enterprise?

Mr M. McGOWAN: Yes, if it is a supply to the state and meets the thresholds.

Dr M.D. NAHAN: Let us say that Landgate provides information about land, not so much to the state, but to the people of the state, and, as I understand it, it has been reported in the press that the government is considering privatising it. The government has also mandated electronic conveyancing as a necessity in the future—I am not sure about that detail—which is going to be provided by a firm, partly owned by Landgate, called PEXA. That does not provide services to the state; it is a service provided right now by the state, in part in joint venture with a private entity.
Point of Order

Mr W.J. JOHNSTON: I know this is an important issue and the member has every right to raise it, but he is raising it in the wrong place. This is part of the definitions and he has not asked about the definitions in the clause. He is asking about how the bill operates. It is a very important question, but he is not asking it in the right place.

The SPEAKER: Member, will you get onto the proper question?

Debate Resumed

Dr M.D. NAHAN: Yes; my question relates to clause 3(1)(c) which states —

a person or body, or a person or body of a class, prescribed for the purposes of this paragraph;

It is a clause put there by the government to, quite rightly, address expansions in coverage of the bill, as the member knows. I am just trying to explore—in fact, I support doing so—whether, as time goes by and the government morphs into different types of associations, businesses and agencies and it gets into increasing joint ventures with the private sector, the government will apply this procurement policy, particularly to joint ventures with the private sector?

[Quorum formed.]

Mr M. McGOWAN: The intention is that if an entity is owned by a government trading enterprise or a government agency, the bill would apply to that entity.

Mrs L.M. HARVEY: To further clarify, is the Premier saying that the procurement strategy would apply only should that entity be prescribed by a regulation through clause 3(1)(c)?

Mr M. McGOWAN: It is intended to capture the situation that the member is referring to.

Mrs L.M. HARVEY: If one of those public–private partnerships falls under the remit of this bill, does it need to be prescribed by regulation through this part of the bill?

Mr M. McGOWAN: Yes, it already captures it by the existing operation of the bill.

Mr R.S. LOVE: I want to ask a question that is more about what is not in clause 3 than what is there. Fundamental to the whole structure of this system is the idea of value for money. There is no definition in the bill of “value for money”. I know that the State Supply Commission has a definition of “value for money”, which is printed on its website, but there is not one in the legislation. I am wondering if that is an oversight. The commonly held belief of what defines value for money may be different from the intent of this legislation.

Mr M. McGOWAN: There is a definition of “value for money” in the State Supply Commission’s supply policy, which was gazetted on 28 December 2007. I will read it out for the member, if he likes. It is about eight paragraphs long.

Mr R.S. LOVE: That policy is subject to change. I am wondering whether there should not be at least a reference in the legislation to where someone can find a definition of “value for money”. That policy may disappear tomorrow. It might fall off the website or it could change. This legislation will still be intact. Where would one then find “value for money” defined?

Mr M. McGOWAN: The legislation does not reference a policy; it provides a regulation-making power. The State Supply Commission policy that was issued 10 years ago defines “value for money”, I am not exactly sure what the member is asking us to do, but it already exists. If it requires updating or some changes as a consequence of the strategy or the regulations of this legislation, that is what will happen.

Mr R.S. LOVE: Where do I find the reference to that policy in the bill?

Mr M. McGOWAN: As I said, the legislation does not reference policies.

Mr D.C. NALDER: Just a minute ago the Premier said that he was willing to read the definition into the record. I would appreciate that definition of “value for money” being read into Hansard.

Mr M. McGOWAN: It is a bit farcical if the member wants me to read in policy. I can read in every policy of the government. I think the member is making a mockery of the consideration in detail stage and being silly during this debate. Clause 9 states that the Western Australian industry participation strategy must be consistent with the State Supply Commission Act 1991. That is how the two interact. As I said, the value-for-money policy is about eight paragraphs long. It is long and involved. If the member goes to the State Supply Commission website, I am sure he will find it.

Clause put and passed.

Clause 4 put and passed.
Clause 5: Western Australian Industry Participation Strategy —  

Mr S.K. L’ESTRANGE: Clause 5(1) on page 5 of the bill states —

The Minister must develop and implement a written strategy about the participation by local industry in activities for or in connection with a supply that meets the criteria prescribed for the purposes of this subsection.

When will both government agencies and local industry suppliers be provided with this strategy?

Mr M. McGOWAN: It is intended that the strategy itself will be finalised in February or March, as I have indicated on a few occasions now, and so the act itself, the regulations and the portal will come into operation at the same time. In the meantime, between now—October—and that date, there will be consultation across government and with industry on the development of the strategy. The Chamber of Commerce and Industry of Western Australia and other business organisations will be consulted in the development of the strategy.

Mr S.K. L’ESTRANGE: We understand from the Premier’s answer that he will have the strategy by March 2018. Can the Premier indicate what he thinks his transition plan will be from when the strategy is implemented in March 2018 to when industries will be able to write their plans to show the Premier how they can seek tenders for government supply?

Mr M. McGOWAN: It will come into effect immediately, with the exception, if you like, of a grace period for tenders that are already underway. It will commence in February or March, assuming passage through the Parliament, and we will indicate when it will come into operation, with a grace period for any tenders that are already in operation.

Mrs L.M. HARVEY: Subclause (4) states —

The strategy is not subsidiary legislation for the purposes of the Interpretation Act 1984.

I would have thought that the government would want something as important as the Western Australian industry participation strategy to be presented for parliamentary oversight. Will the strategy be presented to the Parliament?

Mr M. McGOWAN: Clause 10 states —

The Minister must cause the WAIPS to be published on a website maintained by or on behalf of the Department.

In other words, it will be totally public. It will not be regulatory; it will be a strategy. The government has all sorts of strategies. The existing Buy Local policies are strategies. This one will be an enhanced strategy on those. It will have legislative backing, as I said before, and will be applied more broadly, as I said before. It will be reported on in Parliament, as I said before. It will be a strong signal to government agencies and contractors of the government’s expectations. It will be a strategy, so it will be public. The opposition, the government, or anyone else who wants to see it will see it when it goes live on the website. It will be consulted on before then with industry and government agencies.

Mr S.K. L’ESTRANGE: We understand the government will have the strategy ready by March 2018, and that it will take effect immediately. I will link clause 5 with the opening sentence of the Premier’s second reading speech, where he said that it fulfils a key commitment of the McGowan Labor government under the plan for jobs; that is, to ensure that money spent by the Western Australian government on goods and services is used wherever possible to support local industry and create local jobs. For all contracts from when this bill passes through this Parliament, up until the date at which the Western Australian industry participation strategy is put on the website, how can the government ensure that local suppliers will, in fact, get the contracts?

Mr M. McGOWAN: The existing policies that are already in effect will apply. The strategy that we are putting forward will become live when the legislation comes into effect, in addition to the regulations and the portal or the website—all those things. In the meantime, the existing policies will apply. I urge members to allow this bill through the house so that we can get on with achieving the outcomes we are trying to achieve.

Mr S.K. L’ESTRANGE: Further to that, the question is not that we allow this bill to move through this house; we are going to allow this bill to get through this house. The concern we have is: how is this bill, without the government’s strategy, going to enable the government to award more contracts to Western Australians than the Premier purports have been awarded in the past?

Mr M. McGOWAN: I am a bit confused by the question, but in any event, we have sent a strong signal to government that, in the current environment—particularly the environment we have been through over the last couple of years—we would prefer government contracts to, as much as possible, be issued to local tenderers. There are existing policies in effect and they will continue to be in effect for the next four months or so. Once we have consulted on the strategy with the Chamber of Commerce and Industry of Western Australia and government agencies, the policy will come into effect when the bill comes into effect. We cannot work miracles in terms of getting it all done before it is ready to be put into effect. I am not quite sure what the member is saying, but it will come into effect, we hope, early in the new year, once all that work is done.
Mr S.K. L’ESTRANGE: I think the Premier would agree, then, that this bill, without the Western Australian industry participation strategy, will not fulfil a key commitment of the McGowan Labor government.

Mr M. McGOWAN: The member will note that within the bill there is a strategy; he has to read it in totality.

Mr S.K. L’Estrange: Where is the strategy?

Mr M. McGOWAN: It is being drafted currently.

Mr S.K. L’Estrange: Then it’s not in the bill.

Mr M. McGOWAN: I think, once again, the points the member is making are a little bit of a mockery and a bit flippant.

Dr M.D. Nahan interjected.

Mr M. McGOWAN: I think they are. I have demonstrated to the member—I read this out earlier; the member probably was not listening—a whole range of pieces of legislation that were put through during the term of the last government that had strategies and regulations that had to be drafted after the legislation was passed and prior to the legislation receiving royal assent and coming into effect. That is the intention. The legislation is underpinned by a whole range of regulations, a strategy, a portal, and a requirement to apply to government trading enterprises and the like. All of that will come into effect, we hope—assuming passage through both houses of this Parliament—in March next year.

Clause put and passed.

Clause 6: WAIPS provisions —

Mrs L.M. HARVEY: Clause 6(a) states that the Western Australian industry participation strategy can include —

different provisions for different classes of supply, participation plan or supply contract;

Could the Premier give us some examples of where he perceives that different classes of supply or participation plans might apply?

Mr M. McGOWAN: They are the sorts of issues to be consulted on. I will read out something. The bill allows for different types of participation plans based on different classes of supply. It also allows for flexibility in the form of participation plans. It is intended that the prospective suppliers will be required to prepare either a core or full participation plan depending on the estimated procurement value and functional type of supply—for example, goods and services as opposed to housing, works and construction. Depending on the category, there might be higher expectations in the participation plans, depending on the type of contract. I think that currently happens because there is the Buy Local and the Building Local Industry policies. This will bring it into the one policy. It will rationalise it and make very clear what the expectations are. As I said in my second reading speech and in my response to the opposition, for strategic projects—that is, major rail projects and the like—additional or varied commitments may be sought from prospective suppliers consistent with the minister’s determination for the particular project. The determination is likely to be based on the government’s economic and social expectations for the project.

Mrs L.M. HARVEY: For example, obviously, this has been modelled on legislation from Victoria, as I understand it.

Mr M. McGOWAN: Yes.

Mrs L.M. HARVEY: Does the minister have any examples of where those thresholds exist and where we might expect them to be put in place in Western Australia? What I am trying to get to is that obviously the smaller SMEs might apply for supply contracts. They would probably have less capacity to put together a comprehensive Buy Local strategy as opposed to a larger company with a footprint right across Australia and New Zealand. I am wondering where those thresholds might fit.

Mr M. McGOWAN: Consideration has been given to a number of matters about threshold values, including categories to distinguish the functional categories of goods and services and housing works and construction; a distinction between metropolitan and regional contracts across forms of supply, which I mentioned earlier; the creation of categories of participation plans to vary the scale of what is requested of prospective suppliers, depending on the estimated contract value or the class of supply; the interaction with State Supply Commission policies, such as the public tender threshold, the thresholds used in other jurisdictions; and the use of practical experience and, of course, red tape impacts. At this stage, preliminary consideration has been given to the following: for goods and services metropolitan area contracts, for the core participation plan, it is $500 000 to $5 million; for the full participation plan for bigger projects, it is $5 million and above; for goods and services regional contracts, it is $250 000 to $5 million, so a different threshold for core participation plans; and for the full participation plan, it is $5 million and above. For housing and works in the metropolitan area, it is $1 million to $10 million for the core participation plan; for the full participation plan, it is $10 million and above. For housing and works regional contracts, it is $250 000 to $2 million for the core participation plan; and for the full participation plan, it is $2 million or above.

Clause put and passed.
Clause 7: WAIPS objectives

Mr S.K. L’ESTRANGE: Clause 7 states that one of the objectives for the Western Australian industry participation strategy is to encourage local industry to adopt, where appropriate, world’s best practice in workplace innovation and the use of new technologies and materials. How will the government achieve that?

Mr M. McGOWAN: The clause states —

In developing, amending or replacing the WAIPS, the Minister must have regard to the following objectives —

(a) promoting the diversification and growth of the Western Australian economy by targeting supply opportunities for local industry;

(b) providing suppliers of goods and services with increased access to, and raised awareness of, local industry capability;

(c) encouraging local industry to adopt, where appropriate, world’s best practice in workplace innovation and the use of new technologies and materials;

That is as the member identified.

The intention is, at some point in the future, to develop a local capability fund to assist small or medium enterprises improve their capacity, capability and competitiveness to access major domestic and international market opportunities. This includes meeting essential prequalification requirements for supply chain entry, such as remote access systems; the purchase and upgrade of essential equipment; occupational health and safety; and marketing and finance. The intention is to allow individually tailored rounds to be launched in response to the needs of the government supply market, other market opportunities that arise and the specific needs of SMEs.

Mr S.K. L’ESTRANGE: I have a further question about clause 7. Paragraph (e) states —

promoting increased opportunities for local industry to develop import replacement capacity by giving local industry, in particular small or medium enterprises, a full, fair and reasonable opportunity to compete against foreign suppliers of goods or services.

How will the government do that?

Mr M. McGOWAN: There will be a question in the participation plans as to whether a head contractor will investigate potential for import replacement to allow local businesses to receive work—to substitute for imported products or goods or services. So that will be one of the questions in the participation plan that is required. This has been discussed with tier 1 contractors, so it would be, in particular, construction contractors, I understand. We have had that conversation with them, and they are receptive.

Mr S.K. L’ESTRANGE: Further to the Premier’s answer, given that there will be this way of developing import replacement capacity, will that relate to New Zealand?

Dr A.D. Buti: There’s a Labour government there now—it’s great, isn’t it? I wonder how Julie Bishop is going to build up relationships with that hostile Labour government.

The SPEAKER: Member for Armadale, you have your Premier —

Dr A.D. Buti: The member said New Zealand has a Labour government.

Mrs L.M. Harvey: That’s upset us immensely.

The SPEAKER: Stop being happy, member for Geraldton.

Mr I.C. Blayney: I’m sorry.

Mr M. McGOWAN: The support by the industry participation advisory service will only assist local companies—in Western Australian—in import replacement.

Mr S.K. L’ESTRANGE: Further to that, the Premier would be aware of the Australia and New Zealand Government Procurement Agreement that Western Australia is a signatory to. It reads that signatories must ensure —

… the absence of inter-state and trans-Tasman application of preference schemes and other forms of discrimination in government procurement, based on the place of origin of goods and services;

Given that Western Australia is signatory to the Australia and New Zealand Government Procurement Agreement, I would like to know how paragraph (e), line 6 on page 6 is going to work.

Mr M. McGOWAN: The way it will works is it is a support to Western Australian businesses over businesses elsewhere. The member said it is a preference: that is not the intended way it will work. It is a support to Western Australian businesses, as opposed to that. I suppose there is more than one way to skin a cat, and that is what this is doing.
Mr M. McGOWAN: The participation plans will include questions on research and development. I think that is fair and reasonable, so they will include that.

Clause put and passed.

Clause 8: WAIPS principles —

Mr D.C. NALDER: The Premier mentioned earlier the definition of “value for money”. Can he enlighten us how he intends to apply “value for money” to any tenders moving forward, particularly as it is a primary principle in the Western Australian industry participation strategy?

Mr M. McGOWAN: The jobs bill, as the member will see, requires that value for money is the primary consideration in procurement decisions. This is consistent with sound procurement practice and is essential in ensuring the best outcomes for the public and the state’s budget. The State Supply Commission has a longstanding value-for-money policy, which provides good guidance. I referred to that earlier. There has been some confusion about what the policy means. It does not mean the lowest cost in all circumstances. The existing policy includes non-cost factors, which may be included as part of that policy. It is not an exhaustive list, but includes such matters as fitness for purpose; technical and financial issues; supplier capabilities; sustainability risks and exposures; availability of maintenance, service and support; compliance with specifications; ease of inspection; communication; and delivery. They are all compared with price and a value-for-money decision is made. It is an informed judgement; it is not a mathematical formula. The assessment of the participation plans will be considered as part of the assessment of the other non-cost factors in the procurement assessment process. The participation plans will be considered alongside those and alongside value for money. There is no mathematical formula; a decision will be made by the decision-maker based upon all those issues. The participation plan will be considered as part of that. A weighting of 20 per cent could be considered, but it is my inclination that it may be higher than 20 per cent.

Mr D.C. NALDER: To clarify, the principle is that a weighting will be applied, but the interpretation will be on each tender—it will be assessed independently—to determine what that level of weighting will be and what trade-off there will be on cost versus participation for WA jobs?

Mr M. McGOWAN: No. There will be a standardised approach on the weighting of the participation plan. That has not been settled as yet—it might be 20 or 25 per cent. But there will be a standardised approach; it will not be on every single contract. We want to remove unnecessary burdens and red tape. There are existing policies—I do not know what their percentages are—but the intention is that this will be considered alongside those other factors I mentioned earlier and value for money.

Mr D.C. NALDER: I think I understand the intention of what the Premier is trying to do. I fear that a lot of this bill is more about optics than real delivery. There will obviously be trade-offs between value for money on the project and the participation of jobs, and we are just trying to get a sense of that. My interpretation of what the Premier is saying is that it could be 20 to 25 per cent—in that ballpark. That will be set, but it will not be a stringent guideline because individual contracts will be assessed as they come through.

Mr M. McGOWAN: The way it works is that I expect the industry participation plan will have a weighting of, as I said before, between 20 per cent and 25 per cent. That weighting is part of the scoring process. The scores are looked at and compared against price, and a decision is made then.

Mr S.K. L’ESTRANGE: Further to that answer, the minister has indicated that a weighting is given in the assessment of which company to choose as a supplier to government, so I understand the weighting procedure. Can the minister give us an indication of the percentage of price above what might be the market price in, for example, South Australia, Queensland or New Zealand, that would be accepted from a local tenderer?

Mr M. McGOWAN: There is none and there has never been one. The existing state supply guidelines do not have things as formulaic as that. There is currently flexibility and there will be flexibility in the future. As I have said, there is 20 per cent to 25 per cent weighting when it is scored, and the scores are looked at and compared with price.

Mr S.K. L’ESTRANGE: I understand how we weight in favour of our local suppliers—I get that—but sometimes the weighting means the taking on of a local supplier that is supplying at a higher than market price. All I am asking for is the benchmark of how high the government is prepared to go to keep the supplier local.

Mr M. McGOWAN: There is no benchmark. We accept there are other things that come along with a higher price and the lowest price, and all those matters are considered. There is currently flexibility and there will be flexibility in the future, except to say that the industry participation plan will be one of those factors in consideration along with the existing list, but it will have a weighting of between 20 per cent and 25 per cent.
Mr S.K. L’ESTRANGE: This clause specifically states “the need to achieve value for money, as the primary consideration”. That is a quote from the minister’s bill. Given that a 20 per cent to 25 per cent weighting away from a value-for-money proposition will be accepted, how can the government ensure that the taxpayers of Western Australia will get value for money in the tenderers selected?

Mr M. McGOWAN: Currently, value for money is a broad concept. When someone buys a house, what they get as value for money is a broad concept. It is the same with any contract. There are a range of considerations included within the concept of value for money and an industry participation plan will be one.

Dr M.D. NAHAN: This is the most difficult aspect of the procurement policy and we accept that. The government does not have a strategy worked out and we accept that. The Member for Churchlands asked a question about a weighting within the local procurement policy of about 20 per cent to 25 per cent, which I think is consistent with what is done now, against value for money. As the minister said, value for money is not just about price; it involves a lot of other things such as deliverability and quality. But if, for example, there were two bidders and they were nearly identical in terms of value for money, however that was measured, but one had 20 per cent to 25 per cent higher local content and costed 20 per cent to 25 per cent more, would the government go with that bidder? How will these choices be made? Are there any guidelines or will what is done now be followed? Will there be a change?

Mr M. McGowAN: Our whole intent is that if a participation plan is better, there is a prospect we will pay more; I think that is understood. If we want to live in a world in which we just pay the cheapest price, as I said before, we should introduce foreign airlines to do our domestic airline routes. Participation plans may mean that we pay more, but what comes with that is more local employment, jobs, skills, apprenticeships and the like. That is the prospect when we do this.

Dr M.D. NAHAN: We have a raft of local content and policies implemented right now through the system that the government is going to adopt through the supplier. The Premier is saying that he intends to get greater local content and therefore the government gives greater weight to local content, defined broadly, and therefore he will give a greater weight to local content. Indeed, it might lead to, in general, higher costs or lower value for money. I just want to get that clear.

Mr M. McGowan: Sorry, what is the Leader of the Opposition trying to get clear?

Dr M.D. NAHAN: I will repeat it. The whole intent of this bill is to get greater local content. As the Premier just indicated, sometimes, and generally, he wants to increase local content but that comes at the cost of trading off something else—not necessarily, but the Premier indicated it often does. One of the intents of this bill is to increase local content at the potential cost of lower value for money; in other words, a higher cost. The intent of the bill is willing to trade-off the cost of supply for local content.

Mr M. McGowan: It will not always produce higher costs —

Dr M.D. NahAN: Yes, I accept that.

Mr M. McGOWAN: — but sometimes it may. The judgement call would be made that there are benefits in doing so. That is what it is. As I indicated earlier, the policies behind this are a significant improvement on what exists now.

Dr M.D. NAHAN: Clause 8(b), “WAIPS principles”, states —

The need to ensure probity and accountability for procurement processes and procurement decisions.

Is the government going to enhance the transparency of these trade-offs, since it is going to make it more systematic, wider-ranging and comprehensive with greater weight given to local content? That is what the Premier stated, and that is fair enough—we support that—but is the government going to enhance the transparency of this trade-off and report to cabinet through whatever mechanism, such as the Auditor General?

Mr M. McGowan: The answer to the question is yes. There will be enhanced probity and accountability; that is, there will be annual reporting to Parliament. Suppliers will report to agencies that will report to me.

Dr M.D. NAHAN: Let us take a specific project—railcars. Let us put railcar purchases through this. We have a large number of potential bidders and we choose the one that has a higher local content but it costs more.

Mr W.J. Johnston: It will cost less.

Dr M.D. NAHAN: No, I said it costs more. This is a hypothetical.

Mr W.J. Johnston: It will cost less, though.

Dr M.D. NAHAN: Is the minister participating in this?

Mr W.J. Johnston: I was just making a point.

The SPEAKER: Minister, do not make a point.
Dr M.D. NAHAN: Let us use another example. The government purchases a high school and wants to enhance local content. On that basis, it chooses to take a higher cost for the provision of that high school. Will the government make transparent the trade-off between value capture and local content on a project-by-project basis?

Mr M. McGowan: Yes, through the reporting mechanism.

Dr M.D. NAHAN: So the reporting mechanism will come down on a project-by-project basis?

Mr M. McGowan: Yes.

Clause put and passed.

Clause 9: WAIPS to be consistent with other requirements —

Mr S.K. L’ESTRANGE: Clause 9 outlines that the Western Australian participation strategy, when it is written, must be consistent with three things —

(a) the State Supply Commission Act …
(b) any other written law …
(c) section 92 of the Constitution of the Commonwealth.

I seek some guidance or clarification from the Premier on whether the Australia and New Zealand Government Procurement Agreement is captured by the three things in clause 9.

Mr M. McGOWAN: Apparently, it does not need to be included in the act because it comes under the supply policies that are already in existence.

Mrs L.M. HARVEY: With respect to the WA industry participation strategy being consistent with section 92 of the Constitution of the commonwealth, can it be specific in requiring Western Australian companies to be prioritised over any other state?

Mr M. McGOWAN: We canvassed these issues widely earlier and discussed the range of ways that the state can ensure greater opportunities for local businesses, in particular encouraging and supporting local businesses. As I indicated before, the entire tenor of the strategy will be around making sure that Western Australian businesses and enterprises operating in Western Australia will be the priorities of the Western Australian government.

Mrs L.M. HARVEY: Could the WA industry participation strategy, for example, have the words “Western Australian companies need to be considered as a priority”?

Mr M. McGOWAN: It does not mandate. It sends a strong signal to agencies to provide details of procurement, value of work, kind of work and the like and it will potentially influence their commitments and actions. Merely by putting in place this legislation, we are sending a very strong signal to agencies about our intentions in that regard.

Mrs L.M. HARVEY: Once more on this, I take it that the Premier’s answer is no and that a Western Australian industry participation strategy cannot have the words “Western Australian–based and owned companies and businesses must be given a priority under the strategy”.

Mr M. McGOWAN: We will release the strategy in due course. It will be very focused on ensuring that Western Australian suppliers are given full and fair opportunity to win government contracts.

Mrs L.M. HARVEY: To be clear, obviously the Western Australian industry participation strategy cannot have the words “Western Australian–based and owned companies and businesses must be given a priority under the strategy.”

Mr M. McGOWAN: They may be treated as a priority based on sound business practices. It will no doubt ensure that issues like the closeness of the source to supply are taken into account in making a decision. It will have words in there that are a signal to both agencies and bidders of the Western Australian government valuing Western Australian providers. It will have increased scrutiny via reporting in this Parliament, so we will report in this Parliament and that will send a message to agencies and bidders about the priorities of the Western Australian Parliament and the Western Australian government. Any industry participation plan will include all these things and will also apply to government trading enterprises.

Mrs L.M. HARVEY: From what the Premier is saying, the strategy could contain broad motherhood statements about the intention of the government in introducing this legislation and having the strategy there. Can it have broad statements and commitments about the government’s intention but can it not include the words “our intention is to prioritise Western Australian–based businesses and companies” because that would be contrary to clause 9?
Mr M. McGOWAN: No; it will have very specific statements about the advantages of sourcing goods and suppliers from Western Australia.

Dr M.D. NAHAN: Again on clause 9(c), is the Premier aware of any complaints, legal action or otherwise being brought about against either the Queensland or Victorian procurement legislation, upon which the government is modelling its legislation?

Mr M. McGowan: No.

Dr M.D. NAHAN: Is the Premier aware that the New Zealand government has issued a major complaint about Queensland’s policy?

Mr M. McGowan: No. It was about a different policy.

Dr M.D. NAHAN: Is the Premier aware that complaints have been issued in New Zealand about policies that were derived under Queensland’s similar act?

Mr M. McGowan: The advice I have is that it was about a different policy.

Dr M.D. NAHAN: Just to get —

Point of Order

Mr W.J. JOHNSTON: The member cannot get the call twice. The Premier never sought the call, so the Leader of the Opposition cannot seek the call again.

Mr S.K. L’ESTRANGE: Further to the point of order, Mr Speaker —

Dr M.D. Nahan: He didn’t answer it.

Mr S.K. L’ESTRANGE: I believe the Premier did answer the question but he answered while sitting down so the member might not have recognised that an answer was being given.

Mr W.J. JOHNSTON: No; you have to seek the call!

The SPEAKER: Excuse me!

Mr W.J. JOHNSTON: I am just explaining to him.

The SPEAKER: It is getting late; let us just get on with it.

Debate Resumed

Dr M.D. NAHAN: I just want to confirm this. This legislation is based, according to the government, on Victoria and Queensland. It goes to a really delicate issue—a constitutional matter.

Mr M. McGOWAN: I’ll answer your question.

Dr M.D. NAHAN: Okay; I will reiterate! I have been told to ask the question again, so I am doing that. I have read in literature that New Zealand has made a formal complaint against the procurement policies of the Queensland government. I asked the Premier to confirm this, but he did not bother to stand up and answer last time, so it probably was not even recorded in Hansard. Is the Premier aware of any legal action or official complaints from New Zealand about Queensland’s procurement policy; and has the Premier taken them into consideration in the development of this legislation?

Mr M. McGOWAN: I am advised that the New Zealand complaint relates to a separate policy. The Queensland legislation was introduced in 2011.

Dr M.D. NAHAN: I would like to make a statement. I think they will find out that there is a real risk that the Queensland procurement policy legislation, and therefore potentially others, depending on how this one is implemented, will be the subject of a formal complaint that potentially puts this legislation at risk, and that should be taken into consideration, particularly when not only developing the local content policy, but also implementing the participation strategies.

Mr M. McGOWAN: The risks have been taken into account in the development of the legislation. They will be taken into account in the development of the strategy.

Clause put and passed.

Clause 10 put and passed.

Clause 11: Participation plan —

Mrs L.M. HARVEY: I understand that this clause relates to the participation plans that will form part of the contractual arrangements that businesses will have with government. I want to understand how this will work. Obviously, thresholds will be built into the strategy. The way construction happens in Western Australia, for example, is that there is always a head contractor, which tends to be a larger company. It then pushes work out to
subcontractors, who will have smaller chunks of the large contract. Obviously, a head contractor will require a participation plan that we would expect would be very comprehensive and would have certain requirements. How will that head contractor’s participation plan then be pushed down through to the subcontractors, because if the subbies, being small and medium businesses, for example, were procuring work from government in their own right, there would be a much less onerous requirement on them as part of the participation plan. What will be the nexus between those head contractors’ requirements for participation plans and the impact, if any, and how will that impact be measured on the subbies who will be performing work on behalf of those larger head contractors?

**Mr M. McGOWAN:** The obligations under the bill are placed on the relevant agency. The obligation to comply with the commitments made in the participation plan flows through to the head contractor through a contract. Any subcontractors will have a relationship with the head contractor through respective contracts, but subcontractors are not themselves referenced or obliged by the bill. The head contractor has the responsibility of implementing the participation plan. It is the intention to encourage larger providers to use local small to medium-sized enterprises, as well as encouraging SMEs to have full and fair opportunity to compete as potential suppliers.

[Quorum formed.]

**Mrs L.M. HARVEY:** Further to this, there have obviously been some quite controversial incidents in Western Australia, with head contractors acting in a somewhat unconscionable way towards the smaller subcontractors who perform the work for them. I am concerned that the head contractors will have participation plans that, due to the size of the contracts they will have, will be quite comprehensive. How will the government ensure that the participation plans that have been put in place as part of a contractual arrangement with a head contractor are not going to have onerous consequences for the smaller subcontractors, who will then be employed by the head contractor to perform the work?

**Mr M. McGOWAN:** The whole intent is designed to help local contractors win. The expectation is that small and medium-sized enterprises will be the beneficiaries.

**Mrs L.M. HARVEY:** Further to that, for example, there is one project that I am aware of, a primary school that was being constructed, where the head contractor had the work for the primary school and a subcontractor had imported all of the Colorbond roofing for the school. He did not get paid for that. It was actually imported from China. If the head contractor has a requirement for local content, for example, will that have ramifications for the subcontractors then having to source their products locally, or will those subcontractors be exempted, if you like, through supply chain requirements as part of that participation strategy?

**Mr M. McGOWAN:** Head contractors are responsible for the performance of subcontractors, so if there is an agreement, and then the subcontractor wants to change that agreement, the head contractor will have to seek to renegotiate the contract if there is some exigency that requires that. The intention of the participation plans is about processes to give opportunities to local small and medium-sized enterprises.

**Mrs L.M. HARVEY:** I understand that, Premier. What I am trying to get to is, if the head contractors are the larger operators in the industry, will there be an expectation that their participation plans will also have a requirement for the subcontractors that perform the work to also have, if you like, participation plans that would be consistent with the head contractor achieving those, or will the subcontractors always be exempted, and the head contractor will just be covered by the partition plan?

**Mr M. McGOWAN:** The head contractors make the commitments in the participation plans, not the subcontractors. The head contractors, obviously, when they subcontract with the subcontractors, have to be cognisant of the agreements they make. That is the way it works. I think that is self-evident.

**Mrs L.M. HARVEY:** Further to this, with some of the construction work or specialised work that might need to be performed on behalf of one of the energy retailers, for example, the head contractor might have a participation plan but as part of that the employment workforce might, for example, need to come in on 457 visas for specialist work. Is that going to be an inhibitor to the head contractors and the subcontractors getting the work?

**Mr M. McGOWAN:** It would be a consideration. Obviously, in a participation plan, if one party was bringing in overseas workers, that would be a major consideration.

**Dr M.D. NAHAN:** There are just a couple of things. As the participation plans will be part of the tender process and agreed to, is the government going to put on people to monitor and measure the implementation as time goes by?

**Mr M. McGOWAN:** Yes.

**Dr M.D. NAHAN:** How will the government deal with things such as design, build and operate components in this participation plan when there will be different local content considerations at each phase of the development? Sometimes, until the design is agreed to, it is not known what the build and maintenance will be. Will they be treated as special projects and taken off to the side to be dealt with? Does the government have a single participation plan that will win a complex contract with a design, build and operate component right up-front, or will it have multiple plans?
Mr M. McGOWAN: It may well be that the agency decides that on that particular project, it will require three participation plans.

Dr M.D. NAHAN: How do we get around issues when we have a participation plan for, let us say, a large construction project? A large construction firm often has its preferred suppliers; that is how it operates. It is not so much that those preferred suppliers are local. If a participation plan specifies those preferred suppliers, it could inhibit competition from other subbies, if you wish. One of the issues is: how do we make sure that the participation plan does not have the perverse outcome of inhibiting competition between subbies and, therefore, increasing costs over time?

Mr M. McGOWAN: When we are putting together our participation plan, we will detail how we will go about our subcontracting and we may well detail where our subcontractors will come from, and that will be part of the scoring process.

Dr M.D. NAHAN: Just to understand it, it is more about process rather than detail. Another issue is that often, particularly in our economy, which tends to go boom and bust, particularly during very hot periods, the objective is to bring activity to the state to locate here. Not too many years ago we encouraged a lot of engineering firms to locate here from overseas. Will the participation plan differentiate between existing firms or will they allow “local” to be defined as firms coming from overseas and locating here, or new firms attracted to WA if they decide to be local?

Mr M. McGOWAN: If an overseas or interstate business wants to come here and establish and employ local people, that would be considered local.

Clause put and passed.

Clause 12: Procurement agency to require participation plan —

Mrs L.M. HARVEY: Clause 12(2) states —

The regulations may provide that the obligation in subsection (1) does not apply to a procurement agency —

(a) in relation to a WAIPS supply of a prescribed class; or

(b) in prescribed circumstances.

This sounds as though a procurement agency, by way of regulation, can be exempted from this requirement. In what circumstances does the Premier expect a regulation might be tabled that exempts an agency from the WAIPS?

Mr M. McGOWAN: Consideration is being given to broad categories for classes of suppliers where participation plans will not be required. This includes consideration of, for example, services that must be performed overseas, such as maintenance of an overseas office, and procurement that is classified as sensitive, such as something in relation to counter-terrorism efforts. Consultation would occur before any such regulations are finalised. I think those two examples are quite sensible.

Dr M.D. NAHAN: We can deal with this in this or other clauses. It is an issue that the Premier has dealt with a bit. The requirement in the process is that every bidder provide a participation plan, and that could lead to thousands of participation plans across the state. What processes does the Premier plan to put in place to limit the red tape associated with this?

Mr M. McGOWAN: It will be done by the thresholds, which I read out earlier, and the jobs portal will allow the electronic transfer of documentation—the new jobs portal. On the Tenders WA website there was an analysis of an expectation of five to 10 participation plans a week, based on the last six months.

Dr M.D. NAHAN: Will the department also provide guidance to prospective bidders, particularly in the early days, as to what is looked for, the criteria and the weighting of all this—some guidance to minimise red tape?

Mr M. McGOWAN: Yes, in a template.

Clause put and passed.

Clause 13 put and passed.

Clause 14: Participation plan commitments to be incorporated in supply contract —

Mrs L.M. HARVEY: As I understand it, this clause will require a procurement agency to have a participation plan form part of the contract. Will there be a pro forma participation plan? Will they be individual? Will every contract have the same template added to it to ensure consistency?

Mr M. McGOWAN: There will be two thresholds of templates for core and full.

Mrs L.M. HARVEY: Will those templates be tabled in Parliament as part of the regulation-making process?

Mr M. McGOWAN: They will be publicly available because they will be attached to each tender. They will not be tabled in Parliament because they are not regulations.

Clause put and passed.
Clause 15: Exemption from s. 12(1) —

Mr S.K. L’ESTRANGE: Clause 15 states —

(1) The Minister may, in writing given to the procurement agency for a WAIPS supply, exempt the procurement agency from the obligation in section 12(1).

Clause 12(1) is the requirement for the procurement agency to submit a participation plan that would have to align with the industry participation strategy. Clause 15 is about exempting somebody from complying with the plan. Can the Premier explain when this would occur?

Mr M. McGOWAN: An example of a circumstance in which this power could be used is if the minister considered that, in the context of a particular supplier, there would not be an overall benefit if the participation plan requirements were applied. The example that I have been given is of something absolutely urgent that had to be dealt with immediately and the requirement was considered unnecessary, onerous or would not be of benefit to the state.

Clause put and passed.

Clause 16: Delegation —

Mr S.K. L’ESTRANGE: Clause 16 relates very much to clause 15. It states —

(1) The Minister may delegate the powers in section 15(1) and (2) to the chief executive officer of the Department.

That means that the chief executive officer, once delegated, could make a decision about what is a priority or of importance and to exempt somebody from having to comply with the industry participation strategy. Given the importance of this bill that the Premier outlined in this place, why would a minister delegate such an important role?

Mr M. McGOWAN: The example given to me is that there might be a piece of high-tech medical equipment or something of that nature that had to be acquired from Germany, Japan, Switzerland or somewhere. It might be a pharmaceutical product or something of that nature. A decision might have to be made quickly and the minister may not be here or may not have the expertise. The decision could be delegated but it will still have to be published. Therefore, there will be transparency and accountability around it. I imagine it would be an odd occasion.

Mr S.K. L’ESTRANGE: Further to that, so if it is not going to be some urgent medical equipment, how will the Premier be able to assure the people of Western Australia that under the Western Australian industry participation strategy and the requirement for participation plans to be adhered to by agencies, this delegated authority is not able to extend its decision-making beyond emergency medical equipment?

Mr M. McGOWAN: As I said, I cannot envisage all circumstances at all times, and that is what legislation does—it gives some flexibility and opportunity for people having faith in them. But as to the accountability measure, there is no secrecy about an exemption being provided because the agencies are required to publish the notice of the exemption.

Mr S.K. L’ESTRANGE: Further picking up on the Premier’s answer, does the Premier have absolute faith and trust in the chief executive officer of the department to execute that delegation and hold to the Premier’s plan?

Mr M. McGOWAN: The current chief executive is Stephen Wood. I have faith in him.

Mr S.K. L’ESTRANGE: Thank you. So the Premier has faith in the chief executive officer. I alert the Premier to clause 16(3), which states —

A delegation may authorise the chief executive officer of the Department to further delegate the powers to another officer of the Department in accordance with any conditions specified in the delegation.

How far down the public sector chain of command will this delegation go?

Mr M. McGOWAN: This clause is quite regular in legislation. There are numerous examples, I am advised, of this clause being used to ensure that there is swift and efficient decision-making. If we have faith in our agencies and the directors general of our agencies have faith in a senior officer who might have expertise in a particular area, this can be done regularly. We can debate this particular clause all night, but I think it is quite standard.

Mr S.K. L’ESTRANGE: Although I understand the mechanics of how ministerial officers and government agencies and departments work with regard to delegation, I think in this instance we are dealing with quite a complex bill. The requirements of the Western Australian industry participation strategy, which the Premier will provide to this place or put on the website in March 2018, and what underpins the success of that strategy are things like section 92 of the Constitution or, as I outlined earlier, certain arrangements and agreements between Australia and New Zealand, such as the Australia and New Zealand Government Procurement Agreement, and other such arrangements between the states of the commonwealth and free trade agreements. It is complex. Given that this bill is so important to the Premier giving jobs locally to Western Australians, if the authority under which
these very important supply participation plans can be exempted, the fact that not only can the minister delegate to his chief executive officer, but also the chief executive officer can delegate even further down his or her chain of command will move the decision-making so far from the minister’s office that he may not be aware if, for example, a supply contract ends up going to New Zealand. How will the minister know whether that is going to happen if he does not have oversight of the decision-making linked to supply?

Mr M. McGOWAN: It is a little bit of conspiracy theory stuff. Although the delegation is not public, agencies are required to publish the notice of exemption. There is no secrecy about an exemption being provided. This is more transparent than what currently happens.

Mr S.K. L’ESTRANGE: How is this more transparent?

Mr M. McGOWAN: Any current exemptions are not published.

Mr S.K. L’ESTRANGE: Bringing it back to the delegated authority, once they have made the decision and the decision has been published, what happens if the minister does not agree with it?

Mr M. McGOWAN: I imagine that if anything was controversial a chief executive officer or his or her delegate would consult a minister before making such a decision. If an urgent decision had to be made to acquire particular equipment for the Tactical Response Group in a security situation, or a hospital had an outbreak of a particular disease and required specialised equipment that was manufactured in Germany and an exemption was required quickly and the minister was away on holiday in New York and could not be contacted, I assume that the chief executive officer and/or his or her delegate would be able to make that decision. If the minister came back and disagreed but a contract had been signed, there would probably be not much that the minister could do. However, as I said, this clause is very common in other pieces of legislation. Maybe we can give some examples. The delegation clause is very common in legislation. If the opposition wants to explore all the options, I can keep coming up with examples and the member can keep on saying that someone may do something nefarious in the course of their duties. I expect that would not happen, but I imagine that if it did happen and someone did do something inappropriate, or whatever, there would be severe consequences for that person.

Mr S.K. L’ESTRANGE: In his answer, the Premier referred to a medical situation and also the Tactical Response Group requiring a piece of equipment. I think we are actually dealing with the supply of goods and services for big projects. That is what we are focussing on. I think the Premier would no doubt have regard to the Commissioner of Police for the TRG—I stand to be corrected—and I would be surprised if under his authority he did not have the authority in an emergency to buy a piece of equipment up to, say, $10 million or less, if he so needed, within the parameters of doing his job as the commissioner. Likewise, I expect that a CEO of a hospital who needed to procure a very significant and important piece of equipment for the emergency department would have within their mandate and authority the capacity to make sure that that emergency department had all the resources it needed to function without needing to come to the agency, let alone the minister.

This is clearly about the Western Australian industry participation strategy. A key component of the strategy is that agencies and suppliers must present plans to the government that indicate how they will ensure local employment and local content is given maximum priority. Clause 16 links to clause 15, which is about the exemption from having to provide these plans. We are not dealing with a piece of equipment for an emergency department or for the Tactical Response Group within the police force; we are talking about an exemption from providing a supply plan for projects here, Premier. Using those types of examples to be flippant is inappropriate. We want to know how the Premier is going to ensure that his bill under his own Western Australian participation strategy will not be delegated to somebody down the public sector chain of command so that the intent of his bill is unable to be achieved. We want to know what assurances he can give that he will maintain oversight of the responsibilities that he has placed on himself in this bill, and that he does not delegate them away.

Mr M. McGOWAN: The instrument of delegation is “may”—as the bill says—and in specific circumstances that the minister agrees to. Major projects obviously would not be one of those. Obviously, there would be long tender processes and the like. The advice I have been given by the advisers is that it would be more about emergency circumstances like the ones I outlined.

Mrs L.M. HARVEY: Part of the reason we are labouring this point is that the way most agencies work with these delegations, as the minister is aware, is that the minister will often have a delegation to the CEO and the CEO will often have a standing delegation around certain areas to the chief financial officer, chief procurement officer or whoever it might be. Those delegations tend to just sit in perpetuity when they occur. The Auditor General found in his report of 2011 that these delegations were in existence and out of those delegations the purchasing officers responsible for procurement were able to exempt themselves from the government procurement guidelines and did so routinely and frequently. We are concerned with this delegation that there will be an opportunity for these purchasing officers to exempt themselves, and who, perhaps in the interests of wanting an easy life, will want to do so. We need to understand whether the delegation will be an exception or stand in perpetuity as happens in the current arrangements. Will the officer who sits at the level that the purchasing and procurement occurs have
a requirement every time they exempt the department from the participation plan to feed that up the chain to the minister to ensure we are notified of every individual contract that an agency has exempted itself from the requirement of a participation plan?

[Quorum formed.]

Mr M. McGOWAN: Regarding the question the member for Scarborough raised, as I said before, currently the exemptions are not public and now they will be made public and published. That is a big difference. Secondly, the member asked whether they go into perpetuity. That is at the discretion of the minister, so the minister may do and then he can withdraw that. As I said, the minister is the accountable person on this. If the minister does this, they are held to account. That is a much more accountable system than what goes on now.

Mrs L.M. HARVEY: Just to clarify, can we expect publication on every departmental website with respect of every contract that has received an exemption from the participation plan—every single contract?

Mr M. McGOWAN: It will be a ministerial exemption under clause 15, yes.

Mrs L.M. HARVEY: Just to be clear, can we expect information to be published about any supply contract that has been entered into by an agency with a contractor under which the contractor has received ministerial exemption from a participation plan?

Mr M. McGowan: Yes.

Mrs L.M. HARVEY: Great. Thank you.

Clause put and passed.

Clause 17: Determination of strategic project —

Mr D.C. NALDER: Clause 17 states —

(1) If the Minister considers that a WAIPS supply is of strategic significance to the Western Australian economy, the Minister may, in writing given to the procurement agency for the WAIPS supply, determine —

(a) that the WAIPS supply is a strategic project; and

(b) that the participation plans required by the procurement agency in respect of the WAIPS supply are to outline commitments addressing matters specified in the determination.

What does this mean?

Mr M. McGOWAN: The bill provides for the concept of a strategic project, which is a supply that meets the criteria prescribed in regulations. That will likely include monetary value thresholds as criteria, which will be larger in scale than normal Western Australian industry participation strategy supplies, that the minister considers is of strategic significance to the Western Australian economy. The minister must make a determination in writing to give that to the procurement agency responsible for the supply. The purpose of identifying a strategic project is to allow the minister to then specify particular matters that the procurement agency must require prospective suppliers to address in participation plans. This will allow the minister to identify matters that are additional to or different from those contained in a normal participation plan and may relate to specific aspects of local participation. It will therefore allow the minister to invoke commitments in relation to those matters, rather than allowing the minister to impose requirements with regard to local industry participation or any other matter, on Strategic Projects or the supplier. It will still be the responsibility of the procurement agency to assess and consider the participation plan when evaluating an offer to supply. Again, the minister must provide to the procurement agency the determination on the particular matters to be specified in participation plans. The matters will then need to be incorporated into the participation plan templates and any commitments made by prospective suppliers will then need to be taken account of in the assessment of the plan. It is intended that this process will allow the government to signal to responsible agencies and prospective proponents the government’s aspirations for larger and more significant projects. Metronet projects have been identified as likely to be determined as a strategic project.

Mr D.C. NALDER: I am not trying to over-labour the questions on this, but I am trying to understand how it will apply practically. The Premier has mentioned Metronet. Can the Premier step through a hypothetical on Metronet so that we can understand the practicality of it and how it is going to apply?

Mr M. McGOWAN: I would write to the agency at the start setting out these things, we would identify it as a strategic project and the areas where the supplier should make commitments—for example, railcars—and the agency would include that in the participation templates.

Mr D.C. NALDER: Coming back a step to clarify, will a large project be determined to be strategic or will a WAIPS process come through whereby it will be seen as a strategic project and then that will determine that it is a strategic project for the determination? Does the Premier know what I mean by that? Will it be because it is a very large project and we are applying that as a determination for a strategic project or will it be because the WAIPS has some element that means it is considered as a strategic project?
Mr M. McGowan: It will be more the former; it will be a large project determined to be a strategic project. We will look at its economic impact, its jobs impact, the complexity associated with it, the scale and its public recognition. All those issues would determine it.

Mr S.K. L’Estrange: Further to that answer about the determination of a strategic project, from reading clause 17(1) to (4), I am still unclear about how that is different from part 3. Can the Premier explain to me how a strategic project will be handled differently from other procurements because of the Western Australian industry participation strategy?

Mr M. McGowan: It allows the government to take the initiative and to identify matters that are additional to or different from those contained in a normal participation plan. It may relate to specific aspects of local participation. It is a larger project. As I said, I gave the member the rail carriage example. That is not a bad example and I think that is what occurred in Melbourne. That is not a bad example; it is as good an example as I can give members.

Mr S.K. L’Estrange: The Premier gave railcars as an example. I understand that a strategic project is a significant project for government and the Premier is using railcars as an example. Can the Premier step through how the Western Australian industry participation strategy might ensure that the railcar project the Premier mentioned, once it is determined to be a strategic project, would increase local participation?

Mr M. McGowan: We may well ask for more detailed information on selected subcontractors and complex projects. We may well ask for participation in the design, build and operate aspect. For long-term contracts, we may well require extra details about the long-term operation of the contract.

Dr M.D. Naham: The Premier mentioned the size, scale and strategic importance of, let us say, the railcars, but one of the issues in the past has been to try to develop diversification of the economy and new technologies and material, which is one of the government’s objectives. Would the government not consider a strategic project for a level of activity that is not for a specific or single project? Let us say that the government decided to put in specialty ICT of some sort. Instead of having a single project, the government would focus on an area for which it has special participation plans.

Mr M. McGowan: My advice is that yes, it could be done in that sort of circumstance.

Dr M.D. Naham: Is the government considering doing that in some areas?

Mr M. McGowan: We do not have any in mind at the moment but the idea the Leader of the Opposition has come up with is a reasonable one.

Clause put and passed.

Clauses 18 and 19 put and passed.

Clause 20: Agencies to provide information to Minister —

Dr M.D. Naham: Can I get some clarity on this issue? Clause 20(2) states that when giving information to the minister under subclause (1), which is about providing information to the minister, the agency needs to —

(a) identify information that the agency considers should not be included in the report because of its confidential or commercially sensitive nature;

Given that the participation plans are part of the tender, in many, many cases there will necessarily be confidential information in the tender documents. I suggest that there are sections of the tender, in terms of value for money, that are clearly going to be commercially confidential but that the participation plans themselves might be much less so. Would the government consider excising or having a policy of delivering information on the tender to the public that is not commercially confidential? In other words, the tender document could be split up into that which is commercially confidential and that which is not.

Mr M. McGowan: I am advised that that is a potential in certain circumstances but it has not really been given consideration.

Mrs L.M. Harvey: Further to this clause, as an example, if the government is bidding for events and things like that through the tourism portfolio, often information is commercially sensitive because the government is competing for projects along with other states. Is it the government’s intention that as part of the bids for those events, and when the nature of our bid might be commercially confidential, there would still be a requirement for the event organisers to have a local participation plan for sourcing local suppliers in order for the event to occur? For example, could the participation plans be made available and separated from the commerciality and competitiveness of a contract such as that?

Mr M. McGowan: I think the member is asking whether the participation plans are going to be made public—correct?

Mrs L.M. Harvey: Yes.

Mr M. McGowan: There are concerns about that because of the need to take into account commercially sensitive matters, as I think I mentioned earlier. We are aware that when the commonwealth government does
this—I think it has a similar process—it makes summaries of participation plans available under its program, which are written by the companies. This seems to have been generally regarded as a positive thing but it applies only to large projects.

Mrs L.M. HARVEY: Further to this, as an example, there was some criticism of the Margaret River Gourmet Escape because international sponsors were involved. Can we now expect that, with the requirement of these industry participation plans, the viability of these events will come into question? That event has now gone to Victoria. As part of the procurement process, would the industry participation plan require a certain percentage of local content? Our concern is that it might affect the viability of procuring some of these events in Western Australia.

Mr M. McGOWAN: I am not sure that I fully understand the question. I think this gives the minister discretion to release the information depending on whether it is commercial-in-confidence or commercially sensitive. It is a judgement call in each case. I do not understand the role of the Margaret River Gourmet Escape in this, but that is the intention.

Nationally, on major projects, the commonwealth government makes some regional participation plans available. In Victoria, they report annually. Queensland’s legislation states that they report annually.

Dr M.D. NAHAN: The Auditor General would be able to assess whatever he wants to do about these also. Is that right?

Mr M. McGOWAN: There is nothing stopping the Auditor General from doing that.

Clause put and passed.

Clauses 21 and 22 put and passed.

Clause 23: Obligation imposed under Act overrides other obligations

Mr S.K. L’ESTRANGE: Clause 23 states —

If an obligation imposed on an agency under this Act conflicts or is inconsistent with an obligation imposed on the agency under the Act that establishes or continues the agency, the obligation imposed under this Act prevails to the extent to which the obligations conflict or are inconsistent.

Can the Premier please provide an example of where that would happen?

Mr M. McGOWAN: An obligation under this act would override the obligations of GTEs under their act of Parliament establishing them, so therefore they are required to comply with the strategy in the participation plans, which would override whatever clause might be in those numerous GTEs the government has—established ports, electricity utilities, water utilities and the like. The participation plan and the local content obligations override those.

Clause put and passed.

Clause 24: Effect of contravention of Act or WAIPS

Mr D.C. NALDER: Clause 24 relates to contravention. Am I reading this right? Are there no consequences for those actions if any of the departments decide to contravene this act or not fulfil the obligations under this act?

Mr M. McGOWAN: Under the Financial Management Act and the Public Sector Management Act, agencies are required to adhere to government policy and the like. That is a requirement on agencies currently; on anything that they do. The existing requirement for agencies to comply would be applied to this legislation.

Mr D.C. NALDER: What are the consequences for a public servant who does not meet the obligations of this act?

Mr M. McGOWAN: There are disciplinary procedures under existing acts of Parliament if a principal does not comply with the relevant rules relating to the expenditure of public money or the like, or if a public servant does something contrary to any act. Section 53(1)(b) of the Financial Management Act and section 9(a)(i) of the Public Sector Management Act impose obligations on public servants, CEOs and boards of government bodies to comply with government policy. I think the member is asking what, across the board, are the obligations on public servants to comply with what they are told to do. They are contained within those pieces of legislation, as they have been for 20 years.

Mrs L.M. HARVEY: Given that this is a high priority for the government, will the government be setting key performance indicators for agencies for compliance with procurement and participation plans, and compliance with the industry participation strategy?

Mr M. McGOWAN: They are required by law to comply with these processes, so I suppose that, in effect, they are stronger than KPIs. They are required by law. That is part of the reason we have done this, so that it is not just a policy; it is legislation. It is further up the hierarchy in terms of what everyone should take account of.

Mrs L.M. HARVEY: Government agencies are required by law to perform all sorts of functions in service delivery and the like. Those functions that are deemed to be the most important for the agency, notwithstanding that they are required by law to comply, have a KPI with an expectation that they will achieve 100 per cent of
participation plans for every contract they are engaged in, or 90 per cent as a KPI for compliance with the strategy. No-one ever expects 100 per cent compliance, because there will always be variations and exceptions, but if it is a key strategy for the government, it would be expected that there would be a KPI that would then have consequences for a CEO, for example, in the renewal of their contract, should they not be ensuring that their agency complies with such an important engagement strategy.

**Mr M. McGOWAN:** They are required to report to me every year—I suppose that is a KPI—on the outcomes of the strategy in the bill and the local content. Obviously a CEO would be impacted if they were not complying with government policy. If a CEO ignores government policy, there may well be consequences for that CEO down the track, or prior to the renewal of their contract.

**Mrs L.M. HARVEY:** There are two parties to a contract, and it states here that no civil or criminal liability will attach to an agency or any other person only because the agency or other person has contravened this act or the WAIPS. Will there be consequences or penalties written into contractors for government, should they enter into a contract that they basically achieve successfully as a result of their participation strategy, if at the end of that contract it is determined that they have not complied with the participation strategy? Will the contracts now have penalty clauses written into them to ensure that there is a financial or other penalty should the contractor pretty much be only paying lip service to the participation strategy in order to achieve a successful outcome?

**Mr M. McGOWAN:** I have said before that the current remedies under the legislation, which is different to the existing situation, are that the participation plans will be written into contracts. Therefore, they can be enforced as a term of the contract. There are contractual remedies for breach of contract if they are not complied with. The other remedy is that if a contractor does not comply with the participation plans they put in, it will be taken into account with regard to whether they receive any further contracts.

**Mrs L.M. HARVEY:** So the consequence will be that if contractors are not complying with their participation schemes, they will not be awarded further contracts?

**Mr M. McGowan:** Potentially.

**Mrs L.M. HARVEY:** Potentially. It says here that there is no civil remedy, though. If the Premier is saying that they could be prosecuted for breaches of contract, that is a civil remedy, so I am not quite sure how that would work. Can the Premier explain how the government will be able to hold these contractors to account for implementing their participation strategies?

**Mr M. McGOWAN:** Failure by a government body to observe a statutory process or requirement when making a decision or entering into a contract may, in some circumstances, be held by a court to result in the invalidity of that decision or contract. The obligations in the bill imposed on agencies must be observed by agencies, but agency noncompliance in respect of a particular supply must not result in invalidity of procurement decisions or contracts entered into for that supply. Commercial certainty for suppliers dealing with agencies and, in turn, for their subcontractors, should not be put at risk, and they should also not be put at risk of suffering what might be great inconvenience in the event of contractual invalidity. Agency noncompliance should also not render the state liable to civil actions that may result in damages claims against the state. The bill clarifies Parliament’s intent as to the effect of agency noncompliance in this regard.

**Mrs L.M. HARVEY:** So we cannot expect to see penalty clauses written into the contracts of contractors who do not comply with their participation strategy?

**Mr M. McGOWAN:** It is about not invalidating a contract because of an agency incorrectly applying the policy.

**Mr S.K. L’ESTRANGE:** I am still trying to understand a comment the Premier made earlier while the member for Scarborough was asking a question. She said a government agency has to comply by law. If a government agency has to comply with this law, how can that be the case when clause 24 states, in part—

(1) No civil or criminal liability attaches …

And then—

(2) A procurement decision made, or supply contract entered into, in respect of a WAIPS supply is not invalid only because an agency or any other person has contravened this Act …

**Mr M. McGOWAN:** There are still consequences for an agency that might not comply with the policy. If the agency does not comply with the policy, or a public servant does not comply with the policy—it sometimes happens—there are still consequences under the Public Sector Management Act or the Financial Management Act and the like. It is just saying that it does not invalidate any such contract entered into just because the agency failed to do exactly what is required under the law.

**Clause put and passed.**

**Clauses 25 and 26 put and passed.**

**Title put and passed.**

Leave granted to proceed forthwith to the third reading.
Third Reading

MR M. McGOWAN (Rockingham — Minister for State Development, Jobs and Trade) [8.05 pm]: I move —

That the bill be now read a third time.

DR M.D. NAHAN (Riverton — Leader of the Opposition) [8.05 pm]: I will keep my comments short, as everyone would prefer. This is an important issue in seeking to enhance local content. It has been one of the more difficult policies over the years pursued by governments of both sides of the aisle. It faces some challenges, particularly national and international agreements that preclude defining “local” as local. A range of policies are pursued to get around it. It is more difficult when it is embedded in law. Policies make it much easier to get around the issue of defining “local” as local rather than meaning national and including New Zealand. That could potentially be one of the weaknesses of the Western Australian Jobs Bill in front of us. Indeed, a stoush is going on currently between the New Zealand and the Queensland governments over the Queensland government’s new Buy Queensland policies, which has taken the step of defining “local” by geographic location. We have included that in policies before. We could not assess whether that is a risk here because this bill relies on a strategy that has not been written or defined yet. It relies also on regulations that define the implementation of the process, and they have not been written yet.

This bill does a few things. It prepares for a strategy, which will not be part of the bill and for regulations, which will come later. It broadens procurement policies, if you wish, to include government trading enterprises. It probably unifies the procurement policies in one bill, both of which are good ideas. Hopefully, it makes the process more rigorous and, maybe, transparent. We will wait and see. It also has the benefit, perhaps, of trying to articulate procurement policy between strategic projects, of which there are many, big projects in areas and small ones. We have some concerns about it in that, if every bidder for every tender in Western Australia, of which the government says there are 24 million a year, there has to be a participation strategy, and that could add huge amounts of red tape. They can be mitigated by processes, papers and guidelines and the departments advising people how to do it. I hope they can, but that has yet to be done.

Another issue is that because they will be part of the tender process, procurement decisions could be hidden under commercial-in-confidence clauses and that is a concern.

Finally, one of the benefits, perhaps, of this—we will have to wait and see—is that the whole of government, including government trading enterprises, will report on local content.

One of the issues that was never mentioned throughout this was regional procurement. The Premier mentioned it once but it was not during this debate. It was during question time that he said something about regional procurement. Understandably, given the large nature of our state, one issue that we have focused on for a long time in Western Australia is giving preference to regional areas. That was not mentioned during the debate on the bill. Another thing the debate did not deal with is that the government criticised the status quo for having a number of different approaches for different sectors. That is true. But the government did not say how it would adopt the existing policies and adapt and integrate them into the new scheme. I guess that will be the strategy somewhat. We have an extensive set of policies for local procurement and buying local that people understand and have been implemented over time. They get around the constitutional barriers to having local be local. I hope the government takes those into consideration and keeps them in place. I know that the officers who advised the Premier today have been in the game a long time and understand those thoroughly. I trust that they will integrate them.

Another issue is that we have a number of private sector and public sector areas that facilitate this. The industry capability network and ProjectConnect at the Chamber of Commerce and Industry of Western Australia do a lot of work to help local firms get contracts. They are contracts for not only resource projects, but also major government projects. They are currently working on the Museum, Forrestfield–Airport Link and most of what is now called Metronet, which are part of the ICN. It does a pretty good job. When major contracts are let, it sets a broad gross target for local content and the ICN works with local firms to get them in a position with quality control, registration and various certifications to qualify and apply for projects. That is much more important than the overall local content target that I think this strategy will deliver.

We support the bill and our support has been shown by the detail into which we went when discussing it. We look forward to the regulations and strategies coming down. I trust the government will release the strategy in Parliament and, no doubt, we will ensure we have a rigorous debate about its quality when we see it. One thing we can take away from today is that the Premier was not across the detail of this bill. To some extent, that is because the strategy has not been written but he also was not as across the detail of the bill and the range of issues as he should have been, in my view. Nonetheless, we are here after eight o’clock on a Thursday night so I will keep my comments to a minimum. I reinforce that we will support the government and encourage an expansion of local content in the procurement of government supplies and services.
We could have, for example, a company that fudges through the process of its participation plans, does not comply further government tenders. We know from history that government agencies do not necessarily talk to each other. Another thing we discovered through this process is that not only do we need to wait until February or March next Assembly and move to the Legislative Council. The Legislative Council is a fickle beast these days. It may get best way to go about trying to get an outcome. Clearly, that is the case with this legislation. It is going to leave the requirement for industry participation plans to be put in place, to have contracts effective immediately that

In closing, with this process, I said in my contribution to the second reading debate that legislation is often not the consideration in detail stage of this bill. We discovered that the Western Australian Jobs Bill 2017 is likely to fall well short of the mark and what the Premier has told the community it can expect from this legislation. First of all, we know that the Western Australian industry participation strategy will take quite some time to be developed, and we cannot expect to see that until February or March 2018. That is a long time to wait, and certainly a long time to wait to implement a very important program of government to ensure that there is a high proportion of local content included in these contracts. The Premier has not articulated what he or the government is doing between now and February or March, when the strategy is handed down, to try to improve local participation in contracts that will be awarded between now and then. Looking at the projects the government has announced as part of the budget, significant tenders will be awarded between now and February and March 2018, and none will be subject to the Western Australian industry participation strategy because that has not yet been developed.

Through this process we also found out that the Western Australian industry participation strategy cannot state anywhere within it that it is the intention of this government that Western Australian–based businesses and Western Australian–owned businesses will be given priority under this strategy above any other jurisdiction. We know that that would contravene section 92 of the commonwealth Constitution, and that was confirmed by the Premier as part of the consideration in detail stage. In fact, the Western Australian industry participation strategy can have some broad motherhood statements in it and can make reference to the location of the business being close to the project being developed and the geographical location of where the contract will be delivered, but it cannot state anywhere in that strategy that Western Australian businesses must be given priority; indeed, we have laboured at length that the definition in this legislation of “local industry” incorporates Western Australia, the Northern Territory, Queensland, New South Wales, Victoria, Tasmania, South Australia and New Zealand. Therein lies a problem with respect to trying to get Western Australian companies prioritised, because we cannot overtly do that because we would be contravening section 92 of the commonwealth Constitution.

Another thing we discovered through this process is that not only do we need to wait until February or March next year before the strategy will be developed and made available, but also there will be a transition stage from when that strategy is developed and implemented to when businesses and agencies will need to be compliant with the strategy. Although we will wait until February or March next year, it could well be somewhere towards the end of 2018 before agencies, businesses and contractors to government will be required to be 100 per cent compliant with this strategy. We have also found that the expectation is that we would not get 100 per cent compliance with the strategy because there is an ability for agencies to exempt themselves from it. That is a flaw and there is certainly a very long lead-time for Western Australian companies to receive the relief the Premier says they will get for consideration for government tenders being awarded to them as a result of this legislation.

Another disturbing thing we found out during the consideration in detail stage is that there will be no consequences for noncompliance with the participation plans. There will be no real consequences for agencies, except perhaps some consequences for a chief executive officer who may receive some disciplinary action for noncompliance with the strategy. Indeed, it will be very difficult to monitor whether businesses put together an industry participation strategy so that they can have a tender awarded to them, with no intention of ever complying with the strategy and the participation plan. In fact, government generally is not terribly good at managing contracts. It does not matter which flavour of government it is, it is one of the very difficult areas of government to get across. The ability of government to monitor these contracts when they are implemented to ensure the industry participation plans are being adhered to will be very problematic and difficult, and we know that even if companies do not comply with it there will be no consequences. There will be no penalty clauses written into contracts for noncompliance with industry participation plans; there will be potentially only a prohibition on being awarded further government tenders. We know from history that government agencies do not necessarily talk to each other. We could have, for example, a company that fudges through the process of its participation plans, does not comply with them, and, in fact, has half a dozen tenders at different agencies and the agencies could have no idea that those individuals have multiple contracts with government because the system is not centralised to the point that we could measure that easily. That is going to be a difficulty for the government to manage, and we certainly hope that the reporting mechanism uncovers the flaws in the management of this strategy and, indeed, compliance with the legislation.

In closing, with this process, I said in my contribution to the second reading debate that legislation is often not the best way to go about trying to get an outcome. Clearly, that is the case with this legislation. It is going to leave the Assembly and move to the Legislative Council. The Legislative Council is a fickle beast these days. It may get sent to a committee. We are not always in control of these things, unfortunately. Once it is passed through the two houses of Parliament, regulations will need to be tabled. Hopefully, none of the crossbenchers in the Legislative Council will see fit to disallow any of those regulations. We cannot necessarily count on that. Then we will have the strategy implementation in February or March, with full compliance in a best-case framework at the end of 2018. What the government could have done is written into the government procurement policy the requirement for industry participation plans to be put in place, to have contracts effective immediately that
demonstrate the proportion of the work that will be awarded to local businesses and the number of employees locally who will be employed on those jobs. That could have been done in April this year and this strategy could have been well underway and we could have seen the benefit of a decision like that right now when these big contracts for government transport and public transport projects are being awarded.

It is unfortunate that the government has chosen to take this course. I know it gives the government lots of airplay in the Parliament and the media, because the theatre of Parliament and all those sorts of things help governments look like they are achieving their agendas. But a simple change to the government procurement guidelines could have achieved an outcome and we could already have been requiring all government tenderers for government works to have in place industry participation plans that transparently outline how much local content they are required to include as part of their obligations to the government to carry out services or construction contracts that are tendered for. It is an unfortunate process.

Hopefully, everything will go smoothly through the Legislative Council and we can get the industry participation strategy up and running and start to see more work from the government flowing to Western Australian businesses, but we cannot, obviously, be overt in trying to achieve that, lest we get a challenge under section 92 of the commonwealth Constitution. As an opposition, we have enjoyed very much the process of interrogating this legislation and uncovering the flaws. The potential pitfalls are on the record. We will be watching and ensuring that every report of compliance with the Western Australian industry participation strategy and the Western Australian Jobs Bill 2017 is scrutinised, so that we can see transparently whether the legislation in fact is achieving what the Premier told the community and all those Western Australian businesses who are hungry for work it would achieve.

MR R.S. LOVE (Moore) [8.24 pm]: I will not be very long at all to speak on the third reading of the Western Australian Jobs Bill 2017. I do not really want to be here much longer than I have to! However, it is important to outline a few things. There are four things I really want to outline on this bill in closing. Firstly, I still remain very concerned about the red tape that this bill could introduce, especially when cascading through a supply line and there are participation programs intersecting with each other—different industries and agencies intersecting with each other. It could become a real spider web of different plans, and myriad confusing plans, which would be a barrier and not a help for a small or medium business. That remains a great concern. Secondly, I refer to the discussion about clause 8 and the definition of “value for money”. I think a lack of definition of “value for money” in the bill remains a problem. It is not good enough to refer to a policy that exists on a website for the State Supply Commission, even though it is fairly extensive and well explained, because that policy could change, and that would change the whole intent of the legislation. I think that needs to be looked at and I hope that if anything happens in the other place, they look at that. Thirdly, when we were speaking throughout the process, in my mind clause 15 was somewhat glossed over and we then went on to clause 16. Clause 15 refers to exemptions and the reporting of exemptions. Clause 16 then went on to highlight some of the delegations. Maybe the reporting mechanisms under clause 15 need to be tightened up a bit so that exemptions do not just appear on some obscure website somewhere, but perhaps are even tabled in Parliament when they occur so there is a very clear record of the exemptions given, especially given the wideranging number of people who could potentially be giving these exemptions. The policy could well fall down simply because nobody is using it due to far too many supplies having been exempted.

The last point is that throughout all the discussion one of the consistent themes was concern about section 92 of the Constitution, the trade agreement with New Zealand and the opening up of the definition of “local” to include our six states and the foreign country of New Zealand. From a regional point of view it seems pretty doubtful that this legislation will do very much to advance the cause of developing industry in regional areas. Anyway, I am sure there will be lots more discussion in the other place on some of those issues and we will see what happens.

MR M. McGOWAN (Rockingham — Minister for State Development, Jobs and Trade) [8.27 pm] — in reply: I thank members for their contributions.

Question put and passed.

Bill read a third time and transmitted to the Council.

PAPER TABLED

A paper was tabled and ordered to lie upon the table of the house.

ADJOURNMENT OF THE HOUSE

Special

On motion without notice by Mr D.A. Templeman (Leader of the House), resolved —

That the house at its rising adjourn until Tuesday, 31 October 2017 at 2.00 pm.

House adjourned at 8.28 pm
QUESTIONS ON NOTICE

Questions and answers are as supplied to Hansard.

MINISTER FOR TRANSPORT — WESTERN INDUSTRIAL STRATEGIES — CONTACT

1852. Mr Z.R.F. Kirkup to the Minister for Transport; Planning; Lands:
I refer to the Premier’s answer to Legislative Assembly Question on Notice 250 and ask since 17 March 2017:

(a) has the Minister or current Ministerial staff met or had any contact with representatives of registered lobbyist Western Industrial Strategies and if so:
   (i) what are the dates for each meeting or instance of contact;
   (ii) who did Western Industrial Strategies meet with or contact;
   (iii) what was the topic of discussion for each meeting or instance of contact;
   (iv) what third party, if any, was being represented by Western Industrial Strategies;
   (v) was any follow-up action agreed to by the Minister or Ministerial staff:
      (A) if so, what action was agreed to; and
   (vi) what form did the contact take (i.e. email, phone) or for meetings, where did they take place?

Ms R. Saffioti replied:
Between 17 March 2017 and 17 August 2017, neither the Minister nor her current Ministerial Staff have met with representatives of Western Industrial Strategies.
The Minister and her current Ministerial Staff may have had contact with representatives for administrative purposes only or may have had incidental or irregular social contact in which case this is not listed.

MINISTER FOR TRANSPORT — NEWGATE COMMUNICATIONS PTY LTD

1869. Mr Z.R.F. Kirkup to the Minister for Transport; Planning; Lands:
I refer to the Premier’s answer to Legislative Assembly Question on Notice 250 and ask since 17 March 2017:

(a) has the Minister or current Ministerial staff met or had any contact with representatives of registered lobbyist Newgate Communications Pty Limited and if so:
   (i) what are the dates for each meeting or instance of contact;
   (ii) who did Newgate Communications Pty Limited meet with or contact;
   (iii) what was the topic of discussion for each meeting or instance of contact;
   (iv) what third party, if any, was being represented by Newgate Communications Pty Limited;
   (v) was any follow-up action agreed to by the Minister or Ministerial staff:
      (A) if so, what action was agreed to; and
   (vi) what form did the contact take (i.e. email, phone) or for meetings, where did they take place?

Ms R. Saffioti replied:
Between 17 March 2017 and 17 August 2017, neither the Minister nor her current Ministerial Staff have met with representatives of Newgate Communications Pty Ltd.
The Minister and her current Ministerial Staff may have had contact with representatives for administrative purposes only or may have had incidental or irregular social contact in which case this is not listed.

MINISTER FOR TRANSPORT — MICHAEL MEGAW — CONTACT

1886. Mr Z.R.F. Kirkup to the Minister for Transport; Planning; Lands:
I refer to the Premier’s answer to Legislative Assembly Question on Notice 250 and ask since 17 March 2017:

(a) has the Minister or current Ministerial staff met or had any contact with representatives of registered lobbyist Michael Megaw and if so:
   (i) what are the dates for each meeting or instance of contact;
   (ii) who did Michael Megaw meet with or contact;
   (iii) what was the topic of discussion for each meeting or instance of contact;
   (iv) what third party, if any, was being represented by Michael Megaw;
   (v) was any follow-up action agreed to by the Minister or Ministerial staff:
      (A) if so, what action was agreed to; and
   (vi) what form did the contact take (i.e. email, phone) or for meetings, where did they take place?
Ms R. Saffioti replied:

Between 17 March 2017 and 17 August 2017, neither the Minister nor her current Ministerial Staff have met with Michael Megaw.

The Minister and her current Ministerial Staff may have had contact for administrative purposes only or may have had incidental or irregular social contact in which case this is not listed.