

PERTH MARKET (DISPOSAL) BILL 2015

Discharge of Order and Referral to Standing Committee on Legislation — Motion

Resumed from 1 December on the following motion moved by Hon Alanna Clohesy —

That —

- (1) Order of the day 14, Perth Market (Disposal) Bill 2015, be discharged and referred to the Standing Committee on Legislation for consideration and report no later than 25 February 2016.
- (2) The committee has the power to inquire into, and report on, the policy of the bill.

HON DARREN WEST (Agricultural) [1.27 pm]: I had not long started my contribution as to why the Perth Market (Disposal) Bill 2015 is important and, as members who were present in the house last night would know, I am in support of the motion put by Hon Alanna Clohesy, which states —

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- (2) The committee has the power to inquire into, and report on, the policy of the bill.

As members who were present last night would know, there has been considerable debate around this motion, and of course it is a good proposal; this bill should be referred to a committee because many questions need to be asked and answered and much needs to be investigated about yet another poor piece of legislation put forward by the Liberal–National government.

I note that earlier in the day the Leader of the House read in legislation designed to give Western Australia a better, more accountable and transparent government, so I guess there is something that we agree on. We also agree that Western Australia should have better, more accountable and transparent government, and that is what we are aiming to do here with the referral of this legislation to the Standing Committee on Legislation. As was pointed out yesterday, this sale was announced in August 2014. Some 13 months later the bill was introduced into the house after a lengthy process by government bureaucrats, which I think was the wrong way around. As a legislator, I thought that perhaps the legislation might be put in place first and then the executive might go off and engineer a sale.

Clearly, that has not happened. That is something that the legislation committee should look into; that is, why is this being done in reverse order, what precedent do we have of putting the executive's role in front of the legislation, and then, as elected members who are accountable to the people, why have we come in at the eleventh hour of the process to pass the bill? The bill was introduced in September 2015, some 13 months after the sale of the Perth market was announced. Now we are in this place on the penultimate day of the parliamentary sitting schedule with some level of urgency, I feel, to get this piece of legislation passed. It is not a good piece of legislation and it should be referred to a committee, which can point out its flaws and perhaps fix it up to such a state that it can be brought back to Parliament.

As I pointed out yesterday, it has been inferred that we are doing something wrong by questioning this legislation and asking that it be discharged from the notice paper and referred to a committee. We all know what a poor piece of legislation it is, as do members opposite. Given that we are going to sell off a public asset in a fire sale—it is treated as a land sale and not as the sale of a government-owned asset that should be sold in the interests of the public—we think the bill needs to be referred to the Standing Committee on Legislation.

There has been no scrutiny of this bill at all until now. As a parliamentarian and a member of the opposition in the house of review, I feel it is important that we carry out that important task on behalf of the taxpayers and voters of Western Australia. I am pleased that the Minister for Agriculture and Food is in the house this afternoon because I was starting to ask where he has been while we have been discussing this piece of legislation. It was introduced by the Treasurer. The Canning Vale market is an important piece of agricultural infrastructure. Agriculture is the second largest industry in Western Australia. The agriculture minister has been totally silent on the matter. He did not make a contribution during the second reading debate. As far as we can see, he has not been engaged in this process at all. We had the highly embarrassing situation yesterday when the agriculture minister was asked a question about the make-up of the interim board that would be handling the sale of this asset, and he could not give us an answer. He did not know whether the skillset of the board members was compliant with the act. I think that is a terribly poor state of affairs. I am looking forward to some contribution from the agriculture minister because I feel that this is a very important issue for the agriculture industry. Further examination is needed on why the agriculture minister has not participated in the debate on this bill. Perhaps that is something that the legislation committee can investigate further, and get an agricultural angle on this

legislation and why it is so important to those in the agricultural sector, whose time frames are long and who rely on large amounts of investment in costly assets of land and equipment. We need to know whether the time frames are right and the implications for producers and wholesalers and further downstream activities such as financiers, suppliers, contractors and the like in the agricultural sector. I think a lot more investigation is needed. As a member of the house, I can see that we have had nothing at all from that important quadrant of our industry. I will just leave it at that, but I urge the minister to perhaps have a greater engagement in this piece of legislation and in the sale of the Perth Market Authority.

I understand that the Treasurer's goal is to be at arm's length from this sale. Some contributions were made yesterday suggesting that maybe this is not entirely the case. If there is any substance to those claims, the legislation committee has an obligation to examine them. Some questions have been raised that could be better dealt with by a parliamentary committee rather than the Committee of the Whole House as it could talk to industry representatives, perhaps even cross-examine some of the bidders and find out exactly what level of involvement both the government and the Treasurer have had in this process to date. I understand that the Treasurer needs to have an arms-length approach and not be engaged in the sale process at all. Some claims have been made that this may not be the case. I think that is a very serious matter. If we refer this bill to a committee, it could certainly investigate that and lay on the table for all to see whether the Treasurer has had any engagement in this process. If he has, it is a very serious matter.

Maybe he has not, maybe there is no substance to the claims, but until the Perth Market (Disposal) Bill 2015 is discharged and referred to a committee, we will never know the answer to that. I think it is important that we know before rather than after because, as the Leader of the House said, this government tells us that it is committed to a more accountable and transparent government. That would be one way that we could find out a bit more about that.

If this bill is a task that the Standing Committee on Legislation is perhaps too busy to take on, several other committees could do it. I am not suggesting an amendment to the motion at all, but I make the point that there are several high-quality committees, including the Standing Committee on Public Administration, and the Standing Committee on Environment and Public Affairs, which is expertly chaired by Hon Simon O'Brien, that could certainly look into this matter. Should there be a reluctance by government members to refer this bill to the legislation committee, perhaps other committees might be able to —

Hon Ken Travers: With the brilliant minds on that committee, why would there be —

Hon DARREN WEST: I will get to the make-up of that committee in due course, Hon Ken Travers. I make the point that if that is the sticking point why government members cannot support the referral—if the issue is that it is not the right committee—I suggest that there are other committees, such as public administration or environment and public affairs. Either way, I do not think that anyone can argue that this bill should not be referred to a committee. If the question is which committee, I am sure that the opposition could accommodate members in such a request or a change to the motion.

As Hon Ken Travers points out, I note that the Standing Committee on Legislation has some of the finest minds in the Legislative Council amongst its strengths. It has certainly done some extraordinarily good work in the past in scrutinising legislation and we have had some very good outcomes from the committee. I note that Hon Robyn McSweeney is the chair of the legislation committee. She is an experienced member of Parliament. She is a former minister and has a very forensic mind. Dr Sally Talbot is also on that committee. She has a PhD, so clearly has a very inquiring and scrutinising mind. Another thing that those members have in common is that they represent South West Region. That region is a very strong contributor to the Canning Vale market, so it is an area that affects their electorate. In their roles on the legislation committee they could look into the implications upon all regional electorates, including the South West, as part of that inquiry. Hon Donna Faragher from East Metropolitan Region is also on the committee. She has a very fine and inquiring mind. She is a former government minister, and is a very experienced and highly respected member of Parliament too. Hon Dave Grills is from Mining and Pastoral Region, which also includes the districts of Carnarvon, Ord and Broome, which are heavy producers of agricultural and horticultural produce that can come through that market. It certainly would affect Hon Dave Grills' electorate. As a member of that legislation committee, he could look at how this legislation would affect not only industry, but also his own electorate. Last, but certainly not least, Hon Lynn MacLaren is from South Metropolitan Region. Of course, there are large horticultural precincts in the South Metropolitan area. Hon Lynn MacLaren would certainly be able to add weight to that group of what we might call heavy hitters in Parliament with their fine, inquiring minds that could forensically dissect this legislation. They could report back to the house the answers to some of the many questions that are being raised by not only the opposition, but also the electorates and, most of all, by industry. There are so many questions from so many different levels about this legislation.

In my research into past inquiries undertaken by the Standing Committee on Legislation, I looked at some examples of the fine work that the committee has done and how it has been able to review legislation and bring

information back to Parliament to help us make far more informed choices, and to help us in our deliberations. That is very, very important. I point first to the Bell Group Companies (Finalisation of Matters and Distribution of Proceeds) Bill 2015. The legislation committee recently did a fine job in scrutinising that very technical, detailed and complex legislation. If the committee can do such a great job on complex legislation such as the Bell Group bill, I am sure that it would find the Perth Market (Disposal) Bill 2015 a walk in the park, so to speak, and be able to handle that.

The Standing Committee on Legislation also did some great work on the Taxation Legislation Amendment Bill 2014. It also examined and produced a very worthwhile report on the Petroleum and Geothermal Energy Legislation Amendment Bill 2013. The Custodial Legislation (Officers Discipline) Amendment Bill 2013 was very contentious legislation at the time that the committee examined it. Finally, and during my time, the committee examined the Workforce Reform Bill 2013. All those bills were quite complicated, especially for me as a relatively new member to this place, and understanding the technical detail of legislation is much easier after having read a committee report produced by such an experienced group of MPs. I hope that members opposite can see their way to use the skills and talents on that committee and to refer this bill to the committee for further inquiry and scrutiny because that is essentially that we need to do.

I now want to touch on some of the reasons it is important to refer this legislation to the Standing Committee on Legislation. I note that there are dissenting voices even on the government side. Hon Martin Aldridge made a very strong contribution during the second reading stage and pointed out some very good reasons for government members to agree to refer this bill to the legislation committee. There is dissention within government ranks on the bill, and I wonder how deep that dissention goes. The reason for that dissention is that the bill is not a great piece of legislation and it leaves so much open. Questions are also lingering about why the executive has almost gone through the process before passing the legislation. That is one question. Hon Martin Aldridge also pointed to examples of how things have gone wrong in legislation, such as in the amendments to the rail freight network legislation, which was another piece of legislation that did not receive enough scrutiny at the front end before the bill was passed through the house. I think it is important that government members have their say about this referral. I hope to hear a contribution from Hon Martin Aldridge about why we should not at least get further information about this bill rather than passing the legislation with a closed mind, which some government members seem to have on this issue, even when the matter is important to the agricultural sector and to all of our electorates. I urge government members who are dissenting in their support of this legislation to express dissention about the way it is being done and some of the details of the legislation and support Hon Alanna Clohesy in her bid to have the motion succeed, to discharge the bill so it can be referred to the Standing Committee on Legislation.

It is surely unconventional for the government to be in such disarray. We are in a position in which it is five to midnight, five tenderers have been selected, the process is well advanced, and then we hear that three of the tenderers have withdrawn. What made the industry pipe up to acknowledge that they do not think that the process or the legislation is very good? I understand that three of the tenderers have since withdrawn. The legislation committee could examine how that state of affairs came to be. It seems from every corner there are cries of dissention about the way that the government has handled this piece of legislation. I think the legislation committee could call in many of those industry players and certainly could call in some of the bidders and ask them why those three bidders chose to exclude themselves from the process at such a very late stage. That question is the obvious question that should be answered. This is treated as a land sale, but it is actually the sale of a monopoly publicly owned asset. I think government members have forgotten that very important point. This is a monopoly government-owned asset that is proposed to be sold. There are requirements, as I understand it, in legislation to ensure that the sale is in the public interest; it is owned by the public, so the sale of that asset should be in the public interest. We have seen before when non-monopoly assets have been sold and the successful private purchasers have been able to make high levels of profit out of that asset. This is a service provision asset provided by the government.

Certainly the view of industry, and my view as a representative of my electorate, is that this is not an asset that should be sold to the highest bidder, which will then be free to make as much money from this asset as it can. This is a publicly owned monopoly asset. It should be sold in a way that will satisfy the needs of industry. It should not be sold in a way that could increase costs for producers and increase prices for consumers. That is very important. The legislation committee should examine whether the potential result of this sale will be lower returns for producers and increased prices for consumers. I believe that is a very real prospect—it is not a matter of if; it is a matter of by how much. If the government privatises an asset such as the Perth market, which is a monopoly, there will be no competition. The Liberal Party believes in competition. Therefore, why has it brought in this piece of legislation, which is anti-competitive, seeks to flog off this public asset to the highest bidder, and may not be in the public interest? The legislation committee would certainly need to do some scrutiny around why that is the case.

The next point I want to make is about the time line. The loudest voice of dissension from industry—apart from not wanting to sell this state-owned asset at all, which is certainly my view as a representative of an electorate that has within it both producers and consumers—is around the length of time for which the Perth market must be operated as a market. There are differing views about what is the best time line. A time line of 20 years is a good proposition for property developers, because in 15 years they can tell the minister that they intend to bulldoze the Perth market and put up a housing development. It is entirely their right to do that under this legislation. However, the industry could buy the Perth market and retain it for 15 years and give the minister the same advice. Therefore, a time line of 20 years may not favour the position of industry either. I believe that a time line of around 50 years would be in order. That would give the horticultural industry certainty to invest, in the knowledge that there will be a viable and working market in the Canning Vale area for the next 50 years. Later in my contribution I will provide some more information about what the market provides and how it goes about its business. There does not seem to be agreement across industry about the time line. There does not even seem to be agreement on the government benches about the time line. The legislation committee should examine this issue. To me, 20 years seems a very short time. Twenty years ago, it was 1995. That is not very long ago. If the next 20 years go by as quickly as the last 20 years, we will be there before we know it. Therefore, it is very important that the time line be further scrutinised to ensure that it is the best time line for the industry and it will give all the bidders an equal likelihood of success. The 20-year time line better serves those in the area of property development than it does the producers and consumers in our horticultural industry, which employs a lot of people. The uncertainty about whether there will be a market, and where that market will be located, is not helpful to the industry. The legislation committee could engage in wide consultation with all the stakeholders, not only in the industry, but outside the industry, including supermarkets and farmers markets and the like, and come back to us about what it believes is the length of time for which this facility should remain a market.

I think it should remain a market for a longer term. I note the Ord lease, which I understand is about a 50-year lease. The wheatbelt rail lease, which has become the disastrous debacle that is the tier 3 rail lease under the Liberal–National government’s watch, is a 49-year lease. Why does Market City have only a 20-year time line, rather than the longer time line afforded to other operators? I understand that there will be 49-year time line on the Fremantle Ports lease, and no doubt legislation for the sale of that asset—part 2 of the fire sale—will come before us in due course. The time line of the lease is a very important issue that the fine inquiring minds of members of the Standing Committee on Legislation can look at and ask: why is the time line for the sale not longer to give the industry some certainty?

I have touched briefly on the Minister for Agriculture and Food’s uncertainty about the skill set and make-up of the interim board and whether it satisfies the act, but I will touch on it again, because I think it is an important point for further investigation. It may be that the interim board does not comply with the requirements of the act, because no-one seems to know. The legislation committee could look further into the make-up of that board and also, as an aside, why there are no women on that board. That board is all men. It could be a bit of a boys’ club or it could be a very effective board, but we do not know. The legislation committee could look into the make-up of that board to see whether it is jobs for the boys or whether it is an effective mechanism of governance that will help facilitate the sale of the market. We do not know, and the minister does not know, so he is unable to tell us about the make-up of the board. I do not think any members on the government benches know about the make-up of the board. I do not think the Leader of the House even knows, and I do not think the Premier knows whether the make-up of the board is an effective governance mechanism. That is all the more reason for the legislation committee to find out. The legislation committee could call in the members of the board and question them about their role and responsibilities on the interim board and make a judgement about whether the skill set of members and the make-up of the board satisfies the act. If it does, well and good; we can make a decision on the future of the Perth Market Authority site with that information. But we are being asked to pass legislation when neither the minister nor the Leader of the House can help us with answers to our questions. I would be gobsmacked if the Premier even knew the answers to our questions. That is the rabble that this government has become; nobody seems to know what is going on in the important role of running Western Australia or what is going on with the fire sale of state-owned assets, especially state-owned monopoly assets.

I would like the legislation committee, in the course of its deliberations, to further investigate why there has been so much of a backlash from industry. Why is that the case? It would appear that what stakeholders think does not seem to bother the government too much, as long as it suits the government’s agenda. Let us have a full and detailed analysis of the industry’s grievances about this legislation, including why the industry is aggrieved and outspoken against this legislation. Is it purely self-interest on the part of industry? Maybe it is, but I do not suspect that, because most people I know in industry organisations certainly want the best for industry, but it is not so much about their personal circumstances; it is more about future of the industry. Vegetables WA is an extraordinarily effective lobby group on behalf of the horticultural industry. I note that members in the chamber think that is funny. I do not think that is funny; I think it is very important that Vegetables WA carries out its

important role lobbying on behalf of the horticultural industry. I do not think it is funny that members think it is funny that Vegetables WA is aggrieved about this legislation. I think that Vegetables WA does an extraordinarily good job.

Hon Sue Ellery interjected.

Hon DARREN WEST: That is good to hear, Leader of the Opposition.

I think it is important that the industry be given a good and thorough hearing, because the industry was not given a good and thorough hearing during the drafting of this legislation. Perhaps the Standing Committee on Legislation, in its deliberations, could bring forward industry representatives and ask them exactly how they might be better accommodated under this pretty sad, old piece of legislation before us and make some recommendations and findings. We need to get to the bottom of what the industry is actually aggrieved about. Which parts of the sector are most aggrieved: Is it the more remote and distant parts of the sector or is it the metropolitan producers and growers? Is it the fruit producers or is it the vegetable producers?

Who exactly has the most at stake and who is most aggrieved about the sale of the Perth Market Authority site? I cannot believe that cabinet would sign off on such an important piece of legislation without exercising due diligence. It appears there has been no such due diligence undertaken and, in the absence of that, it is important for the house of review, the Legislative Council, which is representative of all regions across the state of Western Australia, to undertake due diligence and refer this bill to a committee to conduct that review. I note that cabinet ministers have not separated themselves on this bill, so I presume the bill has gone through cabinet unanimously, and that ministers are bound by that decision. We certainly have not heard any dissenting voices on this issue. I take that to mean that both parties in government are agreed on this, although I do not believe that is the case and we need further scrutiny of the reason for that.

The other question I have that is important for the Standing Committee on Legislation to consider is: why is the government even considering selling a publicly owned monopoly asset to property developers who have no experience in operating a market? This is not a precedent that the government has taken from other states, because they have sold off their market authorities to industry. Members need to be satisfied about what the government was thinking when it agreed in cabinet—then instructed all its backbenchers to support—to the sale of a publicly owned monopoly asset to a property developer who has no experience in running and operating such an asset. That seems a little bit silly. That seems a bit like selling a farm to one of our National Party MPs, who have absolutely no experience in running a farm! That is an analogy we can use in this. The legislation committee needs to follow through on that issue: why would the government sell a publicly owned monopoly asset to an organisation that has no experience at all in running and operating that asset? That question needs to be teased out further, and I would be interested in the recommendations that would come back from the legislation committee around that. There is a general reluctance in the community to sell either the site or the market, but that general reluctance could be somewhat abated if that site was sold to industry and was earmarked to be a market for 50 years. If those two things were to occur, there would be less adverse reaction to this legislation. We should let the legislation committee go ahead and do its good work and figure out whether there is a way to find a compromise position in which the government still gets to have its fire sale. The government has trashed the books and lost WA's AAA credit rating, but it could still get to do what it feels it must by flogging off the first of the fire sale assets. How can we do that in a way that is less abhorrent to the community? One way would be to keep the Canning Vale market site as a fruit and vegetable market for at least 50 years and to find a way for those with experience in operating markets and in the agricultural and horticultural industries to have the opportunity to be that operator. Experience in operating, running and maintaining a market should be paramount—front and centre—in the criteria to purchase this publicly owned monopoly asset. We should let the legislation committee further investigate how that might occur because, clearly, neither the government nor cabinet has done that, and clearly the Minister for Agriculture and Food has had no input into answering those questions.

Another very important point that needs further investigation is how this will economically affect producers and consumers. There is a general perception in the community that the sale of this asset will lead to both higher prices for consumers and lower prices for producers. I know the agricultural industry is a tough industry—it is my industry. It is difficult to get a high return on investment; indeed, it is difficult to get any return on investment.

Sometimes our returns on investments are one per cent or below. Because we have such capital intensive businesses, our margins are very low. On one hand, it is difficult to make money, but, on the other hand, if we had higher margins, consumers would pay higher prices for their produce. There is a balance there so that those in the community who need to buy the produce can afford to do so. The government has raised the price of just about everything else people touch, but there is a balance for fresh fruit and vegetables. This market goes a long way to helping maintain that balance. Supermarkets are certainly not interested in the returns to growers, despite

what the advertising may tell us. They are concerned about getting prices down, down for consumers. If growers go out of business, that is okay; we can just bring in that fruit or vegetable from somewhere else!

It is of paramount importance in any deliberations on the sale of this asset to fully understand what industries will leave and what industries will grow. I talked recently to some representatives from Geraldton who grow Lebanese cucumbers. The Lebanese cucumbers grown in Geraldton are the longest and straightest Lebanese cucumbers grown in Australia. That is why 85 per cent of Australia's production of Lebanese cucumbers come from Geraldton. The representatives I met are massively increasing their production to try to airfreight Lebanese cucumbers presumably to Lebanon, but maybe to other parts of the world, and particularly Asia, as they claim that they have the longest and straightest Lebanese cucumbers in the world. They are concerned that the sale of this market could jeopardise their industry and their efforts to attract investments into their production. They are producing quite large numbers, but there is enormous potential. They could raise up to \$10 million to expand their industry. It is quite labour intensive, so it creates lots of jobs in regional areas. I know that the government does not really have a plan for jobs in regional areas. Certainly, the Standing Committee on Legislation could look at prices to producers and how it is very difficult to attract capital if they cannot get a one per cent return on their investment.

There are enormous opportunities in Western Australia to grow our horticultural sector and fruit and vegetable production and value-add in those sectors. We can have fresh produce in Asia in under 12 hours. There is an enormous growing market in that area. The Canning Vale market could well be a very important part of that equation. We need to take whatever steps we can to keep that market so that the costs for producers are lower, their profits are enhanced and, just as importantly, the costs for consumers are lower. People out there are doing it tough. Unemployment is up; we have the second highest unemployment rate in the country at the moment. The legislation committee could look at how this would impact more broadly on the industry, jobs and the future. I think that is a very important role that the committee should be given the opportunity to undertake. Touching further on that point, it is very important that we have a vibrant fruit and vegetable industry in Western Australia.

I am only halfway through my notes but I fear I will run out of time. As I have touched on, there are lots of employment opportunities and lots of investment opportunities. Everybody needs to eat. There will always be the opportunity to grab these higher value markets in Asia in particular as they become more affluent. We have about 280 million people on our doorstep in Indonesia. We live in the most populated time zone in the world. Will the sale of this publicly owned monopoly asset to private enterprise threaten that? Let us allow the legislation committee to do some more work and find out. This will affect every region; members from every region will be affected by this in some way. If there is a move away from Western Australia to other jurisdictions by producers, we will all lose. The legislation committee could look further at what the impacts will be on industry, because members opposite have not. The Minister for Agriculture and Food has not, I do not think the Leader of the House has and I do not think even the Premier has looked at this. There is a mentality that this asset has to go, and the government does not care what happens as a consequence.

The Standing Committee on Legislation would have the potential to give us some information about that so that we could make an informed choice. We cannot rely on the Premier's word. It has been a very long time since we have been able to rely on the Premier's word. Vegetables WA is not relying on the Premier's word. Growers are most aggrieved and unhappy at this decision that the Premier seems to have announced from on high. They are very unhappy at the possibility that the market could be sold to property developers and that they would be packed up and moved out. I know that their very capable CEO, John Shannon, speaks on behalf of the membership; he is a fierce advocate for the membership. I support the membership as a fellow food producer. Any fellow food producer and anyone involved in agriculture should also support referral of this bill to the legislation committee.

I want to refer to a lot more, and I am sure other members do. I hope that members of the government will get up and also voice their concern about the impact, if any, that this sale will have on the current market by-laws and on the current strategic plan. Will changes need to be made? Will there be a market in 20 years? These are all questions into which the legislation committee could inquire.

In essence, my issue with this bill is that it amounts to a fire sale announced from on high that has not been thought through. The legislation is poor. It does not give certainty to industry. It does not give certainty to anybody. Consumers can expect to pay higher prices as a result of this decision. I believe the legislation committee is the group that can investigate this issue and come back with recommendations and findings to us as legislators to make better informed decisions and to give better outcomes for everybody in Western Australia—that is, the people who elect us. All government members will fail in their duty if they do not support this referral motion.

HON ADELE FARINA (South West) [2.06 pm]: I rise to support the motion of Hon Alanna Clohesy that the Perth Market (Disposal) Bill 2015 be discharged and referred to the Standing Committee on Legislation for

consideration and report no later than 25 February 2016, and that the committee has the power to inquire into and report on the policy of the bill.

I commend Hon Alanna Clohesy on the referral motion and for providing in that referral motion that the committee has the power to inquire into and report on the policy of the bill, because certainly there is a lot of ambiguity in the policy of the bill, other than it clearly being for the purposes of a fire sale. A lot of assumptions and decisions have been made as a precondition to the decision to sell that are not canvassed in the second reading speech and that we have not been made aware of in the debate so far on this bill. As a result of that, some significant questions about the policy of the bill and the way the bill is drafted warrant that consideration of the policy of the bill also be referred to the committee.

I am on the record as a strong advocate for the committee system. Strong, robust democracies should provide for strong, robust inquiries into bills, and should ensure that every opportunity is given to the community to participate in the legislative process. The committee system enables that to happen, which is not possible through the Committee of the Whole stage of the bill in this place.

A number of countries and jurisdictions around the world, including the European Union, have an automatic referral process. As soon as a bill is introduced in their Parliaments, they automatically refer them to a scrutiny committee for consideration. There is a lot of merit to that system and it is one that I strongly support because ultimately it delivers better legislation. I do not know why governments of both political persuasions are always concerned about the referral of bills to committees. The bottom line is, surely, that we as members of Parliament have an obligation to make good laws, and if referral to committees and more detailed consideration of bills result in better laws, certainly we should support that. It is a matter that I strongly support.

We need to be certain that the laws that we make are not only good laws for the betterment of society, but also that the terminology is very clear, otherwise we will be continually amending principal acts because of the ambiguity or lack of certainty in the provisions in the act, which certainly is something that we should try to avoid. I find it disappointing that this jurisdiction does not have an automatic referral system. If we had a system of automatic referral, I strongly believe that fewer amendment bills would come before this chamber for the correction of oversights and errors in principal acts. An automatic referral system would enable scrutiny committees to undertake that critical independent scrutiny of legislation and improve it —

Hon Peter Collier: For every bill?

Hon ADELE FARINA: Yes.

Hon Peter Collier: So every bill goes to a committee?

Hon ADELE FARINA: Yes. A lot of jurisdictions provide that and it does not hold up the legislative process at all; it is just incorporated in the legislative process. Many jurisdictions do it, including the European —

Hon Peter Collier: How many committees have they got? Committees would be spending their whole time in committee —

Hon ADELE FARINA: Some have a legislative committee A and B, and others refer them to different committees, but it is easily done. Other jurisdictions do it.

Hon Helen Morton interjected.

The ACTING PRESIDENT (Hon Simon O'Brien): Order! One speaker is recognised by the Chair and that is Hon Adele Farina, who is addressing the question that the bill be referred.

Hon ADELE FARINA: Thank you, Mr Acting President. It is the case that some of those other jurisdictions do not have an upper house, but it is also the case that the type of detailed scrutiny undertaken by committees cannot be undertaken by the Committee of the Whole because our standing orders provide for a question and answer—question and reply would probably be a more accurate description—process that does not allow for a detailed inquiry. The systems are not the same, so whether or not there is an upper house is not relevant to the argument. The argument is being able to provide that detailed scrutiny, which is simply not achievable by the Committee of the Whole.

An automatic referral system would also deliver parliamentary efficiencies. I have already mentioned the fact that we would spend a hell of a lot less time on amendment bills, but we also would not have to devote time to debating referral motions because the referral would be automatic and therefore the parliamentary process would be more efficient. That is certainly something for the government to consider. Although we do not have an automatic referral system in this jurisdiction, the Legislative Council has a very effective and efficient committee system, which when permitted to do its work has served Parliaments, both past and present, very well in the important role of the scrutiny of legislation. The committee system allows for a level of closer and more detailed

scrutiny than is possible in the Committee of the Whole for a whole range of reasons, some of which I have already outlined and others which I will outline now. The Committee of the Whole does not have the capacity to call witnesses. This is a critical tool in the proper and detailed scrutiny of legislation. Committees are able to call on expert opinion, if needed, on aspects of the bill. In this place, we deal with legislation on wideranging issues and despite our best efforts as members of Parliament to inform ourselves on the content and the impact of the legislation, it is impossible for each of us to become experts on every single topic and matter. Often we can benefit from the advice of experts. The Committee of the Whole system simply does not allow Parliament to avail itself of expert advice. However, the committee system enables expert witnesses to be called to inquire in more detail and get a better understanding of certain aspects of legislation before the house. A committee is also able to draw on legal expertise, which the Committee of the Whole cannot call on. We rely on the minister to inform the committee on any questions raised about the legal aspects of the bill.

That minister does not always have legal expertise. We are often made to rely on verbal advice that parliamentary counsel has stated a certain thing, or that the State Solicitor's Office has provided certain advice, without that information being made available to members of Parliament. We are not able to critically analyse the brief provided, and whether what we are being told actually addresses the legal concern that is being raised. Committees are able to call on independent legal advice to provide clarity on legal issues. That is critically important when dealing with a bill such as the one now before the house. Importantly, the committee is also able to examine parliamentary counsel, government department officers and even ministers if they are members of the Legislative Council, on the policy and the drafting instructions for a bill. Again that is not something that we can do in Committee of the Whole. That is a very important and fundamental part of the scrutiny of legislation.

The committee is also able to hear from those likely to be impacted by the legislation. Let us remember that our role as legislators and lawmakers is to make laws for the good order of society, and to my mind this requires us to hear from those impacted by legislation, and to understand the nature and the extent of those impacts. Again, the Committee of the Whole does not have the capacity to do that. Cases in which there has been little or no consultation by the government on a bill, and the second reading speech does not address the nature of any consultation, strongly support the argument that the bill should be referred to a committee to enable the consultation, that clearly has not occurred, to take place.

Legislative scrutiny committees build up, over time, a body of experience in the art of scrutiny. Their members have a better understanding of the rule of law and the fundamental legislative principles of scrutiny, and how these ought to be applied. The knowledge and experience gained by members serving on scrutiny committees provides for more detailed and robust inquiry into a bill. The committee system provides for these matters to be examined in a way that provides for open discussion and consideration of the question, which the Committee of the Whole, with its question–reply set-up, simply cannot get to the bottom of, and it does not serve us to the same extent. The standing orders for the Committee of the Whole simply do not provide for the type and depth of examination required, for which the committee system was established to address, and therefore warrants referral of the bill to the Standing Committee on Legislation.

A critical fundamental legislative principle of scrutiny—there are a number of them and all are equally important—is that measures proposed by a bill must be necessary, proportionate and reasonable. This requires, first of all, a detailed understanding of the policy of the bill, because “necessary, proportionate and reasonable” cannot be determined without that understanding. As I have already explained, the policy of this bill is vague in a lot of respects. It also requires detailed examination and understanding of the provisions of the bill and how they relate to the policy. This is simply not possible in the Committee of the Whole, because the system does not provide for that level of robust and detailed examination.

Our role as legislators is very important, and carries ramifications for individuals, society and, in many instances, our economy. This bill has the potential to impact at all three levels. We make laws that seek to modify behaviour and they often include significant penalties for those who fail to modify their behaviour in accordance with the law. This is a role we cannot, and should not, take lightly. In this instance, the bill seeks to privatise a function that is currently carried out by the government through the Perth Market Authority, which to date has delivered for Western Australian growers and the community.

As I explained in my contribution to the second reading debate, the system is not broke. The Perth Market Authority is a financial business and a growing business; it is not a cost burden to government, and the government has provided absolutely no explanation of why it has now determined that it is surplus to government needs.

It is clear that the intent of the Perth Market (Disposal) Bill 2015 is for a fire sale of a government asset to pay for the financial mismanagement of this appalling government. The second reading speech focuses on the fact that this is prime real estate, and quite a portion of the second reading speech focuses on the fact that this is prime real estate in a prime location and therefore will fetch a good dollar for the government. What is not clear

are all the underlying facts that have caused the Treasurer to declare that the Perth market is a surplus asset. Clearly it is not, because we have legislation in place that establishes the Perth Market Authority to undertake the business that it does, and the Perth market site is provided to the authority to carry out its business, so how the Treasurer can come to the conclusion that it is surplus to the needs of the government is beyond me. Certainly, we have been provided with no explanation of the basis of that statement. I think that is something the committee could examine, should the bill be referred to the committee. Clearly, it becomes surplus only if the government has made a necessary predecision that the Perth Market Authority is no longer required to carry out its statutory function and that this function can be privatised.

The second reading speech should set out the policy of the bill, yet it provides absolutely no explanation of or reasons for the government's decision that the Perth Market Authority is surplus to the needs of government, or why it should be privatised, other than that it is sitting on really prime real estate that can deliver money to the government. One would expect that if the government has made a decision, the second reading speech would actually explain the basis of that decision, and the second reading speech for this bill does not. The committee could explore whether it is appropriate on sound economic, financial and public interest arguments for this public function to be privatised, because certainly no explanation is provided in the second reading speech to support this policy decision.

Another aspect that the committee would need to look at is whether the community and Western Australian growers will be negatively impacted by the transfer of this function to private owners, or by the cessation of this function altogether, which is a possibility at the expiration of the 20-year period of protection provided under this bill. Again, nothing in the second reading speech addresses any of the policy implications.

A third aspect that the committee would need to look at is whether the function could be sustained in the private market without detriment to the WA community or WA growers. Again, there is an assumption that this is a business that the private sector would want to pick up and could sustain over a long period. The government has provided absolutely no evidence in support of the assumptions that ought to have been made to underlie the policy of the bill, and in the absence of that, the only way members of this house could gain access to that sort of information would be through a detailed and robust examination of the policy of the bill by a committee.

Of course, a very fundamental question is whether the Perth market is, indeed, surplus to the needs of government. As I have explained, that is currently a very hard argument for the government to make when we have legislation in place that requires the Perth Market Authority to conduct its business and to have a site from which to do so. It concerns me that it appears that no cost-benefit analysis and no detailed consideration of these issues have been undertaken by government. If they have been done, the government has failed in detailing the policy of the Perth Market (Disposal) Bill 2015 in the second reading speech to identify what has been undertaken and what conclusions have been reached through that analysis. Again, this is something that the committee would be able to inquire into. In the absence of the government undertaking that analysis, the Standing Committee on Legislation could undertake that analysis. Clearly, that sort of analysis and inquiry cannot be undertaken by the Committee of the Whole; it simply does not have the capacity to do that because, as I have explained, there is no capacity to call expert witnesses.

The Attorney General stated that one of the grounds for opposing the Asbestos Diseases Compensation Bill 2013 was that it was not apparent how wide the consultation process had been in the drafting of the bill or indeed the policy that underlies the bill. The Perth Market (Disposal) Bill 2015 second reading speech is silent on the issue of consultation on either the drafting or the policy that underlies the bill. The Attorney General's arguments on the Asbestos Diseases Compensation Bill should be sufficient to warrant his opposing the Perth Market (Disposal) Bill. I expect that in applying that same reasoning, the Attorney General and government members will oppose the Perth Market (Disposal) Bill if their arguments are consistent.

However, members on the opposition benches are not so unreasonable as to say that the bill should be opposed based simply on the lack of information on consultation, but if the Attorney General can argue that it is a sufficient ground for opposing the bill, it is certainly a sufficient ground for referring the bill to a standing committee for it to inquire into that matter and undertake that consultation if that has not been done. I expect that on that ground alone, members opposite will support the referral motion.

On the same Asbestos Diseases Compensation Bill, the Attorney General raised concerns about the unknown impact of the legislation and the need for modelling to be undertaken as grounds to oppose it. These same arguments apply equally to the Perth Market (Disposal) Bill before us. If these arguments are sufficient to oppose the asbestos bill, they are certainly sufficient to warrant referral to a committee. It is my view that referral to a committee would be most appropriate to identify and remedy the deficiencies of the second reading speech to this house, and examine whether the Attorney General's arguments hold correct also in this case. Obviously, if the committee formed the view that the Attorney General's arguments held true in this case, there would be grounds for opposing the bill. I think the Attorney General raised a number of issues as grounds for opposing the asbestos diseases bill that can easily be argued in favour of referring this bill to a committee.

The Attorney General advanced a further ground for opposing the Asbestos Diseases Compensation Bill; that is, the regulation-making power was too broad and could not in all good conscience be supported by government. In referring to the regulation-making power in the asbestos bill, the Attorney General said, and I quote —

This is particularly broad but I look forward to hearing what regulations are contemplated by the act or necessary or expedient for the purpose of the act so we can decide which ones ought to go into the act as opposed to be left at large in regulations.

I refer members to clause 41 of the Perth Market (Disposal) Bill 2015 Perth, which is the regulation-making provision. Clause 41 reads —

The Governor may make regulations prescribing matters —

- (a) required or permitted to be prescribed by this Act; or
- (b) necessary or convenient to be prescribed for giving effect to this Act.

Although the words may be slightly different, paragraph (b) has the same effect as the regulation-making power in the Asbestos Diseases Compensation Bill 2013. If the Attorney General argues that that is a sufficient ground to oppose a bill, I would argue that it is a sufficient ground to refer a bill to a committee for closer examination. The committee would inquire into the regulations contemplated by the bill and whether they are necessary or convenient to give effect to the act, and also determine which regulations ought to be in the act as opposed to being left at large in the regulations. From past experience we know that inquiries on such matters made during the Committee of the Whole House have proved unsuccessful. The Standing Committee on Legislation has the capacity, by virtue of its distinct function, to elicit this information and undertake the necessary inquiries advocated by the Attorney General. I think those inquiries are very pertinent to this bill.

In addition to the clause 41 regulation-making power, the bill also provides a transitional regulation-making power at clause 52. Clause 52 provides a broad transitional regulation-making power, but if clause 52 is insufficient it provides that clause 41 can be used to make transitional regulations, expanding the already very broad transitional regulation-making power. Further, clause 52(3) provides —

Regulations referred to in subsection (2) may provide that specified provisions of a written law —

- (a) do not apply to or in relation to any matter; or
- (b) apply with specified modifications to or in relation to any matter.

That provision enables a written law to be amended by regulation. It is clearly a Henry VIII clause, as it enables regulations to be made to change the application of a written law, be it the parent act or some other primary legislation. Henry VIII clauses go to the heart of the key constitutional question of the limits of executive power. A Henry VIII clause is a section of an act of Parliament that enables the act or other primary legislation to be expressly or impliedly amended by subordinate legislation and regulations at the whim of the executive. Members are aware that primary legislation is made by Parliament. Henry VIII clauses allow for the amendment of primary legislation by subordinate legislation, made by the executive. The form and date that subordinate legislation takes effect are entirely within the power of the executive. Parliament has no control over the form of subordinate legislation or when it will take effect. Parliament's principal power in relation to subordinate legislation is the capacity to disallow it. Henry VIII clauses detract from the legislation-making power of Parliament. Henry VIII powers provide the executive with a power to override primary legislation by way of delegated legislation. The practical significance of a Henry VIII clause lies in the loss of public scrutiny and accountability for policy decisions that would usually occur when primary legislation is made by Parliament. Matters of policy can be determined by the executive without the effective scrutiny of Parliament.

The second reading speech of the Perth Market (Disposal) Bill 2015 fails to identify or justify the need for Henry VIII clauses. As a general rule, Parliament and scrutiny committees frown on Henry VIII clauses or, at the very least, subject them to very robust scrutiny. On the very few instances that this government-dominated chamber has agreed to refer a bill or part of a bill to a committee for inquiry has been when one or more Henry VIII clauses or potential Henry VIII clauses have been identified. Based on past practice, the Henry VIII clause in this bill alone warrants the referral of the bill to the Standing Committee on Legislation for closer scrutiny. It is what we have done in the past when we have identified Henry VIII clauses and it is what we need to do in this instance as well.

As the Attorney General stated on the Asbestos Diseases Compensation Bill 2013, we need to understand why this clause is considered necessary and what regulations are contemplated to be made under this provision so that we can decide which ones ought to go into the bill, as opposed to be left at large in regulations. The Attorney General made very valid points that we need to apply in our consideration of the motion to refer this bill to a committee. In addition, the regulation-making power in the bill provides for the retrospective application of regulations. Again, this is an aspect of a lawmaking power that warrants closer examination and is the type of instance for which Parliaments refer bills to a committee for closer scrutiny. We need to understand why the

government believes that the regulation-making power needs to be retrospective in its application. Exactly what is the government contemplating as being necessary for the purpose of the implementation of the act? The committee is much better placed than the Committee of the Whole to examine these aspects. As I have said, past practice of trying to undertake that level of inquiry in Committee of the Whole has proved absolutely fruitless, usually because the minister handling the bill has no idea what was contemplated by the public servants when they gave drafting instructions to parliamentary counsel or by parliamentary counsel when the bill was drafted.

Provisions in the bill provide for the retrospective approval of any building work and development that currently has no appropriate approvals on the Perth market site. This surprised me because I would have thought that anything done on that site had gained the necessary approvals that it needed. I am interested in the committee inquiring into what development has occurred on that site that has not obtained the necessary approvals, because this bill retrospectively provides the approvals for those works. We need to understand the implications and ramifications of giving that retrospective approval, and why the government thinks it is necessary now to provide that retrospective approval when approval was not sought in the first place. Again, these are some very important questions that a committee will be able to inquire into, which we will not be able to do in Committee of the Whole.

Clause 17 authorises the minister to acquire land. This bill is a bill to dispose of assets. It is unclear to me why the minister requires a power to acquire land when we are dealing with a bill that disposes of assets. The second reading speech is silent on this issue. The legislation committee would be able to inquire into the need for this power and why the public servants who provided drafting instructions to Parliamentary Counsel and why Parliamentary Counsel in the drafting of the bill considered it necessary for the minister to acquire land when the bill is a bill to dispose land. We heard from Hon Martin Aldridge and Hon Jacqui Boydell, in their contributions to the second reading debate, that the minister has undertaken to make the sale agreement and other related agreements relating to the disposal of the Perth market site available to the public. It is unclear whether they would be publicly released in whole or whether there would be extensive redactions to those documents before being released to the public. At the time that those comments were made I expressed my scepticism about these documents being made available to the public in full, and Hon Jacqui Boydell responded by saying that it is easy for the opposition to be sceptical. I draw members' attention to the disclosure of confidential information provisions contained in the bill and the significant penalty for a breach of those provisions, which is a fine of \$200 000. It appears to me that the provisions in the bill would not cover the sales agreement and other related agreements relating to the disposal of the site and would therefore prevent the minister from making these documents available to the public. The agreement, especially if it contains confidentiality clauses, would fall outside the authorised disclosure provisions. It is unclear to me how the minister is able to give that undertaking and how he will deliver on it. However, my reading of that might be incorrect. It may be that there is no intention of including a confidentiality clause in the agreement. It would be the first agreement that I have read without one but it is quite possible that that is the intention. The committee would be able to inquire into that and get some greater clarity around those issues. If an undertaking has been made by the minister—it appears that there are provisions in the bill that would prevent the minister from carrying out those undertakings—it needs to be made clear whether some amendment to the bill is needed to enable the minister to fulfil that undertaking that he has given or whether we are being fed a furphy and we will not get full disclosure of the agreement.

I do not have detailed knowledge of the Perth market site like other members do, particularly Hon Sue Ellery. It may just be my lack of knowledge of the site, but I find there is a lack of clarity in the diagrams in schedule 1 of the bill that identify the central trading area and the central trading lot. Because there are two separate diagrams, it is unclear to me how much of the central trading lot is covered by the central trading area. Some greater clarity of that would be helpful. Again, the committee would be able to request a diagram that superimposes the central trading area over the central trading lot to get a better understanding of the portion of the site that will be protected by the control measures in the bill for the central trading area. That is really not clear. As I read clauses 15 and 16 of the bill, any development application to develop the central trading lot that is made within 20 years after its disposal has to include two conditions: first, that one or more parts of the central trading lot, being a total area of at least 46 500 square metres, are used or are available to be used for the purposes of warehousing to support the public market; and, second, that one or more parts of the central trading lot, being a total area of at least 24 000 square metres, are set aside for use at some point in the future for the purposes of warehousing to support the public market. I understand that the Perth market site currently has a total lettable area of 85 790 square metres of building and I am concerned that under these conditions that will be considerably greater than the minimum total area required to be protected by the bill. Some very important questions arise as a result of that. How do we continue to carry out the function of the Perth market on a greatly reduced site? What ramification does that have for the tenants who currently have lettable area on that site if the area is greatly reduced, and how will we deal with this? Again, because of my lack of knowledge of the site, it may be that my reading of the bill is incorrect, but these matters could be inquired into by the committee if the bill were referred to it. It is very important that we clarify that. We are being asked to pass this bill. We need to

understand what it does and we need to understand the implication for the tenants, particularly if the area that is being protected is significantly reduced.

Another aspect of the bill's referral is clause 15(4), which provides a very broad power for the minister to approve any "part of the central trading lot for use as a public market". It also provides the minister with the power to "vary or revoke" any approval. It is unclear what impact that clause has on the schedule 1 maps that we have been provided with, and what impact it has on other aspects of the controls that are detailed in clause 15. Does that power for the minister to give approvals and vary or revoke approvals mean that he can act only within the provisions of those controls under clause 15, or does it mean that the minister has the power to vary those controls that are detailed in clause 15? Again, I think that we probably need some legal advice on that. It is certainly something that the committee would be able to inquire into.

Another aspect of the bill is the issue of the 20 years. We are told not to be concerned about the proposed sale of the Perth market because certain control measures are in place in the bill to provide protection for WA growers. One of those provisions is that the private owner needs to continue to operate a Perth market on those premises for a period of 20 years. It is not clear from the second reading speech how the government came to determine that 20 years is an appropriate length of time. Again, that is something that the committee could inquire into. If no analysis has been done by government to determine that 20 years is appropriate, the committee will be able to avail itself of expert opinion to undertake that analysis, which we cannot do in Committee of the Whole. There is also a question that if government has determined that 20 years is the length of time that it will take WA growers to transition out of the use of the Perth market's wholesalers, why is it selling the land now? It is a point that Hon Ken Travers made very well. It begs the question: if we need a 20-year transition period, why sell the land now? Why would we not wait 20 years, go through the transition period, and then sell it once we are confident that the transition has effectively occurred? There are a lot of questions about why it is a 20-year period and if we accept that the 20 years is justified, then why is the sale being undertaken now? We know that money is needed and we know that the return on the land will be much higher in 20 years than it will return today. A lot of questions need to be addressed there. I think that a referral to the committee will enable that inquiry to be undertaken.

The other concern that, again, could be inquired into by the committee is the issue of the control measure in the bill that requires the private owner to notify the government of its intentions for the land five years prior to the lapse of the 20-year post-disposal of the land. It begs the question: why does the government need to be notified? Is it the government's intent, through that provision, to indicate that if the private owner decides not to continue with the Perth market beyond 20 years, to step in and help WA growers resolve that issue either by providing a market site somewhere else or enabling that function to occur in some other way? All of that is unclear. The minister's second reading speech is completely silent on this. We have no idea why the government needs to know, five years before the expiration of the 20 years, what the private owner's intention is for that land. I think that is a legitimate issue that we should be aware of if we are going to support the passage of this bill. We need to understand what that means for WA growers and what implications that will have for a future government, because we do not have the capacity to bind a future government. It is not clear to me that that is the intention of the government in this provision, but we need to understand that and the Standing Committee on Legislation would be able to undertake those inquiries, which we are not able to do in the Committee of the Whole.

The other aspect is that the government has included control measures that it says will protect WA growers; however, it is not clear how the government will implement those control measures to ensure that the private owners adhere to those control measures, particularly if the first private owner on-sells to another private owner. We saw the problems that arose with Westrail freight and the incapacity of the government to implement the control measures that it thought it had put in place in that sale. Again, there was a committee inquiry into Westrail freight that provided a very voluminous report with very sound recommendations. As a Parliament we need to listen to those recommendations; we need to ensure that the mistakes of the past are not repeated in the sale of the Perth Market Authority.

The government has failed to address any of these matters during the second reading debate, which necessitates the referral of the bill to the committee so that those very serious inquiries can be undertaken. It is one thing for government to say that it has put control measures in place, but if it has no capacity to enforce those control measures, they are not really control measures. The government has not provided any explanation of how it will be able to enforce those control measures.

I am fast running out of time, and I may need to seek leave for an extension to continue my remarks. Another aspect in the bill is that one of the control measures provides for the market trading rules to be retained for a minimum of two years after the sale. Madam Acting President, I seek leave to continue my remarks.

[Leave denied for the member's time to be extended.]

HON MARTIN PRITCHARD (North Metropolitan) [2.52 pm]: I am pleased to speak in favour of referring the Perth Market (Disposal) Bill 2015 to the Standing Committee on Legislation so that there is an opportunity to look in detail at the policy, reasons, merits and processes of selling this valuable piece of Western Australian infrastructure. I mention all of that because I am concerned about the policy and the merits of the sale, whether it is worthwhile, and also the process. I would have expected to get most of that information by listening to the contributions of government members, but apart from the contributions of two National Party members, there has been very little contribution to the debate by the government. Without that interaction it makes it very difficult for the opposition to understand the different parts of the process—the policy and the merits of the bill.

I was pleased to hear from Hon Martin Aldridge, but I must say that his contribution raised for me more concerns than it answered.

The ACTING PRESIDENT (Hon Liz Behjat): Order! Member, the question in front of the Chair at the moment is that the bill be discharged from the notice paper and referred to the Standing Committee on Legislation. This is not an opportunity for the member to give a précis or a judgement of another member's contribution to the second reading debate. We are not debating the second reading of the bill. I note from the list in front of me that your contribution to the second reading was made on 25 November, and you have had that opportunity. The member will have an opportunity later during the Committee of the Whole to delve into questions that may have arisen that have not been made clear, but at the moment we are dealing strictly with the referral of this bill to the legislation committee, and that the order be discharged and that the committee has the power to inquire into and report on the policy of the bill. I ask that you to confine your remarks to that subject.

Hon MARTIN PRITCHARD: Thank you, Madam Acting President.

In an effort to gain greater insight, I went back to the minister's second reading speech to see whether there was something that I had missed. The minister states in his second reading speech —

This decision has been made in light of the challenging fiscal circumstances facing the state. It should be acknowledged that Western Australia's finances have been under pressure since the government came to office in 2008, a time when the global financial crisis was an emerging issue ...

Given that, as I understand it, that is the policy reason for the bill, I would like the Standing Committee on Legislation to look at a number of issues. First, I would like the legislation committee to look at the benefit to the state of receiving a relatively small amount of money from the sale of this asset at this time, and balance that against the benefit to the state from Perth Market City as it currently stands. When I say "the state", I obviously mean the people whom we represent. I understand that the government is committed to retiring debt through the sale of this valuable piece of infrastructure. The legislation committee could look at whether this policy decision is worthwhile, and at the benefits that will flow to our constituents from this sale, which will raise, from what I have heard, between \$150 million and \$200 million. The government intends to use those funds to retire state debt, which is predicted to rise to \$36 billion.

I would also like the legislation committee to look at whether the government should sell this piece of infrastructure at this time. Some people are saying that the current value of this piece of land is around \$150 million. I have heard in some places that this land will be worth nearly \$700 million in 10 years. I do not know whether that is true. The legislation committee has the power to call in people to present information to it, and it would certainly be able to get a better view than I can as to the veracity of that statement. If we are selling that infrastructure now at \$150 million and it may be worth \$700 million in 10 years, it would seem to me—I am not an expert—that it is an investment well worth holding onto. If I could quadruple or more my investment in 10 years, I would think that is actually a very good investment. It is amazing that we would give the benefit of that sort of investment to a private enterprise rather than the government holding onto it. I believe this legislation is setting a benchmark for future sales and it might set best practice on whether this is the best way to raise money to deal with the debt that has built up from this government's spending over the last seven years. In my opening remarks I mentioned setting down some best practice sales processes.

Another concern that I hope the Standing Committee on Legislation would look at is the way the sale process will be conducted. Drawing on my experience of negotiations in the past, one of the real problems that I am concerned about is that members of this place have mentioned a fire sale on a number of occasions, but that has not been confined to this place. I believe that it is to do with the process conducted to try to achieve this sale. I will read a brief part of a news article that I believe creates the environment in which people start talking about a fire sale. The article published on the ABC website on 30 November states —

WA's Treasurer has warned the sale of the Perth Market Authority could be hit by "complications" if the required legislation did not pass Parliament this week.

Given the legislation did not come before us that long ago, it seems a little extreme for the Treasurer to say that it has to pass this week. The article continues —

The warning came amid uncertainty over whether the bill would pass the Legislative Council this week, after Labor warned it would not be rushed.

And nor should we —

The Nationals have also brought amendments to the legislation, to offload the operator of Canning Vale's Market City.

But if the Upper House agreed to those amendments, it would mean the bill would have to be sent back to the Lower House for its agreement and that could not happen until its next sitting in February.

I am not sure; I presume that the Legislative Assembly can be recalled. My concern is that the Treasurer has gone to the marketplace and raised these concerns and suggested that it has to be done in a hurry and that members of this place do not have the opportunity to amend the bill. To me, that is not a good process. I believe the policy of the bill is to try to get the best price possible for the sale of this land or infrastructure.

Going back to my experiences in negotiation, it is not good in any negotiation when the other party, or in this case parties, believes that the seller is so committed to the sale that it will take any price offered. If that is the way future asset sales will occur, it will provide a very small dividend from the sale of assets that are, I think, extremely valuable to the people of Western Australia. In trying to get this information and looking at the issues that I would like the legislation committee to examine, the committee would be able to call expert witnesses, hear from stakeholders and take into consideration all the issues that would make for a good bill, which is something that I feel is lacking here. We are trying to participate in debate in this place, but we are not actually participating in debate. Hon Adele Farina indicated concerns about debating this bill in the Committee of the Whole. It seems to me that to get the best outcome possible, referral to the legislation committee would achieve that. With very few contributions from the other side of the chamber, I can only conclude that the single reason for the sale is so that the government can use the money to pay off the minuscule part of the massive debt that it has run up in the last seven years, so I believe that the legislation committee would be best placed to look at the associated issues relating to the decision that the government wishes to make.

I feel sure that the legislation committee would be able to consider many of the other questions that need to be answered from issues raised in the minister's contribution. First and foremost, I would like the committee to give consideration to the merits of selling Market City in the first place, if the only reason is to get a small amount of money in return. I often make agricultural analogies, but it seems that we are selling the farm and that a few big chickens will come home to roost.

As I have already alluded to, if the legislation committee comes down with a report that says the policy is good and it is supportive of a sale, it might then look at the question of the timing of the sale. I have alluded to the fact that if we hold on to this infrastructure, it will grow in value, and the sort of figure we are looking at is \$700 million in 10 years. That seems to be a very good investment, and I hope that with the assistance of the legislation committee, that might be something that is considered.

The legislation committee could also look at the validity of the objectives and the necessity of the state achieving the objectives stated in the minister's second reading speech, which I remind members contains the policy that backs up the reasons for the sale. The minister states —

The overarching objectives for the sale of Market City are to ensure the sustainable continued operation and growth of the market function; facilitate private sector investment for the future; maximise transaction proceeds and the financial return for the state; and minimise residual financial risks and liabilities for the state.

If the legislation committee concluded that the objectives were both valid and necessary, it could turn its mind to whether the sale of Market City into private hands would bring us closer to, or move us further away from, reaching those objectives. With regard to the first objective, "to ensure the sustainable continued operation and growth of the market function", it would be good for the legislation committee to see whether this is not already being achieved under the Perth Market Authority. A small sample of its annual report suggests to me that it is. I will read a very small part, although the report is quite large. It states —

In 2015 we achieved practical completion of the \$8.7M E7 cool chain Warehouse and the \$3.3M Standby Power system. Both projects were delivered within budget and on time—which is a credit to the management by the CEO and his team. These projects were also funded from internally generated surplus revenues and have not made any draw on external funds.

I'm pleased that Market City is now equipped with the one of the largest standby power systems in WA so that we can maintain the critical cool chain for the supply of fresh food to Western Australia if we lose access to external power. I'm also pleased to note that the E7 facility is now fully tenanted, which provides a good indication of the confidence of the industry in Market City.

I raise that because there seems to be some suggestion that if we take it out of the hands of the Perth Market Authority, somehow private investment will cause it to bloom. I am saying that I think it would be very important for the Standing Committee on Legislation to look at whether it is already blooming and whether that is not really an objective that the policy needs to address. Again, I can see no argument in the second reading speech to support the second objective of facilitating private sector investment for the future. I have heard no argument that would suggest that that is correct, but it is something that the legislation committee could look at and determine.

The legislation committee should look at the third objective of trying to achieve a good price for the sale, because the government is going in the right direction at the moment. I mention that because, as I mentioned earlier, having a fire-sale environment—I am not saying that that is what the government intends—does not lend itself to getting the best price possible for the facility. That seems to be the only objective that the government wants to achieve—to sell it for the highest price possible and then retire some debt. I would ask that the legislation committee look at that issue.

I did not really understand the fourth objective of minimising residual financial risks and liabilities to the state because I have heard nothing in any of the small number of contributions from members opposite and in the minister's second reading speech that identifies those risks and liabilities. If we were aware of them, and if members opposite would acquaint us with those risks and liabilities, we may be able to be convinced, but without that sort of information, I find it very difficult to change my view. Again, I think the legislation committee certainly would be able to flesh that out and give us that information from that quarter.

Another issue that I think the legislation committee should look at is one that I am in full agreement with the minister on when she talked about the location in her second reading speech. She stated —

Market City's strategic location is reinforced by its proximity to major arterial road networks and key industrial infrastructure that allows swift access to the wider Perth metropolitan area, Perth airports, Kewdale freight terminal and Fremantle port.

I am in absolute agreement with the minister in that regard. The current site of the market is a perfect location. The city site may have been perfect in past years, but for these times the site where it is now is perfect. The question I would put to members of the Standing Committee on Legislation is: do they agree? They should look at this matter, because they may say that it is not the perfect location. They may say that it should be somewhere else and that we should have a different policy for dealing with it.

Hon Ken Travers: Bring it to Wanneroo!

Hon MARTIN PRITCHARD: Yes, bring it to Wanneroo!

The legislation committee could also look at whether it would be the perfect location in 20 years; whether the planning proposed for that area means that it would continue to be the perfect location; and, if it was found to be the perfect location, that we should invest more in what might happen in 20 years. That is not something I can guess at, but I believe it is something on which the legislation committee could get information, forward plan and determine whether in 20 years it would be the perfect location. I hope also that the committee could inquire into our proposed amendment to the bill that would have the market remain as the perfect location for 50 years, and that our amendment would be accepted if the committee found it to be the perfect location for 50 years.

Again, I cannot draw on any experience with Canning Vale, but I can draw on some experience from my previous history that may demonstrate that this referral motion is worthwhile. I will just make a comment rather than spend a long time on it. In my previous job there was an opportunity to buy a small building in Perth. It was a relatively good price and was the perfect time to buy a small building in Perth. However, the overarching reason for buying in Perth was basically that we get only a few opportunities to do so. We therefore took the opportunity and bought in Perth. I will explain the reason that experience colours my view on whether Canning Vale is the perfect site. What would happen if it was found to be the perfect site but we sold it today for \$150 million and in 15 years the owner said, "Sorry, guys, I really want to access the value of the land, so I'm not going to continue with any obligation you've placed on me after 20 years"? The government would wring its hands and say, "We can't do anything. Industry will just have to look after itself." We would have to attempt to set up a new facility with the attendant costs. I have suggested and other people are saying that the current site, which is perfect, is currently worth \$150 million. There is a suggestion that in 10 years it will be worth \$700 million. Who knows what it will be worth in 20 years and how far out we will have to go to purchase affordable land for another facility?

I would like the legislation committee to also look at the bidding process. The minister's second reading speech states —

The diverse range of bidders and the high level of interest in response to the government's invitation for expressions of interest provide assurance of a competitive sale process that will deliver outcomes to benefit both the state and the industry.

I am not sure that that is the case or that the minister's comments reflect what I believe, but I hope that the legislation committee could look at the tendering process to see whether the government has truly encouraged a high market response. All I am aware of is that the government has invited five bidders to partake in the process. Three of those five bidders have pulled out or look like pulling out very shortly and not proceeding to the final offer. This basically leaves two bidders in an atmosphere in which the government looks desperate. If we refer the bill to the legislation committee, that would allow time for a considered look at whether it is appropriate to sell this facility or, indeed, whether it is appropriate to do it now. Even the delay of sending this bill to the legislation committee would assist the government to cool the atmosphere, which at the moment looks like resulting in a bargain for one of the two final bidders. I am not displeased that a number of bidders have pulled out because it probably means—I accept that I am guessing here—that those three bidders did not really have a future plan for the site and may very well have been the ones that are commonly spoken of as wanting to access the land for housing developments.

I keep harping on about the minister's second reading speech, but only because it is one of the only places in which I have managed to get information. I would gladly hear from members on the other side. We now get to the part in the minister's speech that states —

The government will implement a number of control measures to support the sustainable operation of the wholesale market, and continued growth of the state's fruit and vegetable industry. This bill contains two key measures to ensure continuity of the market function: namely —

This is the one we have real concerns with —

a requirement to continue to operate the central trading area exclusively as a wholesale fruit and vegetable market for a period of 20 years; and a requirement to maintain a minimum level of warehouse storage for market-related purposes for a period of 20 years.

It will come as no surprise to members opposite that I think that 20 years is too short a time, and that 50 years would be more appropriate. I might be asked why I personally think 50 years would be appropriate. The actual answer is that I do not know. It is not my call, but I believe that it might be more appropriate to look at the Queensland model, in which redevelopment was indefinitely put aside. That would give a very high level of surety to the industry. However, in the process of trying to be reasonable while also looking at the concerns of the industry, I would be prepared to support 50 years.

Hon Peter Collier: I think you need to say that the committee might consider that.

Hon MARTIN PRITCHARD: Absolutely, and indeed —

Several members interjected.

The DEPUTY PRESIDENT: Order! Only one person has the call, and that is Hon Martin Pritchard.

Hon MARTIN PRITCHARD: Thank you, Madam Deputy President. Funnily enough, my notes state that, and the Leader of the House is more than welcome to read my notes. I was going to say that it is something that the Standing Committee on Legislation should look at. I am no expert and I am not sure, from the information I have been given, what consideration was given to the guarantees that should be there. I note that the Chamber of Fruit and Vegetable Industries in Western Australia initially thought the period should be 25 years but, again, I think it was probably guessing. Now I think it also supports 50 years. This is something that I believe the Standing Committee on Legislation should look at. We are dealing here with a very important point, amongst the other issues, that I would like the Standing Committee on Legislation to look at. In my view, I would want Perth Market City to remain in place indefinitely. These guarantees are obviously a midway point. I understand that the more guarantees that are required from the new owner, the less likely it is that the new owner will pay top dollar, unless the owner has no other intention. A property developer would probably not want to give as many commitments as someone who wanted to be involved in the industry long term. I understand that that is a big guarantee, and it will be hard to get. It is a balancing act, but I think the Standing Committee on Legislation would be best equipped to determine where that balance point is between achieving the policy of the government of selling the markets and using the money gained to retire debt, and the other concerns.

Even if the committee substantially agrees with the government that the policy of selling Perth Market City is appropriate, it can look at whether the bill contains all the right measures to guarantee the future of that operation, and other measures put in place, and to look at the concerns of the tenants. I am sure that it would be very difficult being a tenant there at the moment.

Other things the government has indicated it wants to put in to assist the tenants are a requirement for the new owner to prevent a single wholesaler from controlling more than 20 per cent of the available floor space within the central trading area; a requirement for the existing key market trading rules to be retained for a minimum period of two years from sale; and a requirement for the new owner to formally indicate to the government its intentions for the site five years before the 20-year restriction is lifted. The government acknowledges that a change of ownership will impact on tenants, and I am pleased that the government has done that. A number of contractual measures will be introduced to assist tenants with the transition to private ownership, including limitations on the new owner's ability to change tenants for the recovery of land tax over a period of six years, or to profit from the distribution of electricity to tenants.

Obviously it is important to try to keep diversity at Perth Market City, so I would ask the Standing Committee on Legislation to see if these conditions of sale will guarantee that in the long term. The conditions that the government requires will have different terms for the different benefits that are being provided to tenants. It is my view that the legislation committee could receive input from tenants to see whether these conditions will allay their concerns, because it is not worth doing if they do not; it may be that the tenants require more protections. With regard to retaining the trading rules for two years, I am not sure what all the trading rules do for tenants, but I know that, in my advancing years, two years is really the blink of an eye. A business that plans only two years in front is a business that is doomed to failure.

Although the government's commitment to require the owner to inform the government of its intentions after 15 years is actually a good thing, it suggests to me that the government understands that it has imposed a 20-year life sentence on Perth Market City at Canning Vale. Although, as I said, 15 or 20 years sounds like a long time, it would be very difficult for some of the businesses that have been there for many, many years to plan and live for the next 15 years under the guillotine that might fall.

I return to an issue I brought forward earlier. If we lose Perth Market City's current location, what impact will that have on the tenants? What impact will it have if it is moved further away and there is nothing to take its place? It will, I believe, be a very, very interesting time. I again say that the legislation committee needs to look at the broader issues because it seems to be a one-way street. If we sell off that site, we will not get it back; that is pretty much what I think.

There are other issues that tenants have concerns about, and I would like the legislation committee to look at them and maybe suggest some ways of dealing with them. The current situation is that Perth Market City is run under the Perth Market Authority and it is basically not-for-profit, so with the money it gains it pays off its small amount of debt and reinvests the rest back into the market. Even if it earns a profit, the tenants get the benefit of it because it is ploughed back into facilities. The small part of the Perth Market Authority report I read out gives proof to that. No matter whom it is, if it is sold to a private enterprise that will invest money, it will want to extract profits and those profits will have to come from somewhere. They will most likely come from the tenants, and if I were a tenant, I would have some real concerns about that.

In my second reading contribution, which I will not go back to, I talked also about some of the additional benefits that Perth Market City provides. I hope that the Standing Committee on Legislation can look at whether those benefits will continue. The markets operate on the weekends. I am not sure what sort of profits the Perth Market Authority makes from the weekend markets, but I suggest that if profits are not made, a new owner would probably not wish to invest in them. I think the Standing Committee on Legislation should take into account the effect of that when balancing the government's policy. Although those markets provide some benefits to the tenants in getting rid of stock and such—that is quite a contentious point—it also provides some benefits to families who rely on the opportunity to buy cheap fruit and vegetable and cheap fish on the weekends. That has flow-on benefits, so it would be good if the legislation committee could take that into account.

The Perth Market Authority, which will obviously be abolished, does a number of things for charities. For instance, Lions Clubs Australia gets part of the take from the market proceeds, and I believe that will be lost.

Hon Ken Travers: Is it Rotary?

Hon MARTIN PRITCHARD: It might be Rotary; I will take advice. Among the number of projects the Perth Market Authority is involved with is the Western Australian Institute of Sport, and that provides ongoing benefits. I hope the legislation committee could take that also into consideration. I think, Hon Ken Travers, that it might be the Lions Clubs.

The authority also organises donations from the tenants to Foodbank WA, which benefits many, many families who find it tough. I hope those donations continue and I think the only way that might be possible is if some impost is placed on the new owner.

HON KEN TRAVERS (North Metropolitan) [3.38 pm]: Madam Deputy President —

Hon Phil Edman interjected.

Hon KEN TRAVERS: Thank you, I hope I can live up to Hon Phil Edman's expectations.

I want to add some comments to why this Perth Market (Disposal) Bill 2015 should be referred to the Standing Committee on Legislation, and I will give three reasons for that. Firstly, it is a highly contentious bill and to date, in my view, there has been a lack of public consultation and I will explain a bit more about that. By referring the bill to the standing committee, the Legislative Council can ensure that public consultation occurs. Secondly, the Perth Market (Disposal) Bill 2015 needs to be referred to the Standing Committee on Legislation because the case has not been made to the Legislative Council on a range of policy issues; the committee can take a look at those policy matters. The government documents may contain matters that it is not prepared to disclose publicly during the full committee processes of the house, but may be prepared to disclose to a parliamentary committee with a longstanding reputation for maintaining the confidentiality of material. Thirdly, a range of issues concerning the detail of this bill need to be looked at by the committee.

Let us go through the three issues that support the referral of this bill to the committee. I have no doubt that this is contentious legislation. We can battle it out in this chamber, where this side versus that side, and, hopefully, on some occasions all National Party members will be with this side; maybe they will not be. We know this is contentious legislation because it is clear that government members are not unified in support of the legislation as it currently stands. There has been very little public consultation on this bill. It has been driven through by the government, and to the best of my knowledge the consultation has been extremely limited. In recent weeks we have seen the key group that represents growers in Western Australia—Vegetables WA—express strong concerns about the adequacy of this bill to protect the interests of its members. I remind members of this place that the members of Vegetables WA are our constituents. Those people deserve to have their concerns and fears considered by the committee, after which, hopefully, the committee will come back to this chamber with findings and recommendations on whether their concerns are legitimate and whether there are ways to mitigate, nullify or address those concerns.

The opening words of the second reading speech state —

Following a thorough due diligence process undertaken by the Department of Treasury and supported by the lead financial adviser Ernst and Young ... and Jones Lang LaSalle, the government has decided to sell the assets and operations of the Perth Market Authority, ...

The speech also states that the decision was made in light of challenging fiscal circumstances facing the state. The first question to be resolved by the committee would be which of the two statements was the primary driver: was it the due diligence undertaken by the Department of Treasury or was it the challenging fiscal circumstances facing the state? A committee of this house needs to inquire into whether the government is selling an asset to deal with challenging fiscal circumstances, as opposed to selling it after a proper due diligence process. I understand and accept that the government may be reluctant to detail to the chamber, by way of full public disclosure, all matters considered as part of the due diligence process. But I hope the government would provide the legislation committee with all material and advice it received, and on which it relied, during the due diligence process. I think this government could be confident that the legislation committee would respect and protect the confidentiality of that information if the government wanted it to remain private. But if the committee saw the information and reported to the house, this chamber would be better informed in its consideration of whether proper due diligence had been undertaken by the government before we passed this bill. I am sure that the members who sit on the Standing Committee on Legislation would respect the confidentiality and would work with the government to release only information that would assist the house but not damage the government's position on the sale. It is a government-dominated committee, so it will not engage in mischief-making by releasing that sort of information. I recently sat on that committee, with the exclusion of the regular membership of Hon Sally Talbot, because I replaced her for its inquiry into the Bell Group bill. There is no doubt in my mind that members of that committee take their responsibilities seriously.

[Quorum formed.]

Hon KEN TRAVERS: I am glad to see the crowds gathering for my speech! I am sorry for those members who have come in late; they will have to read my contribution from *Hansard* because I have limited time today.

Hon Paul Brown: I hope you ask for an extension at the end!

Hon KEN TRAVERS: I will ask for the extension if I need it and if there are too many interruptions. I only ask for extensions when I get interjections from the other side. Normally, courtesy is shown and an extension is granted when there have been extensive interjections, but of course in recent days we have seen some of those courtesies go out the door. I go back to the point —

Several members interjected.

The DEPUTY PRESIDENT: Order, members! Only one member in this place has the call and that is Hon Ken Travers. His voice should be the only voice I can hear.

Hon KEN TRAVERS: And it is such a quiet voice!

The Perth Market (Disposal) Bill 2015 is highly contentious. We need to ensure there is proper scrutiny of the legislation. The public and the growers are the people whom this sale will impact upon. After talking to them, they have not had the opportunity to thoroughly put to the government their concerns about the sale, the impacts of it and how they will be protected from negative impacts. Those people have a right to have their views put before Parliament and for a parliamentary committee to consider them. That is the appropriate vehicle; we cannot do it during the Committee of the Whole stage. Technically, we could allow members of the public to come to the Bar of the house and address their concerns. I certainly have not seen that in my time as a member of this place. The appropriate place to do it is before a parliamentary committee. When legislation is so contentious, I would have thought at the very least—out of respect to the government's own backbench colleagues who have concerns about this bill—the government would agree to that process occurring to allow their constituents to have a say. If the government has nothing to hide and it is confident that its due diligence process will stand the test of scrutiny, then allow the bill to go off to a committee. If the government does not have the courage of its convictions, I guess the government will continue to oppose the referral motion.

Let us move on to the policy of this bill. The first question that the legislation committee would need to look at is: should the markets be sold? Does WA still need a market that is a government-run entity? I am always a great supporter of government-run enterprises, but I am a complete supporter of the view that we constantly need to review what activities government is involved in. One thing that always has to be looked at is whether it is a drain on the government purse. What are the benefits to the broader public? Could it be done efficiently and effectively by another body, or the private sector? They are all good questions to be asked, none of which seem to have been asked by this government or if it has asked them, it has not engaged in a public debate to ask whether and why we should be selling the market.

The very first people we should think about when discussing the sale of the Perth market, and one of the things that I hope the legislation committee would consider if this bill is referred to it, is the employees of the market and what impact this sale will have on them. According to the annual report of the Perth Market Authority, 30 people are working for it as full-time equivalents, with a total headcount of 40 people. Those 40 hardworking people have put a lot of effort into providing a service for the government. Should their future not be considered? I do not know for sure but knowing these types of government agencies, I would hazard a guess and lay London to a brick—the minister can correct me if I am wrong—that they would be long-term employees. Like parliamentary employees, once people from these sorts of agencies start working for them, these quality, dedicated workers stay with that organisation for an extremely long time. We owe it to those 40 people to properly consider whether the market should be sold and the flow-on impacts on their jobs. I might add that there is very little in the bill about the way the staff will be dealt with in the transition. That is a big question that needs to be asked in relation to the policy of the bill.

If the bill passes that first hurdle, the committee will consider whether the Perth Market Authority should be sold. It may arrive at the answer of yes, it should be sold, and it is in the best interests of the state for it to be sold. I should make one more comment before I continue. In considering whether the authority should be sold, as well as the employment of the staff, one of the things that I hope the committee will look at is the return to the state —

The DEPUTY PRESIDENT: Order, members! There are far too many audible conversations being held in the chamber. Hansard needs to be able to hear the speaker with the call.

Hon KEN TRAVERS: If the authority is sold, what will be the long-term financial impacts on the state? We clearly know that by selling the market, \$120 million will come into the state coffers but is there another way of achieving that return to the state? What will flow out of the state coffers? I would expect that the government would have a loan guarantee charge on the Perth Market Authority's borrowings. Over and above the interest that the authority pays, that money is basically a profit that ends up in the broader government's coffers. Given the borrowings of this organisation, I expect that it would be paying a loan guarantee charge to the WA Treasury Corporation that ultimately ends up as an additional revenue stream. There will be a netting out of all that but, more importantly, is there an alternative to selling the authority? If the government is so desperate, could we achieve a better return for the state but still protect the growers from the vagaries of the sale by implementing some other method of increasing the returns to the state—a return on the capital that is held within the Perth Market Authority? Those are things that a committee should and could look at as part of its consideration of this bill. Are there other ways in which the return to the state could be greater? That has to be balanced against what return the private sector would expect from this entity if it was sold. There is no doubt that, at the moment, it is run as a break-even enterprise. Some retained earnings are held on the Perth Market Authority's balance sheet; I will talk about those a bit later. However, the Perth Market Authority fundamentally runs as a not-for-

profit entity. Its balance sheet has a significant number of assets, but that is purely because the land that has accumulated, starting at Perth market in West Perth and then out to Canning Vale, has appreciated in value fundamentally and there have been some improvements to it. The Perth market's fundamental, underlying asset is just the land. If the private sector buys this entity—it has to buy the land—it will want a return because it wants to make a profit out of the Perth Market Authority. The committee should be looking at how it will get a return on investment. I would expect that there are basically two ways for the private sector to make a profit out of this entity. One is to see it as a land-banking exercise; it could purchase the property and expect the land to appreciate in value over its life, until such a point that it no longer has to provide the market, and it then can sell the land for other purposes. The private sector would make a profit in 20 years, or, if it can convince the government to change the rules after it has been purchased, potentially even earlier than that. That is one way that the private sector could make its profit. The committee could consider what the benefit would be if the state held it for that time.

Of course, the other way for the private sector to make a profit is to get a rate of return on its money from this investment from the day it purchases it. The committee needs to look at the question of how much it will be able to increase the rate of return by. What rate of return will the private sector require for this investment, and how will it achieve that rate of return? Will it be able to demonstrate and make efficiency improvements out at the Perth market or will it simply find ways to increase charges on the current tenants and users of the Perth market? What impact will that have on the state overall? What will the positives and negatives of those decisions be on the totality of the state? These are questions of policy that the committee should look at. I do not think that when we get into the committee stage of the bill in this house, we will be able to in any way adequately address those issues to any level of satisfaction. However, if the Perth Market (Disposal) Bill 2015 is referred to a committee, it will be able to look at that. I would hope that the due diligence material that the minister spoke about in her second reading speech would give some guidance about those issues. I do not know whether it does or does not; that is something that the committee should, could and hopefully will look at when this bill is referred.

An analysis really needs done on what the impact of selling the Perth market will be and how the private sector will get a rate of return. What impact will that have on the fruit and vegetable industry in Western Australia? What impact will that have on jobs in regional Western Australia? Will that be the final thing that tips it over? I was the shadow Minister for Agriculture and Food for a while until earlier this year. From going around regional WA, there is no doubt in my mind that some agricultural industries are booming, and some are struggling and are marginal operations. If we put additional costs onto them, we will see them leave the industry. Two areas come to mind for me from when I was the shadow minister, and I hope that the committee will get evidence from these people about these areas. If the end result of selling the Perth market is that the purchaser expects to get a rate of return on an ongoing basis from the asset, and it does that by increasing fees and charges, how will that then affect the profitability of those primary producers in our community? When I used to meet regularly with people in the industry, the two areas in WA in which those issues became clear to me are in the metropolitan area. They are not in regional WA although there are other regional areas of WA in which these issues arise. The first is the hills district of Perth where concerned fruit growers have problems with fruit fly—that is how I came to visit them. Those growers have constantly been battling to get a rate of return from their land by growing fresh fruit for Western Australia. If we pass this bill without understanding or considering its effect on growers, then we will be negligent and will have failed in our responsibility as members of a house of review. Growers are struggling. In fact, if members go to the apple-growing district of the hills—I think the Minister for Agriculture and Food has done that—they will see abandoned orchards. People have decided to get out of the industry, which is sad to see. I am raising these matters because I do not want to pass a bill without understanding the effect of it on the industry. The best way of understanding those effects is by referring the bill to a committee.

People engaged in primary production in the Swan Valley also constantly question the marginal value of remaining in business. In the Swan Valley there is a constant push for people to get out of traditional grape growing, fruit production and the like and to go into tourism, because land values are putting pressure on growers. We need to meet and talk with those people. If this bill is passed—the impact of which will drive more of those people to the wall—all the stuff the government is doing to try to protect the Swan Valley will be lost because those people will not stay in the industry. We cannot pass this bill without a committee of the house looking at those issues.

Those are the two areas I spent a lot of time on before I finished my time as the shadow Minister for Agriculture and Food. No doubt, if members went to the south west, into the electorate of Hon Nigel Hallett, and talked to growers around the back of Busselton and Margaret River, they would find people facing different pressures and constantly asking the question, “Why do I stay in this industry because I am battling to make a rate of return as it is? If I have to pay more to put my produce through the markets, then I will get out of it.”

I draw members' attention to a figure in the annual report of the Perth Market Authority that I ask them to consider when deciding whether to allow the legislation committee to thoroughly look into this bill. The Perth Market Authority carried out a survey, the results of which indicate that nearly half—47 per cent—of growers sell 100 per cent of their produce through Market City. That is a slight increase on 2012–13. That proves to me that if the market is sold off and the end result is that producers' costs go up, the potential negative impact is that those producers will leave the industry. The government may have done its due diligence and be in a position to reassure the committee, but at this stage it certainly has not assured the house, and I doubt that we will be in a position during the Committee of the Whole stage to get those sorts of assurances out of the government. We will certainly not get that reassurance during the second reading debate; it is just not the nature of the debate. The best way of looking at such complex issues is to entrust the fine members of the Standing Committee on Legislation with the bill. Those matters need to be thoroughly considered. The question that needs to be asked is: should we sell this asset? The legislation committee may look at that question and consider the impact of this sale on the primary production sector of Western Australia—the 47 per cent of growers who send 100 per cent of their produce through Perth Market City—and say, “Yes, we think we should sell this asset and help the Treasurer out with his budget deficit.” The money that will be raised from this sale will be only a small, quick sugar hit in the grand scheme of the deficit—\$120 million will not make a big difference, to be quite honest—but maybe it can be done. However, if we do sell this asset, a range of conditions need to be included in the sale contract. The legislation committee will be able to look at what those conditions should be. We cannot be confident as a chamber about this sale and about the conditions that should be included if we do not refer this bill to the legislation committee and get it to look at this matter in detail.

There is clearly debate in the chamber around a range of positions. My personal view is that if we are at the point in Western Australia at which the industry has reached a level of sophistication, modern technology is in place, and there is enough competition inside and outside of the central market that we no longer need the Perth Market Authority, we should not need to put any conditions in the bill. If we have reached that point of stability in the marketplace at which we no longer need the Perth Market Authority, why do we need to have any conditions in the bill at all? Therefore, I want the committee to look at two issues. The first is: are there enough conditions in the bill? The second is: do we even need the conditions that are in the bill? I would also like the legislation committee to look at whether the period should be 20 years, whether it should be 50 years or even five years. Do we need this period of time or could we have just a transitional provision? The legislation committee will be able to look at the policy of the bill and examine those matters.

I would love to get answers to those questions. I would be the first to say honestly that I have not had the argument put to me, and I have not heard the government put the case, that would convince me about the sale of the Perth market. The first question that rings in my head is: if we have reached the point at which we need to sell the Perth market, why do we need to put all these conditions in the bill, and how can we predict whether the 20-year period is sufficient? The Perth market is the only market of its kind in the metropolitan area. It has been given a monopoly to operate as the central market for 20 years. No local government can establish a similar market within the metropolitan area for the next 10 years. Why is that the case? The legislation committee is a good place to find the answers to those questions. I do not think we will get the answers in the chamber. We will try. If the government knocks back the referral of this bill to the legislation committee, we will use our best endeavours as an opposition to get the answers to those questions. I suspect that we will struggle as a house to get the answers to those questions. However, I have absolute confidence, based on the reputation of the legislation committee and its work in this Parliament on these sorts of bills, that the committee will give us those answers and will give each and every member of this chamber comfort about this issue. If we do not send this bill to the legislation committee, I do not think we will get that level of comfort. I know that the government's backbench members do not have any more comfort about this bill than I have—if they do, I challenge them to stand in this chamber and explain why they have comfort that the terms and conditions that have been put in place in this bill are sufficient. It is clear that at least part of the government—the National Party members—have some concerns about the bill. I would be confident, knowing that they are people of integrity, that there are probably Liberal Party backbenchers who share our concerns about that. I say get it off to a committee, and let it come back and hopefully give each and every one of us a greater degree of comfort about that. Give protection to Liberal Party backbenchers as they go into their preselection rounds, so that when the vegetable growers come after them, they can say that it has gone to a committee to make sure that the house is not passing legislation that will have an adverse impact on them. The preselector has a chance to put a submission to the committee to express their view, and I hope that they do.

Several members interjected.

The DEPUTY PRESIDENT: Order, members!

Hon KEN TRAVERS: I try to help, but some people do not want to be helped. That is okay; I will move on. I lay London to a brick that this issue will be raised.

I turn to another issue. If we decide that we will sell the market, the issue becomes the protections and conditions we will put in place. Currently, in the structure of the market, the Perth Market Authority is required to meet a number of key performance indicators that are then reported in the annual report. I do not see a provision anywhere in the bill for a similar set of KPIs to be applied to the purchaser of the Perth market. Is that something that should be included in the bill? I hope that the committee could look at that. I do not know whether members on the other side of the chamber are aware of some of the KPIs. Looking at the annual report, I think it is really positive that the Perth Market Authority has increased its satisfaction level amongst its tenants in those KPIs and those surveys. That provision is there now, but what will be there after this bill has passed? Can we put into the bill some sort of protection that requires the purchaser to meet those KPIs? If not, what are the protections for the users—the tenants and all the other people at Perth market? The users of the market have those protections today and, surely, that is a matter we could ask the committee to look at. So that members can be aware, the results of the tenants' satisfaction survey are listed in the Perth Market Authority annual report, which states —

It is pleasing to note that the overall performance ratings were positive with an increasing trend over the last 4 years.

Whether we will see an increasing satisfaction trend if Perth Market City is sold and how we will ensure that that occurs should be an issue that the Standing Committee on Legislation, as part of its consideration, looks at. The annual report goes on to state —

The good/very good/excellent performance ratings for overall performance was reported by 80% of tenants, this is a 4% increase on the previous year. Furthermore lease renewal intentions remain strong with 4 in 5 'likely' or 'very likely' to renew, consistent with the previous year's results.

Further, on finance and property management, the report points out —

The Authority's performance in this area has been high for 2013/14 and 2014/15, with ratings of good/very good/excellent at 81% and 80%, respectively. In 2013–14, more than a third of tenants noted improvements in performance, this has since stabilised in 2014/15 with 3 in 4 tenants believing performance is at the same high level.

The stabilised high performance rating this year has been a result of changes made in 2012 including staffing restructures, new internal policies and procedures to improve lease renewal processes, timeliness and accuracy of invoicing. These changes have also resulted in a 21% increase in good/very good/excellent performance ratings since 2011/12.

Debate interrupted, pursuant to standing orders.

[Continued on page 9257.]

Sitting suspended from 4.15 to 4.30 pm