

PERTH MARKET (DISPOSAL) BILL 2015

Second Reading

Resumed from 23 September.

MS R. SAFFIOTI (West Swan) [4.41 pm]: I rise to make a contribution to the second reading debate on the Perth Market (Disposal) Bill 2015. I am the lead speaker on this bill, but my colleagues the shadow Treasurer and the shadow Minister for Agriculture and Food will also contribute.

This is the first of the asset disposals the government outlined over a year ago. The Labor Party has read this bill to try to establish its policy priorities on this issue. As a result, it will move two key amendments on which it seeks the support of the government. The amendments relate to how long the market will operate, and the future of weekend community markets. They are the two key issues we have identified.

My major concern about this bill is that the government has been dealing with this matter as though it is just a land sale. It has paid no regard, really, to the operations of the Perth market and what markets do for our industry and economy. Given what the Premier and the Treasurer have said about it, they see it as, primarily, a lot of land; they really do not value what it does. I will speak about three key aspects, the first of which is what the sale will mean to the growers of Western Australia. I will declare an interest: my electorate encompasses many grapegrowers who consistently use the wholesale markets. I grew up on an orchard, and of course some of my earliest memories with my father were not of going to parties; they were of going in the dusty old ute to the markets in Wellington Street many, many years ago, very, very early in the morning. My father still, as a small grower, sells much of his produce through the markets. I have an emotional link to the operation of Perth markets, but I also truly believe that we need to support horticulture and agriculture in WA. That support should not be limited to new projects in the north; our existing growers should be supported. The industry has changed dramatically over the past 40 years, because 40 or 50 years ago small growers with 10 acres could survive in the marketplace. Nowadays, the challenges are great, and I do not think we should put more impediments on the growers of Western Australia.

My second point relates to prices. A number of restrictions are placed on what occurs at the markets today. Any breakdown of some of those safeguards will impact fruit and vegetable prices in Western Australia. I think the impact on fruit and vegetable prices in Western Australia has to be considered. My last point is the impact on taxpayers. I deplore it when governments privatise assets and taxpayers end up footing the bill. That may not happen next year or in five years' time, but it will happen in 20 or 30 years' time. I have read reports that state that the government is seeking a certain amount from what it sees as a land sale—between \$120 million and \$200 million—and the experts have said that the land will be valued at \$700 million in 10 years' time. This government will sell land at a discount, there will be significant wealth transfer from the taxpayers of WA to the private sector, and then in 20 years' time, when the markets may not continue, the taxpayers and growers will have to try to find an alternative. They are some of the key points.

This bill will result in uncertainty for the industry and impacts on small to medium growers. The market has changed, and a lot of large growers have direct relationships with the majors. We also have no guarantee on prices, and I believe this legislation will have an output impact on prices, and an impact on taxpayers and the net wealth of the state. They are three key issues.

Importantly, I have contacted many people in the industry, including the Grape Growers Association of WA from the area I represent, the Hills Orchard Improvement Group from the area I grew up in, and of course Vegetables WA, a key lobby group in the area. All of them are very disappointed about the lack of consultation on this issue. This is being driven by Treasury as a land sale. I want to make a point about the National Party WA. The National Party, which is so concerned about growers and their supply chain that it worries about retail trading hours increasing by one hour on a weekday, is not standing up for the growers of Western Australia on this legislation. The National Party is a part of cabinet, and it supported the sale of the Perth markets; it is absent in the field.

I have three key issues to talk about. As I said, we will move some amendments. We believe that a 20-year guarantee for the operation of the markets is too short a time. I raise Westrail freight, which was sold 20 years ago by the conservative government. The National and Liberal Parties sold Westrail freight. Remember the commitments they gave to the public. They said it would improve the situation and the state of rail in WA. There was to be a \$400 million investment by the private sector to improve the rail lines. Twenty years later, what do we see?

Mr W.J. Johnston: A shambles.

Ms R. SAFFIOTI: Those rail lines have had, I think, three lots of owners. None of the deals or commitments made at the time of privatisation exist or hold now. The government signed off on the closure of the tier 3 rail lines. What is happening now and who is suffering? It is the industry and the taxpayers. The agricultural industry and taxpayers are now trying to improve the roads because so many trucks are using them, although there was previously a perfectly operating rail line. That is the consequence of privatisation. We constantly see the transfer of wealth away from the taxpayers through privatisation. I do not criticise the private sector; it is in it to make a buck. If I were a large land developer and saw 51 hectares coming up for sale in Canning Vale, I would think, “Jeez; I’d be interested in that too.” There is guaranteed revenue for a number of years. The markets operate at, I think, \$12 million to \$14 million per annum. Let us face it, it takes about 20 years to get the land zoned or to make the appropriate changes. In 20 years, Labor would have built a lovely rail line and probably a nice train station at Canning Vale.

If I were a land developer, I would want to buy this land. Any land developer would want to buy it but that is because the government is treating it as a block of land; it is not treating it as though it provides a function to the community. If we go through the prospectus—some of my colleagues will outline this—it can be seen that that is pretty much what it is looking at. It is a block of land with a guaranteed return and absolutely no care for the industry. They are our key concerns. I hope that National Party members—although not in this place; they obviously do not care about growers in WA because none of them are here—in the other place might refer the bill to a committee or start thinking about its implications. National Party members of this house are not here so, hopefully, they will see some sense.

As I said, I did my research into the Perth markets. It is an emotional issue for me; they are part of what I used to do as a kid. In going through the history of the markets it is amazing to see how they developed over time. I refer to a history of the Perth markets written by Jack Caddy in 1978, titled “Perth Markets”. I want to inform the house of the history of the Perth markets. He wrote —

... in December 1866 the Governor of the State, Governor Hampton, advised the Chairman of the Perth City Council that it was his intention to build a Market House and Town Hall and vest them in the City Council. The plan provided for a market place on the ground floor with a hall above to be used as a meeting place for the people. The Town Hall was completed in 1870 and was built along the lines of buildings constructed in Europe 300 to 500 years before and where it was common for markets to be contained beneath the arches of these buildings.

The market section of the Town Hall was not opened until June 1872 when it was resolved that a daily market would be held in the Archways where space was available at 5/- —

Is that pennies per month?

Mr W.J. Johnston: Pence.

Ms R. SAFFIOTI: He continues —

per month for 100 square feet.

Mr P. Abetz interjected.

Ms R. SAFFIOTI: It is five slash.

Mr P. Abetz: That’s shillings.

Ms R. SAFFIOTI: It is five shillings. He continues —

per month for 100 square feet. This new idea of a market beneath the arches of the Town Hall was slow to become accepted as the people had their own vegetable gardens and also their own outlets for trading their produce.

This is quite interesting. Initially, there was a lot of contention about centralising the operation of the markets. I will go through that in a second. Mr Caddy continues —

In fact at the time of the opening Mr. Morrison of Guildford was the only farmer who had availed himself of accommodation to sell his produce from space provided at the Town Hall. Later, statements in the press were made urging the citizens of Perth to avail themselves of the markets provided for their use. Evidently the Town Hall Markets only had a short life —

That was due to the lack of trading and the commitment by others to continue to sell from their properties or throughout the suburbs at the time. He continues —

In 1892 the question of a public market was again raised and sites suggested and eventually the Government of the day offered the City Council a loan ... to enable the Council to establish a market.

Extract from *Hansard*

[ASSEMBLY — Tuesday, 10 November 2015]

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Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

Eventually however the Government erected a market building on the corner of William and Wellington Streets which was leased to the City Council and formally opened on the 1st of September 1897 and known as the Perth City Markets. This particular site is where the Perth Bus Terminal now stands —

It was standing there, but is not standing there now. He continues —

and it is of interest to note that during the course of the erection of the terminal a large stone was found bearing the date 1897. This stone is now displayed in a prominent position at the entrance to the terminal.

Given that it has been bowled over, we might find out where the stone is. He continues —

In about 1915 the Central Gardeners' Market moved into the area from its location in Murray Street just west of King Street and ultimately, was relocated in ... West Perth ...

In 1913 the government of the day resumed 16 acres of land in West Perth as the possible site for a market. On this particular site there were already operating a few produce merchants dealing mainly with the sale of ... grain. The land was held in trust by the Lands Department for the use of a Market Trust as and when an Act of Parliament was put through.

The matter was then considered by the Parliament. The history continues —

In 1924 a motion was passed in the Legislative Assembly

“that a Select Committee be appointed to inquire into the matter of the establishment of markets for the better sale and distribution of produce, including the conditions governing transport, sale, and distribution of meat within the metropolitan area.”

It was recommended that a central market should be established with exclusive rights for the wholesale disposal of vegetables, fruit, produce ... meat, fish, poultry and game.

As a result of this Select Committee Report the Metropolitan Markets Act, No. 55 of 1926 was passed to establish a public market in the metropolitan area to be administered by a Trust comprising five members appointed by the Governor.

Different sites were considered and ultimately the area previously resumed by the Government of the day in 1913 and comprising 16 acres of land in West Perth, approximately three quarters of a mile from the centre of the city was selected as the site for a market.

I went through the *Hansard* and I must say that there was a lot of contentious debate about the establishment of the markets. As I said, many resisted the centralisation of the market operations and a number of attempts were made. Finally, in 1926 the bill was introduced and the establishment of the metropolitan markets commenced. The history states further —

The markets were officially opened by the Hon. J. Willcock, M.L.A. on the 14th of June, 1929.

The *Hansard* records the Minister for Agriculture, Hon M.F. Troy from Mt Magnet, on the opening, and I quote —

This is not the first occasion when a Bill has been introduced in the House for the purpose of providing a market for the metropolitan area. A measure was introduced in 1922 by the member for Perth (Mr. Mann), which provided that the City Council should have certain powers and privileges with regard to the establishment of a metropolitan fruit market. That met with considerable objection ... and was defeated.

Then the select committee was established and the committee recommended the establishment of the metropolitan markets. As I said, it is a long, rich history. Since that time things, of course, have changed. One of the key issues was the continued growth of Perth and the metropolitan area and some of the space constraints that occurred in Wellington Street. We saw a desire to move the markets and in 1989 the metropolitan markets were relocated to the Market City site at Canning Vale.

I will quote from “Review of the Perth Market Act (1926)” reported to Hon Monty House in 2000, as follows —

In 1989 the Metropolitan Markets were relocated to the Market City site at Canning Vale. Two aspects of the relocation are of continuing significance:

(1) The cost of relocation was substantial—approximately \$50 million —

That was quite a lot of money at that time for the relocation. It continues —

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of which \$40.5 million was provided by a loan from the Western Australian Treasury Corporation under direction from the Premier of the day. The principal of this loan remains outstanding and debt service remains a significant obligation of the PMA,

- (2) The new site occupied an area of 51 ha. Approximately 30 hectares have been developed, not only as the Central Trading Area of the markets but also for warehousing and for commercial use. This means the PMA is a substantial landlord.

As I said, there were also further reports and reviews, and I want to quote some of the reports about the relocation. I read from the appendix to the review I just quoted. Other sites for relocation of the Perth Market were identified at the time. The 2000 review states —

The question of relocation of the market had been discussed for many years and land was first set aside in Kewdale. Due to the lack of a desire for relocation the option for this land was handed back but later substituted for land at the eastern side of the newly developing Canning Vale Industrial Estate. This however was also to follow the same fate as the Kewdale land but this did result in the Metropolitan Market Trust at that time commencing a serious examination of relocation or expansion of the market, ten years before the new market opened in October 1989.

Options were examined to develop the market on multi levels at the Wellington Street site. The possibility of moving the fish and meat market to land adjacent to the Freeway in Leederville was seriously explored.

In the end a decision was made by the Metropolitan Market Trust to relocate to the current site and eventually government support was obtained for the move. It moved to that site and has been a successful operation for many years since then.

Currently, the market plays a significant role in the fruit and vegetable industry. I was looking at the impact and the role Perth Market Authority has in relation to the wholesale fruit and vegetable market in WA. I quote from the Perth Market Authority assessment on the Perth market trader share of the wholesale fruit and vegetable market. The report notes that for the year ending 30 June 2014, the PMA wholesale fruit and vegetable market shares were at 42 per cent of volume and 56 per cent of market value.

Mr B.S. Wyatt interjected.

Ms R. SAFFIOTI: Sorry—I always have coughing fits. It is all that dust; I have been waiting for this bill for a while!

The Perth Market Authority continues to play a significant role in the current market. Again, looking at some of the other reports, I note that the Perth Market Authority strategic plan update of 2015 outlines that its strategic plan is to continually grow and serve the market. The Perth Market Authority identified three key themes in 2013—developing a diverse market, supporting and engaging industry, and maintaining operational excellence. In relation to developing a diverse market, the authority set out one key agenda. I found this quite interesting. I quote from the Perth Market Authority strategic plan update —

To maintain leadership in fresh produce wholesaling, and while demand for tenancy remains high, PMA continues to explore a wide range of construction initiatives so as to accommodate a more diverse range of tenants, both in terms of size and the nature of their operations ...

PMA's key initiative ... funded out of its capital budget, will be the development and operation of a small producer market within the CTA. This market will provide an opportunity for small operators to showcase their produce to new buyers and gain access to the trading platform. Designs have been produced and the project is expected to cost around \$500k ...

As I said, I welcome those types of initiatives, because we need to keep promoting and encouraging small to medium-sized growers in Western Australia, particularly those in the surrounding metropolitan area. The increased popularity of weekend markets shows that people are very keen to support local producers and growers, and the Perth Market Authority is doing that through a number of its initiatives.

The Perth Market Authority annual report highlights some of its achievements and history. I will not go through the history in too much detail, but a key point is that the total income of the Perth markets for 2014–15 year was \$12.8 million, which was an improvement from the previous year's total income of \$10.3 million—so it is a successful operation. Market City of course is primarily a wholesale market, but it opens its doors on the weekends to two retail markets. Again, I do not visit them frequently, but I know that my colleague Hon Sue Ellery is a frequent visitor. There is some genuine concern about the continuation of those weekend public markets. The 2015 annual report of the Perth Market Authority states —

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The weekend markets continue to be very popular and are the main interaction of the local community with Market City.

On a typical weekend, there are a regular 5,000 visitors to site on both Saturday and Sunday. As well as resulting noticeably higher activity in the Commercial Centre, this regular interaction helps promote awareness of wholesale fresh produce operations throughout the community.

Of course, there is a Saturday clearance market and the Sunday community market. I aimed to get to the Sunday community market in the previous couple of weeks, but I did not get there. It continues to attract a lot of people. The community is very, very supportive of these weekend markets where the public can purchase produce.

As I said, the market continues to play a massive role in our fresh food industry. Over the years the tonnes of throughput have increased and I will go through the numbers in both tonnage and value. In 2012–13, 212 000 tonnes went through the markets, increasing to 230 000 tonnes in 2014–15. The value of produce increased dramatically from \$455 million in 2012–13 to \$570 million worth of throughput in 2014–15. From my reading of things, it is a pretty successful place that seems to be doing a pretty good job and is supported by the community.

The other key point I would like to make right now is that under the legislation, the board has representation from a number of users of the market. The governing body is appointed by the minister and has the following composition: one board member is knowledgeable in the areas and interests of growers, one member is knowledgeable in the areas and interests of wholesalers, one member is knowledgeable in the areas and interests of retailers and buyers, and one member is knowledgeable in the areas and interests of consumers. That basically ensures that the board governing the market has some interests and priorities in making sure that the market is there to serve consumers, growers and wholesalers, and that is very, very important. One of the key concerns put to me by industry is that the abolition of the board as a result of privatisation will mean that there is no guaranteed representation from key users; this is a significant problem. As I said, there is not only the act, but a series of by-laws, many of which are there to protect the interests of those involved in markets. The current legislation, the Perth Market Act 1926, has the ability to make by-laws. Section 13 states —

- (1) The Authority may make by-laws for all or any of the following purposes —
 - (1) The general conduct of its business and proceedings;
 - (2) The control, supervision, and guidance of Authority officials ...
 - (3) Regulating the use, leasing, letting, and occupation of the markets established under this Act;

Basically, this provision deals with all questions about access to the markets. As I said, the act allows by-laws and there are a series of by-laws that get amended over time. Basically, they all look at the control of trading and the regulation of trading to ensure that no-one is exploited and that there is some transparency in the process.

The markets have been operating for a very long time—since 1926. I believe the government did not do any significant consultation with industry. I do not think it formally consulted anybody, yet it is quite a significant issue. The government has been treating this as a block of land; that is all it has seen it as. I will talk about the industry in a second. A group of industry players put together a consortium bid, but the government is putting forward legislation to privatise the markets without any serious industry consultation. I have gone through the prospectus of the market site. It outlines that Market City is held under two free titles: one is 50.8 hectares and the other is 916 square metres. It comprises a number of components including warehousing, a central trading area and development land, and also of course the commercial area, which is the service stations and other commercial land. It goes on to highlight the success of the markets and it goes through the income analysis. The Perth Market Authority earns income from three primary sources, being rental income from tenant leases; auxiliary income derived from the provision of services, such as electricity reselling—which is a very interesting point, member for Cannington; it actually buys and sells and makes money out of it, so it is quite interesting—and the operation of a weekly Saturday clearance market and a Sunday community market. It goes on to outline the potential to improve earnings from the continued process for transferring tenants to market-based leases. That means people pay more to rationalise the cost base by increasing the cost to the tenants, and that has a recovery of tenant outgoings. It is something that currently makes money for the state—apparently—and provides a key service in our community and to our industry.

I was asked to look after the Perth Market (Disposal) Bill 2015, and to identify the key issues, a number of weeks ago. I have personal history with the operation of the market. I sat down and said, “Okay, where is industry at with this?” This is little bit complicated because some of the key industry players are tied up with the industry bid. I did not speak to those because it was probably inappropriate to do so. However, there are other people in the industry who are very, very concerned about the bid. I want to go through some of the media commentary back in June, and then some of the more recent commentary.

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I am quoting from an article written by Emma Young titled, “WA’s fresh food future open for bidding: asset fire sale continues.” It states —

At the 51-hectare site in Canning Vale, more than 100 WA businesses trading, transporting and storing fresh fruit and vegetables provide more than 1600 jobs.

More than 5000 vehicles cross the trading floor each day and Sunday public markets attract 7000 people each week.

But the state government’s sell-off of the hub, as part of its assets “fire sale” program ... has caused growers and food security experts to question the long-term sustainability of WA food production.

...

A group representing more than 70 of the largely family-run Perth Hills fruit growing businesses said right now there was still some public accountability in the system.

Growers paid wholesalers a 15–18 per cent commission for selling their fruit and that has not changed in a decade, Hills Orchard Improvement Group spokesman Brett DelSimone said.

“Now, any number of variables could enter the system,” he said.

That is under the privatisation. The article continues —

“If the new owner of Market City raises the wholesalers’ rents, they can pass that on to growers.”

“Retailers will still put the same prices on their food; ...

“But growers are ‘price-takers’ with no capacity to pass this on to anyone.

“Things are already tough—we can’t afford to have already small profits decimated.”

He believed that many would abandon the wholesale model and go directly to avenues such as farmers markets. The article continues —

“This could see the market system contract, or collapse in a worst-case scenario,” he said.

Food security and sustainability expert Alexandra McManus said a thriving market, open to the public, was vitally important in Perth.

...

“Growers and producers, particularly the smaller ones, would be concerned that changes would reduce their viability, and eventually, if they closed Market City, what would the smaller producers do?

“The public should be aware of this issue and concerned about it.”

Professor McManus said food security was about a region’s ability to sustain a variety of small to medium local enterprises that provided its population with access to quality, seasonal foods at reasonable prices.

“We need to be able to grow our own food,” she said.

“The quicker you can purchase produce the fresher it is and the higher nutrient content it has, and the longer it remains in cold storage or transport that value goes down. There are also costs and food miles to consider.

“If we are to retain vital primary industry in Australia we must support it.”

The market is presently operating at full capacity, with all tenancies occupied.

As I said, we have a market and it is operating. The government seems to completely discount the impact of the sale on industry, and completely ignore the importance of food security and the importance of growers in Western Australia. I get sick and tired of the duplicitous approach to growers in this state. I represent the Swan Valley, which has a number of grapegrowers and a horticultural industry. I grew up in the hills of Perth on an orchard. This government completely ignores those growers, with a pursuit of the dreams such as the obsession with the Ord Valley. The government can spend \$300 million on that, but it chases the quick buck by selling these markets, possibly impacting small growers in our urban fringes. People of Western Australia value fresh vegetables and fruit. It is something that people are getting more and more concerned about. The government has done no analysis of what the impact is—no consultation. It is seeing it as a big block of land that will help cover the blowouts in other areas of expenditure. How the government can justify \$300 million on the Ord for an unknown crop and then jeopardise small growers —

Mr W.J. Johnston: I thought it was rice!

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Ms R. SAFFIOTI: It was rice.

We hear of some other projects that the National Party members stand up and talk about. Yet, there we have existing growers and the government does not care about them. I have talked to many of these people. The government is not talking to them.

I will go through some other comments. Another report from Emma Young on 20 July titled, “WA government sale of Market City asset puts businesses at risk: wholesaler” states —

Selling the state’s fresh food market will make the government a ‘quick few bucks’ but will endanger generations-old family businesses, a Perth businessman predicts.

John Mercer, a wholesaler at Canning Vale’s Market City, has joined fruit growers voicing concerns about the government’s plan to sell-off the market, which supplies supermarkets, grocery stores, restaurants, hospitals and schools with WA-grown fruit and vegetables.

I remember seeing Mr Mercer’s name on the sides of crates. The article continues —

Mr Mercer, whose family has been in the industry since 1915, who entered the business himself in 1968 and now employs his son and daughter, along with 30 other people, said this was “ridiculous”.

I use that word quite often, so I am glad that someone else has too! It continues —

“People build their businesses and lives around this industry,” ...

“Twenty years might seem a long time for a politician who thinks in four-year timeslots, but they should be thinking in terms of 50 years.

That is what Mr Mercer said —

“They just want to get a quick few bucks in and haven’t thought of the whole industry.”

Mr Mercer is pointing out that the legislation guarantees the markets will operate for only 20 years. He is saying, importantly, that we need a longer term commitment to operate these markets. It continues —

He said the potential profit to the government was small when considering the danger to the 100-plus WA businesses providing more than 1600 jobs at the market.

“The biggest challenge we have is containing costs ... the cost of doing business in Australia now is extremely high and you always need to pass them on somehow if they go up.

He is referring there to the rents at the markets. I quoted Brett DelSimone before and I will quote him again. It continues —

Hills Orchard Improvement Group spokesman Brett DelSimone ... said commissions growers paid wholesalers such as Mr Mercer had always been stable but if costs such as rents were raised, wholesalers would have to pass it on ...

He said pushing growers and wholesalers to the wall would harm the future viability of the markets, as would the 20-year time limit.

Industry association Vegetables WA ... said 20 years was not long enough to secure Market City’s future.

Twenty years is not long enough. As I said, I also contacted the Swan Valley Wine Region Grape Growers Association to seek its views on the sale. It, too, agreed with our position that 20 years for guaranteed operation of the markets is not long enough. We want 50 years for the guaranteed operation of the markets. I must say that the issue we arrived at separately was support for longstanding industry participants such as Mr Mercer, for Vegetables WA, for the Hills Orchard Improvement Group and for the Swan Valley growers. As I said, I have not consulted with the Chamber of Commerce and Industry, as it is associated with the industry bid and I thought it was not appropriate to consult with it about that particular amendment.

More recently, as I knew that this bill was coming on for debate today, I went back and double-checked that the industry participants were still of the same view. Comments from the Hills Orchard Improvement Group as late as this morning indicate that it is very concerned about the 20-year time frame and the lack of accountability on rent rises and other charges, and Vegetables WA has also expressed significant concern. It is unacceptable that the government is risking the dissolution of the Western Australian wholesale horticultural market in 20 years. The condition of sale needs to be increased significantly to 50 years.

Out of the five bidders for the property—the government might give us an update on which ones have fallen away—four are land developers. As I said, if I were a land developer, I would be buying it because—you know what?—it is a great bit of land. I know that government members will stand in this place and say, “Look, we’ve

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got assurances.” Do members recall the assurances given when the government sold the freight network? The rail network was going to be improved. What happened? Within 20 years, key parts of it were closed—not improved but closed. Members may remember that the government said, “We will have assurances, the minister has to sign off.” We had the same assurances for Westrail Freight and the minister signed them off. He allowed the closure of that part of the freight network. Remember, that was the conservative government. The National Party and the Liberal Party closed rail lines in the wheatbelt. That is something that I still cannot comprehend. Honestly, if people had told me that the National Party would allow the Liberal Party to close rail lines in the wheatbelt, I would not have believed it—but it did!

In response to this debate, we will hear some backbenchers in their prepared speeches say how much they love WA fruit growers. However, they will also say, “By the way, we’re going to sell your markets without consultation.” They will say, “There are all these safeguards.” We all know that the safeguards will fall away, because once the markets are sold, the government will lose control. If we consider the growers in WA, the consumers in WA and the taxpayers in WA, I believe we must think a bit longer-term than next year—I really do. For markets that have been operating, in essence, for 140 years, I think government members need to think a bit more long-term. Actually, the government should have done some work on this.

As I said, Vegetables WA has enormous concerns and the Treasurer has not responded to those concerns. Again, this indicates the duplicity of the government when it talks about agrifood and dewatering something here and there. As I said, it subsidises land that is not meant for agriculture and then does not care about land that is being used for agriculture. I do not understand the policy of this government. There are growers out there with fertile land across the metropolitan area and across the state growing actual produce, but these guys opposite do not seem to care about that, because they have made it harder and harder for them with this bill.

As I said, there are a number of issues. Horticulture is the prime candidate to drive Agrifood 2025+: the future WAy but the government will damage it. The problem is that the government cannot give guarantees about rents and all those things because they will fall away over time. I will refer to land tax in a minute. Twenty years is not a long time. As I said, people will still have to go through zoning and get an application —

Mr W.J. Johnston: That will take 20 years!

Ms R. SAFFIOTI: Yes, that will take 20 years. As I said, who would have thought that the government would close tier 3 rail lines? It does not matter which assurances government members talk about giving today, they will fall away because once the markets are given to the private sector, that will be it!

Another point has been made that I want to put out there. Both the former Labor government and the current Liberal government invested a lot in saleyards in Muchea and Katanning respectively. I do not begrudge that, but the question is: why would the Liberal government invest in saleyards somewhere and then advertise the Perth Market Authority for sale? Again, that is an inconsistent approach to agriculture and horticulture. The government is trying to shake the horticulture producers in WA and it is doing that because it does not care. I seriously believe it does not care, as Liberal Party members do not rock up to National Party functions.

I got a briefing from the minister’s officers, for which I thank them. I am glad that they provided some further information. They outlined the five bidders—I think it is worth putting this on the table—and one is an industry consortium. Today someone asked me, “What impact will the 50-year provision have on the sale price?” I said, “I don’t really care because what we’re doing is through the prism of three key policy objectives: what happens to growers in WA, what happens to consumers in WA and what happens to taxpayers in WA?” The government might get \$20 million or \$30 million extra today but WA will be buying land somewhere in 20 years to build a new market that will cost an extraordinary amount. As I said, from the analysis that I have seen so far, we are expecting to receive—let us be optimistic—\$200 million. The market experts believe that in 10 to 15 years the value of the land will be \$700 million. That is beyond comprehension.

Let us go through the bidders. The first is the industry consortium. People say that the industry consortium is going to win. First, I am not sure they can say that. The second point to be made is that the government should have created a system in which it works with industry to ensure that all participants are involved and there is a clear and transparent process. There are five bidders: the industry consortium; Australian Capital Equity, owned by Mr Kerry Stokes, who is involved in a lot of property activity; Stockland, a very, very successful land developer; Dexus Property Group, which specialises in the development, ownership and management of commercial, retail and industrial property; and Propertylink. I understand that those five bidders have been short-listed. Things might have changed since I received this briefing.

I thank the minister’s advisers and Treasury personnel for providing me with this information. I want to go through some of the key points. One relates to the trading rules. The trading rules will be kept for only two years from the date of sale. There is an issue with the 20-year period. The owner must notify the government of the

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day of his intention. Again, this pretty much highlights that there will be a massive land development. The next point is a good one! I am being sarcastic. Because the land is currently government owned, the owner will not pay land tax. Let us think about what would occur if one of these property developers buys the land. Because of their substantial landholdings, I suspect the aggregated value of the land they own would be quite significant, so I think the land tax payable would be quite significant, and that will be passed on to the tenants. They have a five-year transition, but coming from zero to significant, given what the government has done with land tax, the impact will be significant. It will be very, very big. I know that there is a transition period but they will go from paying zero land tax to paying an enormous amount because of the way our tax system operates. There is also a requirement that restricts the new owner's ability to profit from the distribution of electricity to tenants. Again, I just do not believe that these things will hold in the long term.

I think we have outlined quite a few issues over a period. As I said, the markets have been operating in some form for over 100 years. They play a vital role in the effective distribution of fruit and vegetables in our community. The government has seen that this is a lot of land in a great location.

We could think about some of the other wealth transfers. I will give another scenario. If the government sells land to a land developer and then Labor wins and builds a rail line because only Labor builds rail lines, imagine the improvement that will make to the value of the land that we just sold. I am not against land developers; everyone has a role, and land developers play a key role in our industry. But as members of Parliament, in particular, and as protectors of the public purse, we should be thinking about these issues over the longer term. That is our role. Land developers have a particular role. We have another role; that is, to ensure that our policies make sense over the longer term. The market has changed. There are a lot of direct relationships between large growers and the Coles and Woolies of the world. There is no doubt about that. So many people are still reliant on the effective operation of the markets to make a living.

I understand that one of the intentions of the Swan Valley Planning Act 1995 is to try to promote horticulture and viticulture in the Swan Valley with the use of pop-up farms. There is pop-up everything these days. To be able to do that, we need to have access to markets. The government is effectively risking the operation of our fruit and vegetable industry for decades to come. I do not think people want that. Of course, we have the community markets that operate on the weekends. As I said, my colleague Hon Sue Ellery, who is down there quite a bit, said that these markets are very, very successful. Ultimately, they are not wholesale markets so this legislation does not even protect these markets. It only allows for and protects the continuation of the wholesale markets; it does not provide or guarantee the continuation of the retail public markets on the weekends. We see that as another significant failing.

We have never seen this legislation explained properly in the media. As I said, industry groups have been trying to be heard but they have not been. It is yet another example of a government that has turned its back on its constituency. I look at many of the issues that I am currently dealing with, whether they involve the landowners in Forrestfield or traders in the CBD. Here we have small growers, largely represented by conservative members of Parliament. Those conservative members of Parliament, like every issue that goes through their party room, probably did not raise any concerns. I have not seen anything raised by any of the local members who are meant to represent these growers. I saw the member for Darling Range at the Karragullen field day the other day. I thought he would be there with a little stand consulting with the community about the proposed sale of the Perth markets. But, no, he was not. I should have been there with a stand consulting, but I have been consulting with industry representatives and the many people I know who are out there. I have been consulting with the local growers of the Swan Valley. There is genuine concern. I have not even mentioned the areas around Gingin and north and east Wanneroo and the number of vegetable growers, in particular, who would be concerned about this impact.

Again, I do not know how the Liberal and National Parties operate. They agree to things in their party room with absolutely no idea how it will impact on the public. Land tax is a classic example. We stood in this Parliament three years in a row and outlined the impact of a 10 per cent increase in land tax. That was probably not something that the Liberal Party would normally support. Then there was the impact of a 12.5 per cent increase. Then there was the impact of a 25 per cent increase. Now members are going to their offices and being shown the absolutely incredible increases in land tax that people are getting. Government members are saying they were not aware of it. What do they do in their party room?

Mr P. Papalia: One person gets to speak.

Ms R. SAFFIOTI: One person gets to speak and everyone gets to nod. Occasionally the National Party picks an issue to try to differentiate itself from the usual play. What do they do? I suspect the same thing occurred with this legislation. I do not think any government members would have raised the fact that they have growers in

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their electorates. Maybe they do not care. I know that they invite them to their fundraisers but they do not care what they are going through.

Mr R.S. Love: Growers are exempt from land tax.

Ms R. SAFFIOTI: The market is not. The member missed my point. The markets are currently exempt from land tax, as the Treasurer told me, but under privatisation, the markets will be subject to land tax. If a large developer with large landholdings buys the markets, immediately they will be in the top bracket of land tax and those costs will be passed straight on to the tenants who will pass them on to the growers. There you go. Maybe members opposite should have asked that question. They should not pretend to know anything about this, because they do not. As I have said, I am a bit surprised. I have been talking to a lot of people and they have been thanking me for consulting with and talking to them. That is seriously what those people are saying, because members opposite have not done their job. They sit there agreeing to land tax increases and then thinking, “Jeez, a lot of people are angry about it.”

Mr P. Papalia: Leaseholders are going to pay; what a shock!

Ms R. SAFFIOTI: What happened? It is a declining economy, but, jeez, vacancies are at a record high and people are dropping their rents to try to get tenants.

Mr P. Papalia: Small business is suffering.

Ms R. SAFFIOTI: Small business is suffering, yet the government is proposing to increase land tax and government members will be voting for it. We have highlighted this again and again. It is not as though we have not highlighted these increases in land tax. I think it has been highlighted by opposition members about 60 times at least. Over three years, 60 members would have highlighted this matter.

Again and again government members do not think through the policy implications of what they do. They are led by a Premier who does not care about anybody and a Treasurer who is unable to care about anybody. The government has come in here with legislation that will have an impact on the future of our growers and our state.

MR B.S. WYATT (Victoria Park) [5.41 pm]: I rise to also make some comments on the Perth Market (Disposal) Bill 2015. I thank the member for West Swan for a thorough contribution. It is clear that the member for West Swan has done something that the government has not done—that is, speak to all relevant stakeholders. That is what she has done. Every one of those stakeholders raised concerns and they have been outlined by the member for West Swan. The member for West Swan is right, because a common problem is starting to occur in the government. We have talked for many years about the problems of the government. It started to come home—really come home—to me when the government started to spend thousands and thousands of taxpayers’ dollars on creating a 3D bus. For me that is when it started to sink in that this government really is spiralling. When a government has to create a fictitious world on a bus, put on 3D goggles and pay a quarter of a million bucks for its trouble, we know that that government, to be frank, has probably lost its agenda. I will come back to that bus in the next three weeks. I plan to spend a bit of time on that bus.

Mr R.S. Love: The debt monster; that was a party that lost its marbles, wasn’t it?

Mr B.S. WYATT: The debt monster will be back, do not worry about that.

Mr J.H.D. Day: What a great success that was!

Mr B.S. WYATT: It was a success—the debt monster. It will be back.

Mr R.S. Love: It will be back.

Mr B.S. WYATT: It will be back. I have a bit of advice for the member for Moore: my electorate officer, Alison Cook, keeps getting emails from the member for Moore’s office. I think he has an electorate officer named Alison Cook.

Mr R.S. Love: We do. We get emails from your office too.

Mr B.S. WYATT: I hope the member for Moore gets those ads up on Red FM, because I know he is trying to get them up. I can tell the member that he might see the debt monster on Red FM. There is more to come with the debt monster on Red FM, member for Moore.

Mr R.S. Love: It will be blue or red.

Mr F.M. Logan: Green and yellow actually.

Mr B.S. WYATT: Ha-ha—green and yellow! Those 3D goggles are for when we get on a bus and see the world that the Premier would like us to see—not the real world, but the world that the Premier would like us to see. I will come back, because we have three weeks to deal with that.

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The member for West Swan outlined very thoroughly the concerns of the opposition and that it will be seeking to move some amendments to protect those growers who rely on the Perth Market Authority, the PMA, for their business. The member for West Swan outlined by way of comparison—this is why we are surprised that these questions are not raised in the Liberal party room because —

Mr P. Abetz: How do you know that?

Mr B.S. WYATT: The member for Southern River should get up and let us know what is discussed, because what I do know is that a few government members, who I will go through later in the week, are telling the people who are getting their land tax bills: “I didn’t know they were going to go up that much. We were told in the party room it was a CPI increase.” I will name all those members, because I have permission from those people who got those land tax assessments to outline the conversations they had with some members of the government. I will do that later this week. Those people were told by some government members that 10 per cent, plus 12.5 per cent, and then a change that effectively increased the revenue by 25 per cent, was a CPI increase. That ain’t CPI, not one of those! But this is not a land tax bill, as Mr Acting Speaker is no doubt just about to tell me.

The member for West Swan made the point: the government is making this decision now—the Premier made the point when he announced this—because we have to get our AAA credit rating back and it is all about finances. They were the reasons the Premier gave. When we look through the document entitled “For Sale Market City Canning Vale Perth, WA: For Sale by Expressions of Interest” by Ernst and Young and Jones Lang LaSalle, we see a few sale objectives, including ensuring the sustainable continued operation and growth of the market function, but, ultimately, maximising transaction proceeds and financial return for the state. This last happened under Richard Court, as the member for West Swan pointed out, in the rail network—the freight network. What will happen is the return will be maximised and a future government will have to deal with the consequences. At that time the Minister for Transport assured us that the tier 3 rail lines would be maintained and invested in, but now the National Party and the Liberal Party are happy for them to be closed down. They are very happy about that, despite the commitments of the previous Liberal–National government under Richard Court. That is why the opposition will be seeking to move amendments to at least try to protect the long-term interests of growers, consumers and, importantly, taxpayers—those three important groups that are sometimes lost in the Liberal Party debate up here. The tax concerns growers and consumers in particular, but also those future taxpayers who we talk about on this side of the chamber. It does not get much of a thought or mention on that side of the chamber because they are looking at the here and now. That is the simple reality.

The member for West Swan made this point, and she was absolutely correct, that the government sees the sale of the PMA as a property deal. That is what this is for the government. Not only does the government see this as a property deal, but also the market sees this as a property deal. That is useful information, and maybe in his second reading reply the Treasurer will let us know whether that is still the case for the short-listed buyers. I do not know, but four of the five short-listed buyers are in this for property plays. That is what they are there for. The five short-listed buyers include the industry consortium, which the member for West Swan went through in some detail, and the other four are property players: Australian Capital Equity, Stockland, Dexus Property Group and Propertylink. That is why important stakeholders such as Vegetables WA are concerned and are saying, “Hang on a minute. We’ve been operating here successfully for quite some time and if a property player comes in, yes, they may see this 20-year commitment from the government, but if they make life unbearably difficult for us, then before you know it”—I think the member for West Swan said the PMA currently has 52 per cent of volume and 56 per cent of market value—“that starts to decline.” Then the inevitable argument is raised about the Perth Marketing Authority’s future not being there and that the best use of the facility will be development. That is why the member for West Swan has made the point, and certainly Vegetables WA has made the point, that, and I quote from its information sheet —

It is unacceptable that the government is risking the dissolution of Western Australia’s wholesale horticulture markets in 20 years. This condition of sale needs to be significantly extended to 50 years or indefinitely as proposed in Queensland when the government privatised their markets.

The Treasurer in his second reading speech specifically referred to Brisbane as an example that is being followed by this government. However, that clearly does not apply to extending to 50 years the security that is provided to growers and consumers. Vegetables WA should be concerned. No doubt it is looking with some interest at what has happened with tier 3 rail in the wheatbelt, and it can see its future. Chances are that not one of us will be in this chamber when these chickens come home to roost. That is always the problem that we have. The minister will say, “It’s okay; we have this legislation, and I will ensure that certain things happen.” However, the minister is here, like all of us, for only a fleeting moment, and, before we know it, something is on sold and on sold, and commitments that have been made, whether it be in legislation or in contractual agreements, lose their lustre, and the consumer, the growers and the taxpayers are left to foot the bill.

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I do not think that the amendments that will be proposed by the member for West Swan are unreasonable. I refer to the expressions of interest document for the sale of Market City. The first item under the heading “Sale Objectives” states, and I quote —

- Ensure the sustainable continued operation and growth of the market function

If that is the legitimate interest of the government, the government will have no problem in supporting our amendments. I believe those amendments should include the protection of the weekend retail markets that are held at Market City. I do not need to tell members about the growing interest of our constituents in buying direct from growers. In my own area of Victoria Park, the Clontarf weekend markets are enjoying huge growth. Indeed, the Perth Market Authority annual report for 2014–15 makes the point, and I quote —

- The Authority operates two Weekend Public Markets: the Saturday Clearance Market and Sunday Community Market.
- An average of 1,574 vehicles have visited the Saturday Clearance markets and an average of 4,643 people visit the Sunday Community Market per week.

There is huge support for these markets. There is nothing in this bill that will protect these markets upon disposal of Market City—zero. I do not think it is beyond the wit of us in this place to offer amendments accordingly.

Another concern is land tax. The member for West Swan has made this point. I refer to a document that was given to the opposition by the Treasurer’s office. It is titled “PMA Sale Contract: Guide to Market Controls”. It is an interesting document, and it contains a bunch of useful information. It states under the heading “Tenant Assistance”, and I quote —

Restrict the new owner —

Whoever that owner might be, I guess —

from recovering land tax in the first year with incremental recovery over the next five years.

It goes on to state, under the heading “Rationale” —

The change of owner will bring an end to the exemption from land tax for Market City. The control will ensue —

There is a spelling mistake here —

tenants are not immediately impacted by the introduction of land tax.

That will be a significant change. That cost is currently not borne by the tenants at Market City. As the member for West Swan pointed out, if the buyer is Australian Capital Equity, Stockland, Dexus Property Group or Propertylink, they will have large landholdings, and that will mean that their land tax liability will be significant. Even though there will be a five-year period during which growers will be protected from the full impact of that impost, it will arrive very quickly, and it will be combined with a significant increase in rental charges.

Vegetables WA has set out its concerns very articulately in its information sheet. Vegetables WA goes on to state the following in the seventh point of its information sheet —

Bids should be assessed on other issues such as the new owner’s contribution to things such as:

- a. site development;
- b. value chain development activities;
- c. collaboration with the Central Markets Association of Australia;
- d. tenant and industry consultation;
- e. funding for the free collection and distribution of market pricing information as performed by the Perth Market Authority is retained;
- f. compulsion of tenants by any new market owner through lease conditions to participate in price and other reporting as well as compliance with the *Western Australian Agricultural Produce Commission Act (1988)*; and
- g. commitment to engaging with growers as well as wholesalers in development of rules to replace the By-laws under the *Perth Market Act (1926)*.

The member for West Swan went through those by-laws. Those by-laws have created what is clearly an efficient marketing authority that acts very much in the interests of growers. Vegetables WA points out in its strategic plan the need to focus on investment to encourage smaller growers. Vegetables WA is representing its industry very well and has done so for a long time. The fact that it has 52 per cent of the volume and 56 per cent of the market value confirms that. Therefore, when four out of the five short-listed buyers are property developers, I am

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not surprised that Vegetables WA is worried about site development and about what its future will be 20 years post disposal. This bill does not provide any protections to deal with those concerns. If proper consultation had taken place, these issues might have been able to be dealt with. We have seen the comments by Vegetables WA, Mr Mercer, Mr Shannon, the Hills Orchard Improvement Group and the Swan Valley growers. All these people have a direct interest in what the future holds after the disposal of the PMA.

[Member's time extended.]

Mr B.S. WYATT: I do not know what the discussion was within the National Party about this bill. I doubt there was much discussion. The National Party needs to represent what historically has been its constituency. I do not know these groups, but I hope that Vegetables WA, the Hills Orchard Improvement Group and the Swan Valley growers are dealing with the National Party, because the National Party is a partner in government and may have the capacity to bring some amendments to this bill that will assuage the concerns of those groups. The Treasurer may be able in his response to update us on the short-listed buyers. I am not sure what level of secrecy is attached to that. However, it is clear at every turn, whether it is the article by Emma Young around the fire sale or the concerns raised by growers, that there is not overwhelming support for this bill. I cannot find much support for this bill at all. The government might get some support for this bill if it extended the protection from 20 years to 50 years. Vegetables WA also has some other concerns about the disposal that need to be dealt with by the government. I hope the Treasurer will be able to answer those questions when he gets to his feet.

Sitting suspended from 6.00 to 7.00 pm

Mr B.S. WYATT: I return to the comments I was making on the Perth Market (Disposal) Bill 2015. I want to conclude with the position that has been put and the concerns that have been raised by Vegetables WA, because these questions have not been addressed by the government. In the various media appearances by the Treasurer or the Premier, the Premier has tended to lead the discussion around asset sales, but he certainly has not fleshed out the argument or addressed the concerns that have been raised. I want to go over those concerns very, very quickly, because Vegetables WA has raised, I think, the key points. The first is its comment that the vegetable industry requires a wholesale marketing facility. As the member for West Swan and I have explained, this bill effectively provides a 20-year guarantee after disposal, but it is Vegetables WA's view that this guarantee is far too short and that it should be required for 50 years or indefinitely, as was proposed in Queensland when the government there sold its wholesale markets. It is the view of Vegetables WA that for the sustainability of the wholesale markets, a much longer time is needed. I hope the Treasurer will deal with that issue. He is looking perplexed, as though he has never heard that before. That is certainly the position of Vegetables WA.

Dr M.D. Nahan: How long for Brisbane?

Mr B.S. WYATT: I will quote it to the Treasurer again.

Dr M.D. Nahan: Who? Vegetables WA?

Mr B.S. WYATT: Yes.

Dr M.D. Nahan: Are you saying that that is accurate or are you just quoting them?

Mr B.S. WYATT: I am quoting its position. Its document states —

It should be required for 50 years or indefinitely as was proposed in Queensland when the government sold their wholesale markets.

Dr M.D. Nahan: Okay.

Mr B.S. WYATT: What I want from the Treasurer in his response is an explanation of why he thinks 20 years is appropriate when Vegetables WA is of the view that it should be 50 years. That is what I want from the Treasurer when he responds to the second reading debate in due course. Ultimately, that is a question that has not been dealt with in the public domain. I have looked at the media and at the transcripts and conversations around this subject and that is an issue that has not been dealt with. It is a key issue that has been raised by an important stakeholder.

Dr M.D. Nahan: It is a valid issue, but my understanding is that when Brisbane was sold, it was seven years.

Mr B.S. WYATT: It was seven years?

Dr M.D. Nahan: That's what I was told.

Mr B.S. WYATT: Okay. I am going on what Vegetables WA has said and, at this point, I will rely on its advice. Its document also makes the point that horticulture is the primary industry candidate for the government's

Agrifood 2025+: the future Way plan, and that the Perth wholesale markets are important for that. Ultimately, we need to provide a system that, upon disposal, does not leave us in the same position that we find ourselves in with tier 3 rail in the wheatbelt; that is, despite the terms and conditions that were attached to that sale, we now have, supported by the Liberal and National Parties, tier 3 rail being closed. What will happen in 20 years' time when this guarantee ceases? As the member for West Swan and I have pointed out, four out of the five buyers that have been short-listed are property developers. It is a property play for them, which suggests to me that post-20 years, their commitment will be to the property market and not to the wholesale fruit and vegetable market. There needs to be some clarity around that so that in 20 years' time taxpayers do not have to foot the bill to provide another piece of land for wholesale markets. That was the point raised by the member for West Swan this evening on behalf of the opposition.

Ultimately, we have approached this issue through the prism of what is good for growers, what is good for consumers and what is good for taxpayers. A number of questions need to be addressed. I am pleased that the Treasurer will hopefully address all of them, but that he will certainly address at least one of them. The opposition will be moving some amendments to this bill that I do not think are inconsistent with the desires of the government, as explained in its expression of interest document prepared by Ernst and Young and Jones Lang LaSalle; that is, to ensure the sustainable, continued operation and growth of the market function. However, those amendments may well be inconsistent with maximising transaction proceeds and the financial return for the state. That may indeed be the case, but organisations from the Australian Competition and Consumer Commission through to Vegetables WA have made the point about why the initial transaction return to the state may need to be lower to provide a better outcome for, in this case, growers, consumers and the taxpayers of WA. That is what will be motivating the opposition as we go into consideration in detail on this bill.

MR P. ABETZ (Southern River) [7.05 pm]: I rise in support of the Perth Market (Disposal) Bill 2015. I will first give some background to the markets and I would then like to address a few issues, which I hope the Treasurer can address when he responds to the second reading debate. Market City, which is more commonly known as the Canning Vale markets, is located just over the boundary from my electorate in the seat of Riverton and is some 16 kilometres south of the central business district of Perth. Having a keen interest in the agricultural sector and having worked in that industry many years ago, I have been following the fortunes of the Canning Vale markets since arriving in Western Australia in 1991. The facility at that time was just two years old. Having five growing children, it was great to go there on Saturday mornings for the clearance markets. We could get enough fruit and vegies for a very small sum that we could feed our family for a fortnight. The kids used to love going there with me; it was a very pleasant Saturday morning outing. I understand that some 56 per cent by value of the fruit and vegetables trade in WA and 40 per cent by volume go through the central trading area of Market City each year, which according to its 2015 annual report is said to be worth \$617 million and weighs about 214 000 tonnes. Some 25 primary wholesalers and 30 secondary wholesalers, providers, distributors and food processors operate on the site. Some 600 buyers operate there as well. In the whole Market City land area, there are approximately 2 000 employees, so it is a very significant local employer, including many people from my electorate.

The Market City site covers 51 hectares. Anyone who has been to the site would have to acknowledge that it has enormous potential for further development. I understand that some 12 hectares is totally vacant land at this point in time. That could certainly be developed to provide further coolstores, handling facilities, a food industry precinct, perhaps warehousing, an industry training facility or perhaps a laboratory-type set-up for scientific and quality assurance—there is lots of potential there. Market City is ideally located because it is very accessible from Mitchell Freeway, Tonkin Highway, and Roe Highway, which will be part of the Perth freight link. It is very accessible for people from all over the state in terms of vehicle movements, and trucks do not have to go through residential areas as it is just a couple of hundred metres off Roe Highway. The government's ownership of the site has created a problem for the Perth Market Authority as it needs to get funds from Treasury for any expansions. The lack of government investment has resulted in insufficient cool storage facilities being available, which has resulted in a number of operators having to build their own coolstore facilities in the Canning Vale industrial area.

I heard the member for West Swan talk about the impact of the land tax issue. I put it to members that if the site was further developed, it could increase the income stream very significantly from that asset, which would more than allow the successful purchaser to generate sufficient revenue to pay for the land tax. When the E7 cold chain warehouse was completed last year, it was the first new facility to be built on the site in 10 years. It was fully leased very quickly, indicating a continuing demand for such a facility. The benefit of selling the facility will mean that capital can be accessed without having to get Treasury approval. The new operator will be able to build new facilities if the business case stacks up and obtain commercial funding, and it can then be operated fully as a business. The concept of selling the facility is sound but it is vital that we put something in place to ensure that the site continues to operate as a fruit and vegetable wholesale market for as long as it serves the

purpose of the fruit and vegetable industry in Western Australia. I am reluctant to put a specific number of years to that because technology changes. Let us take the wool marketing industry, for example. Who would have thought in the 1960s that wool sales would be done by sample? Nobody thought of that concept at the time and the big wool sale sheds became redundant very quickly. My concern is that the site should be a fruit and vegetable market for as long as it serves the purpose of the fruit and vegetable industry.

I am not a lawyer, so I may not be reading the legislation correctly, but in its present form it would appear to me—I hope that the Treasurer can respond to this in his second reading response—that the bill does not afford that protection beyond 20 years. Some people mentioned that it will be situated close to the Canning Vale markets railway station, which the Premier said will be the next rail project after the airport rail project. With a little bit of luck, the Liberal Party will be building that station. People have said that the land there will be so valuable for residential development because there are no other houses around there and high-rise apartment blocks could be built. But the fact is that it is an industrial area and the zoning could be changed to residential only if the government makes that decision. The fear of a land developer purchasing that land and building high-rise apartments would not happen unless the government made it happen. My personal preference would be for the industry to purchase the site and it could then look after its best interests, but only time will tell whether The Chamber of Fruit and Vegetable Industries in Western Australia will end up being the successful bidder.

We could provide a degree of protection to the interests of growers and merchants by segregating the sale of the cashflow stream from the sale of the real estate asset. I am suggesting that the successful bidder with the state government would simply purchase the rental income cashflow stream and securitise this asset into investment units for its own members or shareholders. I refer to the standard asset securitisation exercise, which is similar to the mortgage securitisation arrangements carried out by banks worldwide. That means that the successful bidder would have control of only the cashflow and not the land, unless the industry is the successful bidder and it then has control of it. The land would be vested in a separate entity controlled by the merchants and growers. In this way, unless the majority of merchants and growers agree to it, the site could never be sold to a different owner for a different purpose, such as a transport depot or whatever. My research indicates that other states have tackled this issue in a similar way. For example, the entity known as the Adelaide Produce Markets Ltd has four classes of shares: growers, retailers, wholesalers and unclassified shares. Unclassified shares are not held by growers, retailers or wholesalers, and cannot exceed 49 per cent of all shares. The purpose of this clause in its constitution is to ensure that the growers, wholesalers and retailers will always maintain control of that facility. In addition, its constitution states that the maximum shareholding for any shareholder is 15 per cent, so no single shareholder can have complete control.

The Sydney Produce Market is another example. It is the largest fresh produce market in Australia and one of the largest in the southern hemisphere. Sydney Markets Ltd is an unlisted public company that acquired the assets of the Sydney markets from the state government in 1997. Sydney Markets Ltd has more than 2 000 shareholders, all of whom are tenants of the Sydney markets. Shares are divided into five classes reflecting the different areas of the market. Once a share is issued to a tenant, whenever that tenant's tradable space is transferred to another tenant the share must also be transferred across. There is also a council of market representatives, which is the voice of the traders who advise the board about policy and so on. I would like to see that set in place in the contractual arrangement between the government and the successful bidder for the Canning Vale markets.

Mr P.B. Watson: Will the member be making amendments to the bill?

Mr P. ABETZ: I will wait to hear what the Treasurer has to say on whether it is possible to put that into the contract. I hope that in consideration of the bids, preference will be given to those with a corporate structure that ensures the fruit and vegetable industry retains control of the site. In my opinion, the advantages of this type of arrangement are very significant. Traders and owners would not have a conflict of interest because the ultimate owners and the traders are the same people. If the owner of the real estate wanted to sell or redevelop the site, that entity would need the approval of the shareholders, which means the traders. My understanding is that to achieve a similar type of structure here in Western Australia it could be built into the contract into which the government enters. I would be interested to hear from the Treasurer whether that is possible or whether it requires an amendment to the bill.

A private corporate entity such as a superannuation fund or the like—we will call it entity A—could buy the Canning Vale markets, and a brand new entity B could be set up by entity A. Entity B could be endowed with the real estate of the Canning Vale markets for up-front payment subject to it paying rent to entity A for a long-term agreement. Each grower or operator in the Canning Vale markets would pay rent to entity B so that it in turn had enough cashflow to pay its rent to entity A but, in addition, each grower operator would be given a free share in entity B with the protection provided by a constitution similar to that of the Adelaide markets. The Adelaide markets' constitution ensures that no single grower can have the majority of the shares and the outcome of that would mean that entity A would not own the real estate but the rights to the income stream. It has brought

the rights to the rental income generated by the real estate. Entity B owns the real estate and because the shareholders from entity B are the growers, it transpires that the growers have permanent security of tenure at Canning Vale markets. Obviously there is uncertainty about what might happen to the fruit and vegetable market industry in 20 years.

When I was at university finishing my agricultural science degree, I never dreamt that I would own a computer. The only computer at the university at the time was inside a double-storey building, and a number of technicians were employed to keep all the contacts clean. Apparently that computer had less capacity than the very first computer I purchased back in the late 1980s, so who knows where technology will take us in the fruit and vegetable marketing industry. That is why I believe we need to put some structure in place that will ensure that the Canning Vale market will continue to function as a fruit and vegetable market as long as it serves the purposes of the fruit and vegetable industry. Real potential exists for further development of the site, with its proximity to the Fremantle port, for export shipments to leave Fremantle. The Canning Vale market site could be used to consolidate the loading of containers for the South East Asian market or wherever.

I recognise that as the bill reads currently, the successful bidder has to use the site for a fruit and vegetable market for 20 years. My concern is that an unscrupulous operator might purchase the Canning Vale markets, and that even if the person who purchases the market right now is honourable and ethical, at some point they might sell the market to another entity that is not ethical. What could transpire in, say, 15 years' time is that this unethical entity could say, "We do not want to run this as a market anymore", and it would give notice to the government that it will not be running it as a market, which would significantly devalue the wholesalers' businesses located in the market. Let us say a wholesaler wanted to retire and sell his business, who would buy a business on that site when he has no assurance that it will be a market in five years' time? Chances are if the market is going to be closed down, its facilities will be allowed to run down, and there certainly will be issues around that; but if the growers and merchants retain control of the market, it is in their best interests to make sure it is managed well and that it serves the purposes of the industry.

I look forward to the Treasurer addressing some of those issues in his response, as I believe that the Canning Vale market has a tremendous future. It is well located and is a brilliant facility, but it needs significant further investment to allow it to function as well as it could. For those who are familiar with the market, it has retail areas and a service station, but a lot of that land is not utilised all that efficiently. Someone with significant capital could invest and build up that property holding to give a very good return on the capital invested.

MR W.J. JOHNSTON (Cannington) [7.23 pm]: I rise to make some remarks on this fire sale—the Perth Market (Disposal) Bill 2015. I want to remind the chamber and the people of Western Australia why we are here selling this important asset. In the 2007–08 budget outcome, Western Australia had a net operating balance—that is, a budget surplus—of \$2 507 million. This year, the Treasurer presented a budget to the chamber that had a budget estimate for the net operating balance for the 2015–16 financial year of negative \$2 708 million, which is a \$5 215 million deterioration in the budget position. The budget showed an over \$5 billion reduction in the financial performance of the state. I make it clear that revenue in 2007–08 was \$19 345 million and that in the 2015–16 budget presented by the Treasurer revenue was \$26 325 million—in other words, \$7 billion more income for the state of Western Australia.

Before any member opposite cries poor from the GST et cetera—that terrible deal done by the federal Liberal government with the state Liberal government—and before they whinge about the deal they did on behalf of Western Australians that is ripping us off by billions of dollars each year and despite that Liberal Party deal stealing money from Western Australians every day of the week, Western Australia's income has still gone up by over \$7 billion, but its budget position has fallen by over \$5 billion. That is the reason that the government intends to sell this important public asset in the free market. As the member for Southern River has outlined, selling that asset in the way that has been proposed in the current market is wrong. I agree with the member's analysis on that point and it will be interesting to see how he votes, because we would not want him to give a speech supporting the interests of the merchants and operators at the market, but then vote in favour of the government's legislation that will undermine their operations.

I remind the chamber that at the end of the 2007–08 financial year, net debt for the public sector was \$3 634 million and that the Treasurer presented the 2015–16 budget that projects that the position on 30 June 2016 will be \$30 996 billion—so, over \$27 billion of extra debt since the Liberal Party took control of the state of Western Australia. Members can see the enormous financial challenges that have been caused by the incompetence and incapacities of the tired Liberal–National government in Western Australia that has run out of ideas. The government's out-of-control budget has created this situation in which it needs to sell the Perth markets and cause the trouble that the member for Southern River outlined. I expect that at the next

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Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

election the Labor Party will be putting up posters of the Premier and that there will be no posters of the Premier put up by the Liberal Party because he is so unpopular. It will be the Labor Party putting up posters on election day reminding people that a vote for a Liberal candidate is a vote for the member for Cottesloe.

Dr A.D. Buti: And the member for Scarborough!

Mr W.J. JOHNSTON: I imagine that the member for Scarborough will be the Deputy Premier by then. It will be interesting to see that the Liberal Party will not be putting up any posters of the member for Cottesloe at polling booths on the next election day. On election day, it will be “Where’s the member for Cottesloe?”

The other day I was driving my son to school. He is in year 12 and he was getting ready for his final exams. He said to me in the car that the one thing he remembered his accounting teacher telling him was, “If you sell assets, you lose the income for the future.” That is the position that we are in now. Of course, privatisation is one response for the budget crisis that the government has got itself into, but it is not the automatic response. Certainly, in respect of the Canning Vale market and for the reasons the member for Southern River outlined, this simple selling off to a property developer is not the best approach. I am attracted to the idea of cooperatives. I have spoken in this chamber previously about my support for cooperatives, so the sort of cooperative structure that the member for Southern River outlined is perhaps one way of going forward.

Interestingly, the Labor Party had to deal with a similar issue when we were in government; that is, with respect to the Western Australian Egg Marketing Board. In 2004, following extensive consultation, the former Labor government introduced to Parliament the Marketing of Eggs Amendment Bill 2004 to deregulate the marketing of eggs in Western Australia so that the free market could operate and to transform the WA Egg Marketing Board into a grower-owned company. I quote *Hansard* of 24 June 2004, in which the Minister for Agriculture and Food at the time, Hon Kim Chance, stated —

As members are aware, the business of the Western Australian Egg Marketing Board trading as Golden Egg Farms is to be transferred to a new producer-owned egg marketing company. The Bill itself does not give effect to this transfer, however. Rather, the transfer will take effect through regulations made under section 43 of the Act to be inserted by this Bill.

He went on to say —

The industry needs to get it right. Through the Poultry Farmers Association and Golden Egg Farms, the industry has engaged legal and business consultants to draft a constitution for the new company. The Bill envisages up to 18 months being required for the task and I do not plan to rush them. The Government will need to be satisfied of the equity of the proposal before it signs off on any transfer of previously state-owned assets, but it is a matter for industry, not the Government, to decide on the appropriate constitution and establish the private company. There is no need for this to be tied to the passage of this legislation.

It is interesting that the 2004 Egg Marketing Board annual report includes extensive commentary from the chairman, who was obviously an industry person, about the transfer. He made the point that the company was concentrating on the new era, rather than just on the individual operations of that year. The chairman at the time, Mr Brent Stewart, states in the report —

I take this opportunity to acknowledge the efforts of my fellow Board Members and the staff of Golden Egg Farms for their input during this year and look forward to working with them as we move into the final chapter of the WA Egg Marketing Board and the first chapter of a new and exciting producer owned commercial organisation.

He finishes by stating —

After this time, I am pleased to be able to witness the successful transition of GEF to the new structure and offer my very best wishes to the new Board and producer shareholders of the new company.

I make the point that, sure, we can sell a business just to get money back because the budget is in surplus, but that is not in the interests of the producers in the industry. When the Labor government was dealing with that issue, because of its strong management of the state’s finances, it was able to ensure that the company transferred to grower ownership. I note that Golden Egg Farms has a comment on its website today, which states —

We are 100% WA owned and operated. We employ West Australians, our farmers and contract farmers are West Australian. We buy local feed from WA ensuring all profits stay here in the West. Eggs are delivered daily and some stores receive them within 24 hours of being laid ... Buy West Eat Best.

When you buy our Golden Egg products in stores you can be assured that you are supporting Western Australia and West Australian people and farmers, ensuring your money stays at home.

That outcome was only achieved because the Labor government had run strong financial affairs in this state and was able to avoid all the dangers that are being set before us by the government today—a government that is being forced to do these things. The government is not doing this because it has a plan as the Labor government did in the early 2000s when we spent over a year consulting with the industry before we introduced legislation and then allowed another 18 months of consultation to get a proper outcome. There were nearly three years between making the decision to proceed to the member-owned arrangements compared with what we are doing here—just rushing this legislation through with no consultation, as explained by the member for West Swan.

I notice that the Treasurer pointed out that some other states have privatised their markets. I understand that that is not true in Victoria, which is interesting given that Jeff Kennett sold just about every other state asset but retained Victoria's central markets in government ownership. The grower association website at www.marketcentral.cfviwa.com.au states —

- All successful privatisations of comparable fruit and vegetable markets in other Australian states have resulted in the industry-backed consortium acquiring the market and associated infrastructure.
- The privatisations of markets in Sydney, Brisbane and Adelaide are good examples of a successful switch from government to industry ownership, with a smooth transition and ongoing investment and growth.

That is contrary to the impression created by the Treasurer's second reading speech. We need the Treasurer to clarify why he has not made it clear that in other states where there has been privatisation, markets were not sold off as property deals but, rather, transferred to grower interests so that there is an alignment between the operations of the markets and the interests of the industry. It will be Western Australians who will suffer if we do not get this right. It will be Western Australian consumers and Western Australian producers who will suffer if it is just sold off as a business deal.

The sale document produced on behalf of the government by Ernst and Young and Jones Lang LaSalle states —

Earnings Upside From Existing Operations

There is potential to improve earnings from Market City through:

- The continued process of transferring tenants to market based leases and capturing the differential between passing income and market rents
- Opportunities to rationalise the cost base both in terms of tenants' costs (outgoings) and owner costs
- Enhancing the recovery of tenant outgoings. The majority of tenancies at Market City are documented on institutional grade leases

In other words, it highlights that the reason there is an upside for the purchase of the site is that the purchaser will be able to charge the users of the facility more. The report states that the reason that they could pay more for the site is because they could transfer wealth from the producers and wholesalers in the market to the purchaser of the place. It is not an unusual decision, because if a land developer is to come in to that operation and take it over, they will be looking for an upside. There is only one reason a developer is going to pay a high price for that site, and that is if they can get more income. After all, developers are private sector investors and that is what private sector investors do—they attempt to maximise their returns, and there is nothing in this bill that will stop them doing that.

I want to contrast that situation with some of the comments made by the Treasurer and the Premier. On 28 August 2014, in a press release headed "First round of Government asset sales announced", the Premier is quoted as saying —

"These assets —

Including the Perth markets —

are better placed in the private sector. They are likely to be better run by the private sector," he said.

There is a comment in the press release that is not attributed to either the Premier or the Treasurer that states —

With 155 tenants, the Perth Market Authority operates Market City in Canning Vale, which undertakes the marketing and distribution of fresh fruits and vegetables in WA. A condition of the sale would be the ongoing operation of the markets.

But of course we now know that that is not actually the case; there is only this 20-year provision. If there was any genuine interest to meet the terms of that commitment made in the press release of 28 August 2014, which

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I must say has been repeated a number of times in comments to various media outlets, then this bill does not do that. This bill needs the sort of amendment that the member for West Swan will move or, indeed, the amendments that my very good friend the member for Southern River has foreshadowed, because that might achieve the protections that the Treasurer has talked about, but the bill will not do that.

On 14 October 2014, the Treasurer announced the appointment of advisers for the sale of the ports as part of the privatisation process. His media release states —

Dr Nahan said he anticipated that Treasury would separately approach the market for a lead adviser later this month for the sale of the Perth Market Authority (Market City).

I make the point that at page 10 of the 2014–15 midyear review, it states —

On 28 August 2014, the Government announced the first tranche of its asset sales program, comprising Market City ... and port handling facilities ...

[Member's time extended.]

Mr W.J. JOHNSTON: Under the heading “Sale of Perth Market Authority” on page 151 of budget paper No 3, it states —

Project funding of \$2.5 million over two years from 2014–15 has been approved to facilitate the sale of the Perth Market Authority, as part of the Government's asset sales program.

Already we have seen \$2.5 million given to Ernst and Young and Jones Lang LaSalle to provide advice about the sale of the project. We know what the government is trying to achieve. It is made clear in its sale documents that it is about maximising the return for the taxpayers in the price of the sale. We have a history of this. When the Premier was the Minister for Energy, he sold the Dampier to Bunbury pipeline for \$2.3 billion, and that was the source of complex problems from then on for Western Australian energy consumers. It took a Labor government to overcome the serious problems that arose out of the badly structured privatisation of that pipeline that impacted on Western Australians and led to all sorts of problems for this state because the government concentrated only on the sale price rather than on the consequences of the sale. My friend the member for Southern River has outlined why the government's plan on this matter does not make sense if it takes into account the interests of Western Australians broadly and does not look at it as just a short-term sugar hit to a badly managed budget that has been ground down year after year by an incompetent government that has run out of ideas and become tired and lazy.

I make the point that on 24 December 2014, the Treasurer said —

The abundance of, and access to, private capital means it is also better placed to finance asset expansion and upgrades sooner, delivering greater levels of efficiency and productivity.

There is no reason that the government needs to sell the market to have access to that private sector capital. A range of other alternatives, such as the ones outlined by the member for Southern River, would allow it to have access to that capital if that was the issue it was trying to solve. If that was the issue it was trying to solve, this is not the bill it should have introduced.

On 25 June 2015, the Treasurer said —

Potential buyers will be evaluated against their vision to manage and develop Market City in a way that contributes to the industry.

Yet we will have no effective way of controlling whether that occurs in the future. It is interesting that the same media release quotes the Minister for Agriculture and Food, Hon Ken Baston, MLC. It states —

As part of this process, consideration was given to the impact on Market City tenants and Mr Baston said the State Government was committed to supporting tenants with a number of measures designed to limit the potential impact of the sale.

We know that the grower and trader representatives have said that selling to a property developer is not in the interests of the market and not in the interests of the people who operate in the market. The media release of 23 September 2015 that announced the four property developers and the Chamber of Fruit and Vegetable Industries in Western Australia as the five final bidders states —

The Minister said the shortlisted bidders all demonstrated a commitment to sustain the long-term operation of the wholesale market.

We invite the Treasurer, when he gives his reply, to table in Parliament all the bid documents that have been submitted by these bidders so that Western Australians can see the truthfulness of that statement, because we all

doubt it. The fruit and vegetable growers in Western Australia doubt it. We doubt it. It is no wonder it is doubted, because it is clear from the Canning Vale Market City Perth WA sale document, prepared on behalf of the government by Ernst and Young and Jones Lang LaSalle, that that is not what it is about. It is no wonder it is not trusted by the people in the industry. As I say, if the government had not managed the affairs of this state so badly, we would not be doing this. It would be doing what the Labor Party did in government with the egg board in that it would be cooperating with the producers to create a producer-led cooperative structure to ensure that the business continues to function in the interests of the growers and consumers in this state. We can consider the advantages I have outlined for Golden Egg Farms, a Western Australian company supporting Western Australian industry.

That leads to the final point that I will make on this issue, which is that there needs to be a proper agrifood plan in Western Australia, but there is not one. There is talk of one and there are media releases about one, but there is nothing. No wonder there is not, when the Premier says that planning is not for him; he is about actions, not plans. That is why the state is in a mess. That is why we spent \$230 million on the world's most expensive bus station.

Mr P. Papalia interjected.

Mr W.J. JOHNSTON: I am getting to that. If there was an agricultural food plan in Western Australia, the sale of Market City would not be on it. It would be about facilitating the increased opportunities through the market. The Treasurer likes to talk about the export opportunities for the food and vegetable industries, but if higher costs will be ripped out of the industry by property developers—many of the bidders are foreign-owned property investors, and I make the point that I do not have any problem with foreign investment; I am just making the point that that means that the dividends from the investment will go overseas and not back into the Australian sector, whereas Golden Egg Farms is returning its dividends to Western Australia—the government would not be selling the market to a property developer.

Let us look at some of the silly things that have happened. An amount of \$330 million has been spent on a road and a drain in the Ord. People can watch episode 8 of the first season of *Utopia* if they want to see what is wrong with the Ord scheme. That amount of \$330 million could have done so much for the agricultural food industry in Western Australia, but instead it is being used to allow the land to be given away for free so that sorghum can be grown to feed cattle. It is crazy. Then there is the Pilbara irrigation from the mine dewatering. In answer to a Dorothy Dixier during question time, the minister talked about using the land underneath the pivots for weaners. Weaners are young male cattle that are born on dairy farms. For those who eat Wiener schnitzel, as I do sometimes, that is what they are used for. Obviously, a male dairy cow has no value because it does not produce milk, so they become Wiener schnitzel.

The SPEAKER: I am getting hungry, member for Cannington!

Mr W.J. JOHNSTON: Yes!

Of course, they are grown for slaughter on feedlots and small farms close to the dairy farms, because that way the energy costs for transport of the cattle are minimised. If they are going to be grown under pivot irrigation in the Pilbara, they will have to be trucked from Harvey and Brunswick Junction in the south west of the state, through the city, up to Karratha and then inland from Karratha to where the pivot irrigators are. They will then have to be grown for three to six months, depending on the type of cattle and when they are to be marketed.

Mr I.C. Blayney: Will you take an interjection?

Mr W.J. JOHNSTON: Not right now, because I have only four minutes to go. I am sure the member can get up and speak after me.

When they are grown to full size they will then be trucked back from the Pilbara to the south west to be slaughtered because there are no slaughterhouses in the north of the state.

Dr M.D. Nahan: There's one being built.

Mr W.J. JOHNSTON: Yes, well, let us see that—in Derby! The Treasurer's plan is to truck them from inland. There are no slaughterhouses in the Pilbara, Treasurer. His plan is to truck them back to Karratha and then up to Derby for slaughter. Where are they then going to be exported to—South-East Asia? Is that the Treasurer's plan? There is no plan in this.

I asked one of the Rio executives about this, because hay was being grown underneath the pivot irrigators. I asked, "What do you do with the hay?" They said, "Well, we don't know; we were asked to see if we'd mind doing the mine dewatering and the pivot irrigation, but we're not into that part of the business", so there is no market for that hay. That is why the Treasurer suddenly has this madcap scheme.

Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

There was an issue referred to in one of the articles tabled by the member for West Swan about the idea of what is referred to as “food miles”; that is, the idea that we do not want to have our food travelling too far. We are an export-oriented country and we rely on sending our food surplus overseas, but to the extent to which we are able, reducing the distance travelled by food before it gets to the plate is something to be applauded. The idea of taking cattle—young calves—from Brunswick Junction and trucking them to the Pilbara, growing them under the pivot irrigator and then trucking them to Derby or back down to Brunswick Junction, is crazy; it is not part of an agrifood plan for this state.

My final point on the agrifood plan is that we have not done anything; we have not spent the \$330 million that we spent on the Ord, and we have not spent the \$230 million that we spent on the bus station and on fixing the single largest rural productivity problem, which is salinity in the wheatbelt, much less dealing with phosphorus in the wheatbelt, and we have allowed the Smiths Chips factory to close down with 300 job losses in the agrifood business here in Western Australia. There were 300 job losses, and the Premier; Minister for State Development laughed about that in the chamber. There is no plan here, and that is embarrassing. What we have seen today is a desperate government’s fire sale of the Perth Market, against the interests of the consumers of Western Australia, against the interests of agricultural and horticultural producers and against the interests of the traders in the facility.

MR M. MCGOWAN (Rockingham — Leader of the Opposition) [7.53 pm]: I want to make sure that members of the Liberal and National Parties understand what they are voting for with the Perth Market (Disposal) Bill 2015. They are voting for legislation to sell off the facilities associated with the Perth Market Authority. Just so members understand what that is—I have a feeling that a lot of government members do not know what they are voting for on this legislation—it is the major market that operates in Canning Vale. It is situated on around 56 hectares of land with significant buildings and the like, and it is where wholesalers sell vegetables, fruit and the like to the marketplace.

That facility has been there for a long time—decades—and has operated as a marketplace for growers to go via wholesalers and sell produce to smaller supermarkets, restaurants, independent shops and the like. As a marketplace, it is a major place of interchange between buyers and sellers of agricultural products. That is what it is, and I have a feeling that some members of the government do not understand that.

If one drives past it, one will notice that it is in a significantly growing area. Canning Vale is a significantly growing area with lots of houses. I drove through it many times recently during the federal Canning by-election and it is a burgeoning area with lots of residential development; a lot of people have moved there, and in the middle of that residential area there are 56 hectares of land on which the market is situated. Why do we think people want to buy land there? Do members think that all those real estate companies and residential investors who are bidding to buy these premises are doing so because they want to operate a market to sell vegetables in perpetuity? Do members think that is why they are bidding for this facility? Do members actually think that four of the five bidders want to operate markets for vegetable sellers and orchardists to sell produce to restaurants and shops, or do they think those bidders might have noticed that there are 56 hectares of land, of which 12 are currently unused, in the middle of a burgeoning area of urban infill? Why do members think they want to bid for that? I would guess that they want to buy it because, after the passage of 20 years, they can bowl it all over and build houses. I do not think anyone needs to be Einstein to work that out. What is more, there are already 12 hectares available for residential development as part of the site.

Mr P. Abetz: It’s right up against the freight railway line where you’re not allowed to build houses.

Mr M. McGOWAN: The member will have heard of a thing called rezoning. There is a thing called rezoning, and when —

Several members interjected.

The SPEAKER: Thank you. Let us come back to the Leader of the Opposition. We are starting to digress now, member for Cockburn.

Mr M. McGOWAN: If members go out and have a look, they will see that it is in the middle of a burgeoning residential area, and property developers are bidding for it. If the prices that have been outlined are correct—the government expects to get \$150million to \$200 million for it; I have seen speculation that its actual value is \$700 million—what members need to understand about these people —

Dr M.D. Nahan interjected.

Mr M. McGOWAN: The Treasurer can laugh as if he has some sort of condition if he wants to; he has this maniacal laugh, and it makes me worried for him, just so he knows—we are all very concerned!

The SPEAKER: Thank you; that is enough now.

Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

Mr M. McGOWAN: Well, Mr Speaker, we are; we are very concerned about his state of mind. It is worrisome for us that we have a Treasurer who laughs maniacally and carries on like a maniac during question time, in particular.

It is not a conspiracy theory when four property developers—that is largely all they do—are bidding for this land. If the government is saying that there is no prospect of it ever being developed, why would it not support an amendment to extend the 20-year clause during which it must operate as a market? That is what we are saying to the house. Let us amend the time for which that land must remain a market. We have suggested 50 years; I would be happy with 99 years, but the shadow Minister for Planning has come up with a 50-year amendment. If there is no prospect of that land ever being developed, vote for our amendment. There is a test for the government: vote for our amendment. If someone is to be locked up in jail, as the government said —

Dr M.D. Nahan: You said residential.

Mr M. McGOWAN: There we go again—the maniacal cackling by the Treasurer.

If there is no prospect of this land ever being developed for residential use, the government should vote for our amendment. Otherwise, the government's argument holds no water. If members of the Liberal Party and the National Party want to support those small orchardists, vegetable growers, shopkeepers and restaurateurs who rely upon this facility, they should support our amendment. We are saying that instead of the land being required to remain a market for the next 20 years, the minimum time should be 50 years. If there is no prospect of it being developed, that requirement should not affect the price, should it? If the government is going to throw into jail anyone who tries to redevelop the site, it should support the amendment.

Dr M.D. Nahan: Your point was, as you said, that it would be sold off for residential development. It is in the middle of an industrial area.

Mr M. McGOWAN: It is the same point. If the land is going to be redeveloped for industrial purposes, it would still mean that at some point in time—in 20 years' time in fact—taxpayers will be hit with the requirement —

Dr M.D. Nahan: No, they will not.

Mr M. McGOWAN: Yes, they will. The Treasurer will not be in this Parliament in 20 years' time, and neither will any of us.

Several members interjected.

Mr M. McGOWAN: I do not think any of us will be here. What about the member for Ocean Reef? I doubt that Albert will be. I might make him Agent General; you never know. He is a nice young man—send him off to England.

The point I am making is that if there is any prospect that the land will be redeveloped for industrial purposes, as the Treasurer just speculated, it still means that a new market authority, or a new marketplace for people selling and buying vegetables and fruit, will need to be established. Where will those people go for help in the future? They will go to the government. In 20 years' time, it will be the government, and this *Hansard* will be quoted by the then opposition, who will say, "How irresponsible was that government back then for doing this? They have put this enormous burden on us today, in order to make a fast buck to satisfy the enormous debt burden they have created." That is what will happen; mark my words. This *Hansard* will be quoted in 20 years' time about what has happened. The present government does not care because it will not be its problem, and it will not be Albert's problem, either. It certainly will not be the member for South Perth's problem.

Mr J.E. McGrath: How do you know?

Several members interjected.

The ACTING SPEAKER (Mr P. Abetz): Okay, members, let us get back to the subject.

Mr M. McGOWAN: The member for South Perth will be the president of Racing and Wagering Western Australia by that time. I have him lined up for that already.

Several members interjected.

The ACTING SPEAKER: Members, the Leader of the Opposition has the call.

Mr M. McGOWAN: The member for South Perth will probably be, admittedly, an ageing lobbyist saying to the government of the day, "You need to build a new facility, because those mongrels that I was a part of back then went and sold this one off, and now it's all being developed for residential or industrial purposes, as the Treasurer suggested." That is what will happen. It will be foisted back onto the government. The government will be saddled with the responsibility. The growers will not be able to do it. There will be calls for a facility like this, because all the restaurants and shops will still be around. I do not think technology will do away with the

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requirement for restaurants and grocery stores. They will still be around, and markets will still be around. Markets have been around for 3 000 years, and they will still be around in 20 years. There will be a requirement for a facility like this, and the government will be saddled with the responsibility. This is short-term thinking at its best. We are suggesting extending the time period to at least 50 years. If there is no problem, and it will not affect the price, extend it to 99 years. At least then we are putting it off for three generations, as opposed to one. That is our suggestion to the house.

I wonder about all the orchardists, shopkeepers and wholesalers who operate within the Perth Market Authority, and all the vegetable growers in Wanneroo, the Darling Range, Baldvis and Roleystone. They operate all around the fringes of Perth. I wonder what they are thinking about this.

Dr M.D. Nahan: They are supporting it.

Mr M. McGOWAN: I really doubt that, because what we find, particularly in agricultural industries, is that they pass from one generation to the next. We may well find the sons and daughters of today's strawberry growers still growing strawberries in 20 years' time. There is often an intergenerational arrangement, more so than the case of any other industry as far as I am aware, apart from the National Party—the handing down of the fruits of office that the National Party engages in. Those producers will be worried about the businesses and the properties that their children will be operating in 20 years' time. When the Treasurer says they support this measure, I do not think so. All those people, along with many others—most of them vote conservative—must be wondering why a conservative government does this. I think about those land tax payers. They must be wondering why they voted for this mob. I think about all those trucking companies and the Motor Trade Association of WA saying they are at war with the government. They must be wondering, “Why do we vote for this mob? All they do is cause us grief.”

Mr M.P. Murray: They also charge us for it. They put the bills up to make sure we get our grief and pay for it.

Mr M. McGOWAN: That is exactly right; the government causes grief, and we have to pay for it. The National Party is now wondering why it supports the government. In fact, I do not think it does anymore. We will see tomorrow. There are fighting words between the Liberal and National Parties. We heard the fighting words yesterday, and then we heard the fighting words back from the Premier today. The poor old Leader of the National Party was in Darwin, and is now on a jet back to try and sort out what is going on.

Ms R. Saffioti: He'll send a really nasty letter.

Mr M. McGOWAN: He is going to send a really, really nasty email to the Premier, and what is more, he is going to put out a press release that is really hostile. We will see what happens. Will he sign the lease or will he not? The Premier has said today that he will, but the Leader of the National Party said the other day that he would not. Let us see; it will be interesting. I am on the edge of my seat about this, and the poor people of Newman are in the middle of this stoush. All these groups—orchardists, restaurateurs, shopkeepers, land tax payers, trucking companies, and National Party supporters—are wondering why they support the Liberal Party. I wonder why they do too because the Liberal Party treats them badly. Those poor land tax payers come up to me every day in the street. They carry their land tax bills around in their pockets. They pull them out and show me! When I was at the Gidgegannup Show, a bloke came up to me, pulled out his land tax bill and said, “Look what they've done to me!” He did not even know I was going to be there; I think he was showing anyone who came along. But I was a friendly ear. I said to him, “Blame the member for South Perth; blame the member for Riverton; blame the member for Swan Hills.” I can tell members that the member for Swan Hills disgraced himself at the Gidgegannup Show. He interrupted the speeches with an unwise photo call!

Ms R. Saffioti interjected.

Mr M. McGOWAN: An unwise photo call. We organised photos during the middle of the speeches, in front of the presentation. It does not matter; I really did not want to go there!

Mr J.E. McGrath: Where is he?

Mr M. McGOWAN: I do not know. He is probably getting a photo somewhere!

Mr J.E. McGrath: In a marginal seat.

Mr M. McGOWAN: He is in a marginal seat.

Ms R. Saffioti interjected.

Mr M. McGOWAN: That is right. The poor old member for Swan Hills; I will miss him. I will miss his pithy interjections, particularly when he asks, from opposition, why the Labor Party had not built that train line to Ellenbrook! He will say, “You haven't built it”, but we were in opposition. He has not worked out the difference

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yet. Maybe he will get there when he is delivering his valedictory speech. I seek a brief extension; I will not take all of it.

The ACTING SPEAKER: I remind everyone that we are debating the Perth Market (Disposal) Bill 2015.

[Member's time extended.]

Mr M. McGOWAN: The Swan Valley is another area where people will be upset by this particular move. But there is an easy solution. We have not been bloody-minded about it. We have not said the government cannot dispose of it—I suppose we could say that. We have said we want it to remain a marketplace for vegetables and fruit for the long term, not the short term. I think that is entirely reasonable. We also maintain the position that it remains a community market. It is very popular there. The real interest of shopkeepers, orchardists and vegetable growers for the long term is this place remaining a marketing location for a few generations at least. That would resolve a lot of angst. It is a very sensible amendment. If the government does not agree to it, it sends a message about its real intent. If the government does not agree to it, the real intent therefore is to pump up the price so that real estate investors will buy it and, let us be frank, it will become housing. In 20 years' time I will be able to say, "I told you so." I will be able to look up the Treasurer and say, "I told you so." He will laugh back at me maniacally!

Mr J.E. McGrath: You won't be a pest ringing up MPs in your retirement, will you, telling them how they should be doing their job? There is nothing worse; ringing up the Treasurer saying, "You should look up *Hansard*; 20 years ago I said this."

Mr M. McGOWAN: Actually, I might call up the member for South Perth once he is gone to seek his advice on things.

Ms R. Saffioti: You might see him at the parliamentary bowls tournament!

Mr M. McGOWAN: They will be wheeling him over in the wheelchair and I will be wheeling him up the green. We will be great mates.

Mr B.S. Wyatt: What do you mean, they do it now!

The ACTING SPEAKER: Members, let us focus on the business before the house.

Mr P. Papalia: How about those Perth markets!

Mr M. McGOWAN: Yes, that is right; we will be talking about this in 20 years' time.

That is our position. What the Labor Party has suggested is entirely reasonable. As I said, we have not been bloody-minded; we have a sensible set of amendments. I encourage members of the Liberal and National Parties to look at it. If they really want to be reasonable about it and they want to keep the market authority as a long-term venue for the trading of vegetables and fruit—it is very important for businesses and families in Western Australia—that is the way to do it. We are not saying it cannot be sold. We are being entirely reasonable in saying it needs to be a long-term venue for those purposes. Government members should seriously consider the amendment moved by the member for West Swan.

MR P. PAPALIA (Warnbro) [8.15 pm]: I want to make a contribution to the Perth Market (Disposal) Bill 2015. I have to say at the outset that if this is an indication of where we are going with the Barnett government's fire sale of assets in a desperate bid to provide some sort of fig leaf to its appalling financial management, it is worrying. The TAB sale has fallen over in the government party room. It is interesting that some Liberal Party backbenchers took notice of that.

Mr J.E. McGrath: It has never been discussed in the party room.

Mr P. PAPALIA: That is right—the Premier is too afraid to raise it in the party room now! The Premier knows he does not have the numbers.

Ms R. Saffioti interjected.

Mr P. PAPALIA: I am referring to the whole process of the fire sale. This is the one the Liberal Party has fallen back on. The TAB was the first cab off the rank. That appears to have disappeared into the distance. The member for South Perth still holds out hope. I do not know, but I suspect that the member for Murray–Wellington has the numbers. It seems that he has the numbers. The Premier is so afraid about whether he has the numbers that he is not bringing it on, that is for sure. That is why we are considering this bill and that is why it is a worry. If this is an indication of how little thought and consideration has been put into what assets the government is selling and what it will get in return for the taxpayer, it is truly shocking. Clearly, the government is offering up a land bank to property developers. That is what is going on.

Mr J.E. McGrath: That is your opinion.

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Mr P. PAPALIA: It is quite obvious. Within about five minutes of the Treasurer commencing his second reading speech in this chamber, the shadow Minister for Planning had nailed it. I went upstairs to talk to the journos about it straightaway because it was so obvious what was going to happen. The Treasurer created the investment opportunity for a land bank. It is perfect because the Treasurer has given it almost the exact time frame required to have a little growth in the land value coupled with the time necessary for developments to be planned and organised, and approvals underway. In the meantime the Treasurer has also given them a dedicated revenue stream to fund their investment. It is excellent. This could not have been framed better for a property developer. The Treasurer said that after only 20 years the owner can do with it what they like.

In the meantime the Treasurer has constrained any competition—apparently—in the Perth region. It will prevent other local governments from establishing any other markets that might steal a bit of the revenue stream away from the investor. The investor has guaranteed investment funding for their capital outlay. They can go to the bank with that revenue stream and they can go to their investors and say, “We’ve got this dedicated revenue stream for 20 years because the government won’t let anyone else set up a market in competition; they’re going to restrain anybody else from doing that.” As the member for West Swan indicated, the Labor Party fears that the Treasurer’s efforts to protect the value of the revenue for property developers may impact on weekend community markets. That is what we are fearful of. This legislation is drafted in such a way that those people may be constrained. It is a very popular enterprise, a very popular activity and one that is growing all the time. More and more people appreciate the opportunity to buy at weekend community markets. We fear that the Liberal Party’s efforts to protect the investment for its land developer mates by this unique offer may even impact on that activity. If that is not true, member for South Perth, join the Labor Party when it moves its amendment to protect those community markets. As the Leader of the Opposition has challenged the member for South Perth on the other amendment that we will move, I challenge the member to join us.

I notice, Mr Acting Speaker, that you are not in your actual seat, but I have to refer to the contribution you made because the research you conducted over other like activities that have been privatised around the country was outstanding. The member for Southern River is right; this sale is not unique. What is unique about it is the potentially poor outcome for the taxpayers of Western Australia, because in other states where markets have been privatised, as the member very clearly articulated, other state governments made an effort to ensure that consumers, growers and producers in those states were protected. They ensured that the people who bought into the markets and had control over the floor space and the leasehold costs associated with those floor spaces were participants in the industry. They had an interest in keeping prices low for the wholesalers, and therefore keeping prices low to the consumer downstream and to the producer upstream. As I understood from the short period that I held the shadow agriculture portfolio before the last election and I had meetings at that time with the Chamber of Fruit and Vegetable Industries in Western Australia, the prime example—the industry standard in the nation—is not South Australia, to which the member for Southern River referred extensively, but New South Wales. New South Wales has benefited most, insofar as its processes for privatisation outcomes have been achieved. As the member rightly indicated, New South Wales provides fruit and vegetables to one-third of Australia’s population through the Sydney markets, and there are only 2 200 shareholders in those markets. If they want to sell the floor space that they are operating, the person who buys it has to buy into that same business. They all hold a direct interest in capping the rate of increase in rent for floor space, which naturally ensures that they set the standard. If members go to their website, they will see that they crow about setting the standard for fruit and vegetable prices across the nation.

Dr A.D. Buti: Like a co-op.

Mr P. PAPALIA: They are effectively a co-op; that is what it looks like. The shareholders state that it is the leading produce market and that they are the price barometer. That is what they sell themselves as. I am also referring to the state of Queensland. The reason I am referring to New South Wales and Queensland is that in the minister’s second reading speech, those are the markets to which he referred for the most recent sales. In Queensland, it is more like the South Australian model, as described in the member for Southern River’s contribution. It has a bit of a mixture whereby there are a greater number of shareholders and a greater number of shares. However, essentially, the majority of the shareholders are participants in the business. Once again, there is an economic self-interest on behalf of the people who operate those markets in capping and keeping the price of operations down, unlike the situation that the government is about to unleash upon the Western Australian markets. By introducing this bill, the government—all the Liberal Party backbench and members of the National Party in their entirety who have signed up to introduce this proposal—is allowing whoever buys this property to have control over, after an initial five-year time frame, as I understand it, the leasehold practices and the leases they will then extend —

Ms R. Saffioti: It’s two years.

Extract from Hansard

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Mr P. PAPALIA: It is only two years. Perhaps the minister can clarify that. I also thought it was only two years. I thought in the minister's second reading speech he referred to two years' current practices —

Dr M.D. Nahan: Market rules, yes.

Mr P. PAPALIA: Yes, so after only two years, the government will enable this property investor, who does not care too much about providing fresh fruit and vegetables to Western Australians and who does not particularly care about food security or providing a fair deal to the growers and producers, to buy a land bank. The only thing the government really cares about is sustaining its investment in a land bank for a future property development. This entity to which the government will sell—for a relatively small amount of money, by the way—will have no constraints on what it does with the floor rental. Having spoken to the fruit and veggie growers out there only a couple of years ago about the structure that was then in place, I can tell members that they were not happy about the rate that the government increased the rent for the floor space. They were unhappy about that. Boy, they should wait until private enterprise gets hold of it in two years and does what it will! There is nothing that growers will be able to do about it. It looks as though the government is going to unleash the vested interests of the property developers by covering the cost of holding that land bank upon the floor space operators. The only consequence of that will be an increase in charges and costs to the growers and producers who want to sell through that facility, and all the consumers via the people who buy from that facility. That is the only possible outcome.

If that is not the case and this initiative is intended to do what the member for Southern River articulated and hoped, there will be no problem at all in the government agreeing to a 50-year time frame because, if it is not a property development, it does not matter. Plenty of revenue is there to be had, but, of course, the stark reality is that the Barnett government has trashed the state's budget. It is desperate; it is so desperate that it will sell out, and it is selling out, the taxpayers of Western Australia right here. It is selling out taxpayers and the fruit and veg consumers of the metropolitan area, and the producers in the regional and surrounding areas. It is selling them out because there will not be any constraints. It is clear that this is a property deal. The government will want the most amount of money that it can get for the deal. It is like the TAB sale. On the one hand, there are benefits to current users and disbursements to the industry; on the other hand, there is a return in sale price to the government because it is desperate to provide some sort of fig leaf for its total mismanagement of the state's finances, so when one of them goes up, the other one goes down. They balance out all right, but if government members want more money in their pockets right now, which the Treasurer desperately does because the government is looking totally incompetent and it has told people that there will be asset sales to reduce debt, the government will impose fewer constraints on the purchaser. What will happen? The government has already done it; it has given purchasers a perfect time frame of 20 years, which is just enough time for them to get their finances in order. The government has given them a dedicated revenue stream. It has prevented anyone else from setting up a competition market through the legislation and it is giving a land bank to a developer. The government does not care about the consequences. There is no other explanation for what it is doing, unless government members agree to the member for West Swan's amendments that are designed to demonstrate that we want to protect, firstly, our markets for the long term and that we are not just giving up this land bank to a property developer; and, secondly, the opportunity for other people to establish weekend community markets as they are now, and as they are operating with so much success and popularity right across the metropolitan area. Those are the two key areas that we are seeking to amend.

Alternatively, I fully endorse the member for Southern River's proposals. I imagine the shadow ministers responsible for this particular bill would probably find any one of his suggestions quite reasonable; he had researched well. He proposed that we give the ownership of the facility to the participants in the industry so that we protect suppliers and producers, and that we ensure that this facility is dedicated to that operation until such time as the industry determines that, perhaps through changing circumstances, there is a need to change. That would be an appropriate response, although I do not see this in the bill. I have to say that I do not see anything from the government reflecting what was stated by the member for Southern River in his contribution. If the government were concerned that these facilities should retain their status as the Perth markets and be used predominantly for that purpose, there would have been different content in this bill.

The suggestion that was also made by the member for Southern River in his very good contribution was that if there were to be development of the 12 hectares that are undeveloped at this stage, it should be for things such as cooler-room space and the like to extend capacity for the practice of selling fresh produce. I agree. I doubt, though, that the member for Southern River's very optimistic hope expressed during the speech would be achieved through selling the asset. I suspect that if he wants that to happen, the thing to do as a government, which already owns the asset, would be to direct the Perth Market Authority to invest a bit of the revenue stream that it gets every year, in the order of \$30 million, towards that outcome and not sell the facility at all. Instead, the suggestion made in the member for Southern River's speech, as I understood it, is that it could not go ahead because somehow we do not have the revenue or the capacity to isolate or identify adequate funding to achieve

that outcome. That is not true. There is a revenue stream. The state government is getting a benefit at the moment; it is getting a profit out of this. Money is coming in the front door beyond the cost of operating the Perth markets. That is as a result of extensive increases under the Barnett government.

[Member's time extended.]

Mr P. PAPALIA: Under the Barnett government, the fruit and vegetable growers were slugged pretty dramatically with some steep increases. As I said, it is some time since I talked to them, but they were complaining to me that the reason for a lot of those cost increases was to fund the burgeoning bureaucracy at the Perth Market Authority. That sounded like there might have been a degree of truth in there. Obviously there was money beyond that, but the number of people employed by Perth Market Authority had increased something like fourfold from prior to the establishment of the bureaucracy for the authority. That was therefore an interesting insight that those people gave.

Clearly, regardless of how loyal one is to the government or how loyal one is to one's own side of politics—member for Southern River and anyone else on the other side of Parliament—there comes a time when they must question the behaviour of some of their ministers and their cabinet. They must question what is presented before them in the party room and confront the things that are wrong—and the things that are quite transparently wrong. The member for Murray–Wellington did it on the TAB sale. That is why the Premier has withdrawn that sale from the political debate. That was his number one asset on the list for sale. When the Premier first started talking about things that the government would sell, he always talked about the TAB. The member for Belmont also just as avidly stood up to the Premier, and more power to her. Both the members for Murray–Wellington and Belmont demonstrated clear courage on the matter and they look to have won and come out on top.

Mr M.P. Murray: What did you think of the National Party's sprints?

Mr P. PAPALIA: It was embarrassing! Was the National Party's behaviour during that debate not embarrassing? How many times did National Party members do shuttle runs across the chamber in an effort to get it right? They boasted about crossing the floor to vote against the government and then had to scurry back across the chamber when the Whip from the Liberal Party came and told them what to do! When the Whip from the Liberal Party came and told them how to vote, they went running back across the chamber. That was embarrassing. Here is yet another one; this is embarrassing. The embarrassing thing about this bill is that National Party members do not appear to have even looked at it. The three of them sitting there drive around in their big white cars and sit in cabinet. They obviously make no contribution. They do not even bother to read and consider the implications of a bill that will impact directly on primary producers. Those primary producers might not be out in the wheatbelt or in the Pilbara but they are here around the metropolitan area, in the south west and in the great southern. They are all there. They are the people who are growing for the Perth markets and their livelihoods and their businesses are at risk. They will be placed solely in the hands of a property investor as a consequence of the lack of care of the National Party of Western Australia. So much for standing up for the farmers of Western Australia!

Mr P.B. Watson: And then they get into the RSPCA. They're heavy hitters, they are.

Mr P. PAPALIA: They were outraged and beat up on the RSPCA—that wonderful organisation that protects the welfare of animals around the state. They are big bullyboys when it comes to the RSPCA, but they cannot stand up to the Liberal Party in the party room. They cannot confront the party room, the Premier and the Liberal Party over what looks to be a sell-out of consumers predominantly in the metropolitan area but also more broadly in Western Australia. It is certainly a sell-out of producers and other wholesalers associated with and dedicated to using this market.

We know that some big guys have arrangements directly with some of the supermarket chains and will manage to avoid the potential negative outcomes from this sale. There are also some big players that are associated with the entire production line, sales and retail—and good on them. However, a large number of primary producers—farmers—are being let down by National Party members because they cannot stand up to the Liberal Party on anything. It does not appear as though they have even bothered to show any interest, which is sad. If any farmer or producer currently using the floor space at Perth markets or selling to wholesalers there has made a contribution to the Liberal Party or National Party by way of donation in recent years, they need their head read. If anyone is considering attending any Liberal Party or National Party function, they need their head read. They should take a good hard look at themselves in the mirror. There is only one party in this Parliament that is standing up for those people and questioning the Treasurer over the content of this bill, and that is the Labor Party. The Labor Party is defending small business in this state. We are the only ones complaining about land tax. The Liberal Party and the National Party are smacking small business with land tax every single year. Massive increases in land tax go to commercial property owners. They do not pay it themselves unless they are operating their own premises. If they are renting to a tenant, the tenant cops it; and the vast majority of those

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tenants are predominantly small business. The Barnett Liberal–National government has smashed them in recent years, way in excess of the consumer price index. We are talking about far more than CPI; we are talking about six times more this year—maybe not.

Ms R. Saffioti: No; more!

Mr P. PAPALIA: More than six times CPI this year. It is extraordinary. We have not heard a peep out of the backbench of the Liberal and National Parties; they have just rolled over and allowed it to happen.

Members of the Liberal and National Parties have only 16 months left. It is getting tighter. If they want to be a minister in this government, they will have to hurry up because there is not much of a time frame left. Time is running out. The sands are going through the hourglass. It is a tired, worn-out government and it looks more tired and worn out every single day, and people know it. Small businesses across the state know they have been duded by this government, and farmers must increasingly know it. If they were concerned about the closure of tier 3 rail lines, how do they feel now? The only party that has shown any interest in assisting the farmers of this state is the Labor Party. How do the farmers feel about the sale of the port to a monopoly owner?

Dr M.D. Nahan: They support it.

Mr P. PAPALIA: Really? I am sorry; I must be reading press releases from a different Western Australian Farmers Federation. I am sorry; Dale Park must be speaking in tongues or something. I am sure that I have read consistently that the farming community of Western Australia hold grave fears over the sale of the state's port to a monopoly operator, and their fears should be exacerbated by this bill because it has been demonstrated that the government does not do its homework; it has no care at all about the consequences of what it is doing and what will happen with the port. I do not think the government will get a port sale. The government is doing everything it can to sabotage it and I believe it will not happen in the time frame available to this now very tired, worn out government. However more people in Western Australia are concerned about the consequences of the government's fire sale agenda. It is very obvious that the government is not capable of managing contractual obligations with anybody. Fiona Stanley Hospital is the classic example. They saw the government coming, and the land developers will see the government coming too. Those guys will make Serco look like amateurs. They saw the Treasurer coming years ago. They know that they only get one Mike Nahan and one Colin Barnett in a lifetime, and they do not want to miss the opportunity. They saw Kerry Packer with Alan Bond and they thought: "Here's our go! Here's our opportunity. We've got these guys." We know that Serco took the government to the bank. In fact, I have heard from people inside the Serco negotiation team what the tactics are with the government. They rub their hands together when the government wants to privatise things. They know that government members are such amateurs that the taxpayer is going to get sold out every single time.

Mr F.M. Logan: It's like living with the village idiot.

Mr P. PAPALIA: Yes, here comes the village idiot yet again!

When I heard the member for Southern River's contribution tonight I was reassured that someone on the other side of the chamber cares a little bit. Unfortunately, as he has done in the past, he made a contribution that sounded sensitive and caring to the stakeholder group that will be duded by the government. He will post out the *Hansard* to those people and show them his contribution on the floor of the Parliament and pretend that he stood up for them, but he will not stand up for the people who will be duded by this bill until he joins this side of the house and agrees with its amendment. If he crosses the floor on this matter, he will show that he actually cares. If all he does is stand up and make a contribution to the second reading debate, he will confirm it is just for show; it is not real.

The members for Belmont and Murray–Wellington made contributions and actually crossed the floor on the sale of the Totalisator Agency Board, and that worked. That frightened the Premier; it scared him. It was clear that he did not have the numbers and so he backed right off, and it looks as though the TAB is probably going to be safe for the time being.

Mr C.J. Barnett: You can't count on that.

Mr P. PAPALIA: Them's fighting words again! How about the Premier rolling out those fighting words in the party room and bringing it on in the party room to find out whether he has the numbers?

Mr C.J. Barnett: I have; already.

Mr P. PAPALIA: I was told by the member for South Perth that the Premier had not brought it on. He said about 15 minutes ago that the matter had not been to the party room. Who is telling the truth?

Mr J.E. McGrath: I said it hasn't been debated in the party room.

Mr P. PAPALIA: It has not been debated. The Premier is bringing it on but he is not letting anyone debate it. That probably says it all. I think that confirms that my constituent Bob has the numbers. I would say he has.

Mr C.J. Barnett: He's just about onside.

Mr P. PAPALIA: Hang on, Premier, I will get out the phone and text Bob Maumill and tell him, "The Premier's saying that you're just about onside". I will text him and let him know. He is probably asleep, so I will ring him tomorrow and ask him whether the Premier was telling the truth by way of interjection when he suggests that Bob Maumill is onside with the sale of the TAB.

Dr A.D. Buti: The Premier is misleading the Parliament.

Mr P. PAPALIA: That is misleading the party intentionally, Premier. I think that he should take the opportunity to withdraw that soon.

Mr C.J. Barnett: Bob is a good mate of mine—he is.

Mr P. PAPALIA: He does speak highly of the Premier, except with regard to the sale of the TAB. He does not agree with that, and the Premier cannot pretend he does. Nevertheless, I am looking forward to seeing the member for Southern River cross the floor. I hope some other members do as well.

DR A.D. BUTI (Armadale) [8.45 pm]: I am interested in the Premier's announcement that Bob Maumill is nearly onside on the sale of the Totalisator Agency Board.

Mr C.J. Barnett: Nearly onside.

Dr A.D. BUTI: That is fair enough—nearly onside. I will accept the "nearly" but I think there is a fairly wide margin between "nearly" and "agreed to". Let us move to this Perth Market (Disposal) Bill 2015. The second reading speech 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.

As we all know, this sale is all about trying to reduce government debt and is just an asset fire sale, because this government has not been able to manage the finances through the greatest economic boom that this state has seen. Now the budget is in a parlous state and the government is looking around to sell things, and it has decided to sell this important state asset. Why it is necessary to ensure the sustained and continued operation and growth of the market function? I do not see in the annual report any urgency or need for the sale of this asset. I will go through the annual report later to show that we have a very viable situation that does not require anything in this bill to ensure the sustainable continued operation and growth of the market function.

This bill is incredibly important because we are dealing with a facility that engages in the transaction of food. Food, of course as we know, is incredibly important, and food security is something that any government and any Parliament should be very concerned about. We have an issue of food security; we have an issue about the viability of growers. It is a shame that the members for Darling Range, Kalamunda and Swan Hills are not in the chamber at the moment. I am sure that there are many growers in their electorates. There are many growers outside my electorate in the electorate of the member for Darling Range. Has the member for South Perth ever taken a Sunday drive to Roleystone or Karragullen?

Mr J.E. McGrath: Many times.

Dr A.D. BUTI: If he had driven through that area, say, 10 years ago and then, say, in the last year, he would have noticed how many orchards have closed. They are facing a really difficult situation due to the downturn in the global economy. We should be very concerned about anything that imposes increased demands or increased strain on the viability of growers. I will be interested in hearing how the Treasurer will articulate his position on how this bill will improve the lot of growers. I wait for that, but I can tell him that given the noises that are coming from many of the growers, they have major concerns about what the Treasurer is seeking to do with the Market City authority.

The member for Warnbro mentioned that after 20 years the new owners can basically do what they want with the site. I know that certain conditions will be provided in the bill, but what will the government do after 15 years? How will it ensure that this remains a viable marketplace for the selling and purchase of food? If the government is really concerned about this remaining as a market, why did it not put into this bill some entrenchment provisions to ensure its viability and that it will forever remain a market? When the previous Treasurer came to the house with the future fund bill, it contained a manner and form provision. As members know, manner and form provisions are very difficult to change. However, there is nothing in this bill to ensure the viability of this

marketplace or a substitute marketplace. I challenge the minister to provide that guarantee to growers and consumers. This is actually incredibly important, because if we make the financial demands on growers even greater, there will be even fewer growers, so when the member for South Perth takes a Sunday drive up to Roleystone next year or the year after, he will see even fewer orchards and less local produce will be traded at Canning Vale.

The government has not produced a business or economic case to show that the sale of this asset into private hands is going to improve the economic exchange of fresh food in Western Australia and ensure economic security. I am not sure where it has been able to show that. The lot of an orchardist or a vegetable grower is very difficult. I am sure the member for West Swan, who grew up in the Roleystone–Karragullen region, could attest to that. She would know of neighbours who have had to sell their orchards because it was not a viable business anymore. They are not being replaced by other orchards but by residential accommodation. I can reminisce about my own childhood. Of course, having an Italian background, my father obviously had a great love for the land. He had only a five-acre plot in Maddington and grew tomatoes. It was hard work. We were up about half past four in the morning and off we went to pick tomatoes. We were there for three or four hours and then went back home for a quick morning tea before sorting out the tomatoes for another three or four hours. The tomatoes would then go to Lori's Transport Service in Kelmscott to be taken off to the markets, which was the Wellington Street markets in those days. It was a lot of hard work. If the hard work of very decent growers of fruit and vegetables is going to be made harder by this bill that we are discussing, then we should not be supporting it. To me, it seems that this is all about trying to provide additional quick revenue to the state of Western Australia and to this government to try to make the books look a bit better, rather than ensuring that growers and consumers are better off. There is nothing here to show me that they will be better off.

The 2015 Perth Market Authority annual report states —

- The Authority operates two Weekend Public Markets: the Saturday Clearance Market and Sunday Community Market.
- An average of 1,574 vehicles have visited the Saturday Clearance Markets and an average of 4,643 people visit the Sunday Community market ...

That is just outside your electorate, Mr Acting Speaker (Mr P. Abetz). I will just take a slight detour. In the minister's second reading speech, he mentioned —

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.

Of course, the arterial road network to the markets also includes South Street and the Forrestdale business park, which will potentially have supermarket storage eventually. We should not forget the Forrestdale business park, which is physically in the electorate of the member for Darling Range.

Further along in the annual report is the report from the chairman, who talks about how the authority has had a very successful year. The report states —

I am pleased to present the 2015 annual report for the Perth Market Authority. 2015 is the 89th year of operation of the Authority and the 26th since the move to Canning Vale from West Perth.

Further down he states —

In 2015 we achieved practical completion of the \$8.7M E7 cool chain Warehouse and the \$3.3M Standby Power system ...

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 ...

As discussed elsewhere in this report, the Authority achieved its highest ever levels of stakeholder satisfaction as measured by external independent survey.

So, it has achieved the highest-ever levels of stakeholder satisfaction. Interestingly, the chairman also mentioned —

On 17 July 2015 the Minister issued to the Authority his Perth Market Authority Direction 2015 No 2 advising that the government has proceeded to the Transaction Execution Phase and instructing the Authority to limit certain of its activities in anticipation of a sale in the short term.

Never once does the chairman state that he thinks that the sale is a good idea. This is the chairman of the Perth Market Authority, which the minister sits over, so of course he is going to be circumspect about publicly

Extract from Hansard

[ASSEMBLY — Tuesday, 10 November 2015]

p7968d-8019a

Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

criticising the sale, but he does not provide any public confirmation or support for what the government is doing. The chief executive officer is exactly the same. He talks about the uncertainty that is being created by the sale. The CEO's report states —

The Authority has continued to perform well in the 2014/15 financial year and has delivered improved results across almost all areas of its operations.

He does not show any support for this sale of the authority. A breakout paragraph in his report states —

While the pending Government Sale Process for the Perth Market Authority's assets adds uncertainty to staffing and management issues for the coming year, I remain confident that the Market City site will continue to provide critical support infrastructure to WA fresh food value chain participants.

It will while the current operation is in place. The minister is not able to stand in this Parliament and tell us, with any guarantee, certainty or competence, that in 20 years' time we are going to have a city market for the exchange of fresh fruit and vegetables. He is not able to do that. Unless he can do that, he should not proceed with such a bill. It is imperative that a city the size of Perth, which is growing and growing, has a central place for the exchange of fresh fruit and vegetables. We need that for food security and for economic reasons. I would say that we also need it for health reasons. If the cost of fruit and vegetables increases, we know what that can do to the health of a society.

As we know, often people in lower socioeconomic areas are the ones who can least afford any rapid increase in the cost of fruit and vegetables. That, of course, can lead to significant health problems, which then impact on the health budget, which is already under strain. We know that this government's management of the health portfolio is out of control. All we are doing is closing down hospitals that are not Fiona Stanley Hospital. The service at Armadale has been downgraded and we have now been told that Bentley Hospital's maternity ward will be closed. If the government wants to put extra stress on health, it should increase the price of fruit and vegetables!

It is so important that we listen to the growers. The growers are not supportive of this. I would love the Treasurer to stand up and show us where the growers are supportive of this move. Maybe he can show us that, but I am not sure that he can. There was a very interesting article by Emma Young on *WAtoday*, which I think the member for Victoria Park might have quoted. This article was written on 3 July 2015. It refers to the problems and the concern about this approach by the government and how a —

... "fire sale" program to control debt and improve its credit rating, has caused growers and food security experts —

This is coming from growers and food security experts! This is not coming from the Australian Labor Party. It is not coming from the members for Armadale, West Swan and Warnbro or other speakers in this house or even the member for Southern River. These are growers and food security experts who are questioning the long-term sustainability of food production in Western Australia. The article mentions that —

"If the new owner of Market City raises the wholesalers' rents, they can pass that on to growers."

"Retailers will still put the same prices on their food; they will still walk in and expect the same prices from the wholesalers.

"But growers are 'price-takers' with no capacity to pass this onto anyone.

These quotes are from the Hills Orchard Improvement Group Incorporated spokesperson Brett DelSimone —

"Things are already tough—we can't afford to have already small profits decimated."

If those profits are further decimated, more people who live near the ancestral home of the member for West Swan will go out of business and close. This affects a whole community. The National Party should be very concerned about this.

[Member's time extended.]

Dr A.D. BUTI: It is interesting to note that there is only one National Party person in the chamber. National Party members have always talked about the need to preserve rural communities and how important that is. This bill will affect a number of communities, especially in the hills and the outlying regions of the metropolitan area, and probably certain country areas where a substantial amount of fruit and vegetables are grown. Those areas will be affected but where are the National Party members? All we have in here is one National Party member who is speaking to the Treasurer at the moment. Perhaps he is trying to convince the Treasurer to pull the bill before us. I hope that is what he is doing but I doubt it. He was very keen to interrupt

the debate on the RSPCA the other day, but we have heard nothing from him about this bill that could significantly affect the communities that many National Party members represent.

In this article written by Emma Young, Professor McManus, who is a food security expert, is quoted as saying —

“Growers and producers, particularly the smaller ones, would be concerned that changes would reduce their viability, and eventually, if they closed Market City, what would the smaller producers do?”

“The public should be aware of this issue and concerned about it.”

Professor McManus said food security was about a region’s ability to sustain a variety of small to medium local enterprises that provided its population with access to quality, seasonal foods at reasonable prices.

“We need to be able to grow our own food,” she said.

“The quicker you can purchase produce the fresher it is and the higher nutrient content it has, and the longer it remains in cold storage or transport that value goes down. There are also costs and food miles to consider.

“If we are to retain vital primary industry in Australia we must support it.”

That is what Professor McManus is concerned about. The Perth Market Authority has been performing its job very well. I do not think that the Treasurer is criticising the authority—he has just confirmed that that is not the case. Its latest annual report shows that the authority is doing a great job. It attracts great attention and patronage, it is very well located, it is doing its major job, which is to provide a commercial enterprise for the selling and purchase of fruit and vegetables, and it is, for a substantial number of the fruit and vegetable growers, within a reasonable distance. For a grower in the hills region or the outer metropolitan region there are reasonable transport routes to the Canning Vale site, which puts it in an ideal location. Why would we put that in jeopardy? The Treasurer is putting this industry in jeopardy because he cannot provide a guarantee that this site will remain a market into the future, and if not this site, another site. Where is the economic incentive for someone else to set up a private market when they will have to purchase the land et cetera? It will not happen. The Leader of the Opposition talked about the possibility of residential development in this area, and the Treasurer said that that will not be the case. I do not know if he can guarantee that but it could be used for other industrial purposes.

Dr M.D. Nahan: It is now. There has to be a major change in planning laws to have residential development in the Canning Vale industrial area, but that could happen anywhere. It could happen right now.

Dr A.D. BUTI: But it would not happen right now when we have a viable —

Dr M.D. Nahan: It will not happen in the future either.

Dr A.D. BUTI: If the Perth markets remain with the legal structure they have at the moment—that is, owned by the state—of course it will not be used for residential purpose. It will be used only for residential purposes if the government finds another site. But by selling this to a private entity, the Treasurer does not have the ability to guarantee that this remains a market forever. What is the alternative? The alternative will be that we have to find another site. If the state then has to come in and establish another site, what will be the cost of that? This site is already viable and it is working the way that it should be working and performing very well. It has an incredibly high satisfaction rate and the growers want it. When have the growers said that they want the state to sell this site?

Dr M.D. Nahan: They are bidding for it.

Dr A.D. BUTI: The growers are bidding for it?

Dr M.D. Nahan: The Chamber of Fruit and Vegetable Industries in Western Australia is one of the bidders.

Ms R. Saffioti: It is a part of the consortium but the Treasurer cannot tell me all the growers support this.

Dr A.D. BUTI: That is right. That is so silly to say that. It might be a consortium that is bidding for it but we will see if it is actually successful. The individual growers who have spoken to members of the Labor Party are not in favour of this and they are the ones who have to get up early every morning to tend to the fruit and vegetables that have been grown. They are the ones who have to transport it down to the market. All they see is increasing costs and uncertainty. The chief executive officer himself in this annual report says that the Treasurer’s announcement that the government will sell this site is creating uncertainty—uncertainty for whom? It is uncertainly for the growers. When we create uncertainty for the major producers that use this facility, we have a major problem. I am sure that the Treasurer would not want to be the person responsible for this market closing down in 20 years’ time, especially when it is in his own electorate. I guess there are not many voters on the actual site so he might be okay politically. In 20 years even the Treasurer will probably not be in this chamber. The only one here in 20 years’ time will be the bloke sitting next to him. He is the only member who

will still be in this chamber in 20 years. Of course, he will be the leader of his party whether in government or opposition—I am not sure, hopefully in opposition. The Treasurer has to say that this market’s long-term viability is guaranteed beyond 20 years, and if he cannot do that he has to tell us what the government’s alternative strategy is to ensure that this growing city and growing state has the security to ensure a sufficient supply of fresh fruit and vegetables at a reasonable cost that all sections of society can afford. As the Treasurer knows, that is incredibly important for the health of our society. If we do not do that, we will increase the burden on the health budget and on the growers who go out of business. Can the Treasurer prove that what we have here is nothing but one of the objectives to maximise transaction proceeds and the financial return to the state? Emma Young’s article “WA’s fresh food future open for the bidding: asset fire sale continues” sums up what this is all about. We should not be using this legislation on the important issue of future food security for the Western Australian public and the future viability of our growers.

MR M.P. MURRAY (Collie–Preston) [9.10 pm]: I rise to speak on the Perth Market (Disposal) Bill 2015. Hearing many of the speakers before me reminds of the old story about digging a hole in the ground and then filling it up the next day, because that is what we are doing here; we are just pulling things apart to try to fill the hole, which we will call the budget, and in the future we will need money to buy a new market. That is what is going to happen. We can see very clearly the intent of the people who will be bidding for the markets and it has been said many times that it is not about the markets, it is about what the buyers want to do with the land in the future. Think about Quinns Rocks and places north of Perth where people bought farmland for exactly the same reason. They sat on the land, and now they have made a lot of money. I see exactly the same intent from the potential buyers of the market.

I must mention, it has been mentioned by other members as well, that it is very, very sad to see that no National Party members of cabinet are in the chamber to debate this legislation—the so-called helpers from the bush who make great statements, but never follow them up. We have heard National Party members make statements such as “We are not going to lose a seat in the country”, but as soon as they realise that their own seats are safe, there is not another word and it does not matter anymore because self-interest has won the day as normal. Many issues have gone along that line. What happened to the National Party on the sale of the TAB? They nearly broke their legs or did their hamstrings coming across the chamber, going back, coming across and then running back and not voting for what they had said. They are the proverbial windsuckers. We know what happens to a windsucker when it pulls up, it just makes a great big noise but nothing happens, and generally they are not winners because they do all the talk and none of the walk.

The bill consists of 56 clauses that broadly provide for the disposal of assets and liabilities, and it has been brought in as a special bill that we have to get done straightaway. Why? It is so important that we take the debate on this legislation to the nth degree. No, the government has brought the bill into this place in the last couple of sitting weeks this year and is trying to bully it through. I am willing to sit here for hours and hours so that the legislation is discussed properly and so that we can listen to people who want to have their say. Some government members and even some National Party members might stand to try to defend the sale of the Perth Market Authority. I can remember going to the Perth markets, which were just down the road from here, with my father. Although the market was centralised, we now have a modern complex with which we are trying to build trade with Asian countries—the Premier has been very open and has talked about that loudly—that is under the threat of sale in a relatively short time; that is, 20 years. I think that if we are going to try to build trade across Asian countries, we must give them the security that we know where to go, we know how to do it and we certainly know who the best people are who come to the markets and are able to trade on. That has not been thought through. Nearly every year 200 000 tonnes of fresh produce is traded through the market. I see the DeCampo trucks—what are the other trucks that pass me?

Dr M.D. Nahan: Is it Galati?

Mr M.P. MURRAY: No. There is another company; I wrote it down somewhere. The trucks are pretty quick and pretty flash too. They are all dolled up and well and truly past the standard of the old Bedford coming down the road with half a dozen watermelons on the back. In the main the trucks come from the Manjimup area. A lot of others come from Myalup. I see that side of the market. There is growth and acreage that has been put in down that way, and jobs come with that. Do not make it very difficult for these people to say that they will invest there because they know where the market is, but then have them say “Oops, I do not know where the market is going to be, so I will not invest in that area, because the next market could be north of Perth, which would make my farm unviable.” Certainly, looking at the size of the market—it is a 51 hectare site—I think that it is even bigger than the Premier’s farm. It is a very, very large area. How many sheep does the Premier have on his land?

Mr C.J. Barnett: Ninety sheep and they are all very pretty.

Extract from Hansard

[ASSEMBLY — Tuesday, 10 November 2015]

p7968d-8019a

Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

Mr M.P. MURRAY: They will not go hungry, there is enough there for them. When one thinks about the size of the market, it is over 100 acres and we cannot say that we do not want developers to come in. Of course, they will come in and we have to have that infill. It is not about whether it happens; it is about when it happens. Our argument is about when the sale of the market happens, because we think that we need 50 years at least. If the government is going to maximise its returns, why would it not take the sale out to 50 years so that the people who put in the bid will be comfortable with the time frame and the market operators will be comfortable with the time frame because they know the land will not be sold off for whatever projects are going to be out there—mainly housing, I would say.

We have over 100 WA businesses trading, transporting and storing fresh fruit and veggies, and providing 1 600 jobs in that region. Over 5 000 vehicles cross the trading floor each day and the Sunday public markets attract around 7 000 people each week. Every one of those people has concerns about how long the markets will be there and what will happen if they are privatised. What will happen? No-one can tell us, because the 56 clauses of this bill have not been debated. We have to understand exactly where we are headed if we sell the market. We cannot just have a fire sale to try to back up the financial problems in this state caused by this government. We cannot do that because, to start, we will jeopardise 1 600 jobs.

The grower groups are concerned that public accountability within the system will disappear with privatisation. We have seen that time and again. As soon as the company that buys the market gets a return to the shareholder, the growers will not count and it will be about the returns to the people who have invested. That is what this is about. The Labor Party is talking about returns to the state and the growers, and growing the market we have talked about. For a long time the issues discussed in this chamber have been about iron ore and other mining industries up north. All of a sudden we are looking to the south of the state, but we are selling infrastructure off. It does not make sense for any government to do that.

The commission paid by growers to wholesalers has been maintained at 15 per cent to 18 per cent for the last 10 years. I ask members whether they think that that will continue under a private model. I do not. If someone can give me that guarantee, I will withdraw that statement. No-one who is going to spend that sort of money on a facility will say “You can charge what you like.” No, there will be a cap on how much can be charged. The so-called free market will not be there to put a cap on charges. The variables that will come in will be a huge problem, such as the upping of rents for new people at the market, which I just spoke about, and whether people can maintain their plots. I think in Sydney when people buy in to the market they have to sell the same vegetables and follow the same rules. I do not see that in this legislation; I just see this as open slather. We have sheds, parking bays, turnarounds and that sort of stuff there now, but no-one knows what could be in that area in the future, because once the market has been sold, who will really care? Not too many members of this government, I can tell you. In 20 years not too many of us will be here anyway.

I call upon the National Party to stand up and I call upon the Liberal Party to rethink this. It is not just about dollars, and we have to remember: we can only sell an asset once; we cannot sell it twice. If it all collapses after 20 years, who is going to buy and set up the next market? We have seen Muchea and Katanning set up at cost to government, and although they are involved in beef and sheep rather than vegetables, they have been set up at a cost to the taxpayer, yet here we are, about to sell this market off in the short term—in the political sense—and in 20 years we will be looking for a new establishment, and I just wonder who is going to pay for that establishment in the future. Will it be my grandkids? I guess so, because we have traded off our assets early.

That is one of the problems we have with the way the government is going to try to bail itself out of the problem it is in. It is looking at selling off and selling off; it will not work, because sooner or later we will sell the family farm, and what will we do next? We will still have the same problem. We will still want to go forward, but it is about working it through and making sure that these people grow their businesses and get returns back from them because their businesses have grown enough to say, “Right, now we’re paying a fair return to the government and we’ve still got our asset, which is our Perth Market.” There is a long way to go before we can say, “Yes, 20 years, off you go”, and it will be okay after that.

I noticed a petition being circulated at the Dowerin field days opposing the privatisation of the ports. The government is saying that farmers want to privatise the ports, but not one farmer I spoke to wanted that. Maybe they were only speaking to me because I opposed privatisation, but not one farmer from Albany to Dowerin said to me, “Privatise the ports.” In fact, it was the opposite. The people who have come along to speak to me about GM food and crops have also said the same thing. We have not agreed on the GM issue, but we certainly agreed on privatisation issues. They see it as an open market and that it will be a cost to them in the future. They all see that. Can the government tell me of any ports over the years, or even any markets, in which the costs have gone down because of privatisation? I do not know of any.

Mr C.J. Barnett: Felixstowe in the UK. It’s a container port in the UK.

Mr M.P. MURRAY: A container port?

Mr C.J. Barnett: Yes, a container port that is completely out-competing all the publicly owned ports. Felixstowe—you should go and visit it.

Mr M.P. MURRAY: It is probably because it exported the union official out here! If there is one in the world, good luck to it—it must be doing something special, but I can bet it has a long-term contract, not a short-term contract. I would not mind laying a few bob on that, because one does not go and invest in a short-term project, and 20 years is a short-term project. We have to look at it and make sure that the people who work in the industry have some security, and I do not see that. Why would a family concern go out and spend millions on buying a farm in, say, the Myalup area to grow vegies without being assured of where the market is going to be into the future where they can take their vegies? All those things have to be analysed before they actually invest, and I know that people down there have concerns. Manjimup is a little too far in real terms; it is costly to get the produce to the markets. If we were really smart and we were containerising, we would send them out of Bunbury, and that would make it a lot cheaper. I think that is something we probably should be looking at before we start selling things off. We should be looking at how we can grow our industries rather than selling them off to try to balance the books. To me that is so short-sighted that I cannot believe it. I am telling the government now that people are talking about this in the country areas; they are talking about selling the farm to pay the bills. The government might do that and be successful in the short term, but it will not be thinking about what we are going to do in the long term.

I again put it to the National Party to at least come out and, at the most basic level, listen to the debate, but also to come out and help country people by helping to block the Perth Market (Disposal) Bill 2015. I have heard rumours that some members may cross the floor; I really doubt that, but if the National Party is ever going to stand up and be counted and put some self-esteem back into the party, here is a chance to do so. Here is a chance to come over and sit on this side of the house when this bill is voted on. I am not really sure, but I have heard a rumour that the Leader of the National Party has been in the gym, sweating up, getting ready for his next blue with the Premier! I am not really sure about that; I think he is trying to work out a bit, so if I were the Premier I would be a bit careful over the next few months! I think the Premier might give him a bit of a stoush; he is a bit skinny!

We will in time see who is going to stand up and look after country people. At the moment, from what we have heard tonight from many speakers, there is only one party doing that, and that is the Labor Party. The Labor Party has stood up and said no to privatisation and no to selling off. In the main that is our policy; the thing that concerns us the most about this bill is the 20-year issue. At least look at a 50-year term. As I say, over 50 years, the government will probably get more for it anyway, and of course it needs every cent that is going around. It should look at the time factor and not let pride get in the road of a good idea. The government needs to stand up, think about what it is going to do and at least accept that we need 50 years, not 20.

MR R.S. LOVE (Moore — Parliamentary Secretary) [9.26 pm]: I should make a contribution as it has been frequently said that there are no National Party members in the chamber. I have certainly been in this chamber for most of the debate; I had to leave for various matters, but I have listened to most of the debate. I do not look like a Liberal; I usually wear a green tie, so I am definitely a National, not a Liberal!

The Nationals, of course, support viable horticulture, and that is one of the reasons that one of our ministers, Hon Mia Davies, the Minister for Water, is leading the Water for Food initiative. One of the essential elements of Water for Food is driving further horticultural production from the south west land division, specifically in my electorate of Moore. That, of course, complements the growth of horticulture in the lower part of my electorate, in the shires of Gingin and Dandaragan particularly, taking in products such as carrots and lettuce and all sorts of salad vegetables, potatoes, fruit and other items.

The Nationals also understand and agree with the sentiments of the chief executive officer of Vegetables WA, Mr John Shannon, who wrote to me some time ago expressing the view that the vegies industry fundamentally supports a wholesale marketing facility due to the need for the physical exchange of goods required between growers, wholesalers and secondary wholesalers. In his view, the market delivers quality, freshness and, most importantly, choice for growers and consumers. The market is a vital component of an alternative supply chain outside the major supermarket chains, and distorted markets are, in the longer term, certainly not in the interests of consumers, growers or wholesalers.

That point was made quite clearly by Mr Shannon, and I do not disagree with anything he said there. It is very important that the markets remain viable and that the markets remain a vital part of the supply chain going forward. As I understand it—this is also acknowledged by Vegetables WA—the government is proposing a number of protections for the markets going forward and that the central trading area of the markets will remain in place for 20 years, which is not an inconsiderable period of time. In fact, it is quite strange in a way; on one hand, we are saying it is a very short period, but it has been acknowledged that 20 years is a long time in

this house. It hardly seems possible that anyone currently in the chamber will be here then, except possibly the Minister for Environment, who may well still be around.

The Minister for Corrective Services is also of the view that he may be here in 20 years' time! I do not know whether that is true or not, but 20 years in a dynamic and changing environment is a considerable length of time. Just because there is a prohibition on the removal of the markets for 20 years does not necessarily mean that after that the markets will not stay in place, and it does not necessarily mean that time will not change the requirements for the markets. In fact, it may be that that area is no longer suitable to be a market. It may be that both the produce and the distribution centres have moved to other more appropriate areas or to other methods more appropriate for the distribution of fruit and vegetables, which may develop within that time frame. Twenty years in agriculture nowadays is a very long time. Things do not stand still. Markets and supply chains do not stand still, and I do not think it would be possible to tie up an area of real estate for 50 years for a specific activity. It may become a totally inappropriate activity in that area after some time.

I understand also that there are guarantees that warehouse space is to remain in the vicinity, and that there will be future plans to allow for the expansion of the warehouse space by 24 000 square metres, which sounds like a considerable area for a warehouse, and that no single wholesaler is to control the area involved. I think there is a prohibition on an aggregate control of greater than 20 per cent of the market space. Also, for 10 years no other markets will be able to set up within 70 kilometres of the GPO that would lessen the viability of this particular market structure.

The chief executive of Vegetables WA has written to me and other National Party members of Parliament and, I am sure, to other members of the house, asking that we consider certain aspects of the sale process, one of those being that bids be considered in a certain way. I have discussed this with the Minister for Water, who is both a member of cabinet and also involved in the development of horticulture in this state. She assures me that the bids will not be assessed simply on the highest price for government, but on what may be the best mix of a return for the Western Australian community and a viable marketing facility for the industry in the future. I do not think that we can infer from this legislation any particular method for assessing the bids, but I have it on good authority that bids will be assessed in a way that will drive the efficiency of the sector and, in fact, probably improve what would otherwise be the case.

The market structure at the moment probably does not have access to the sort of capital that some of the investors who may come into this arrangement will have. The information supplied to me by Vegetables WA on the capitalisation of some of the entities who are looking to become involved indicates that they have the financial strength to improve the markets, and not just leave them standing still. Vegetables WA asked that the markets be assessed in such a way that would allow further development of the site, further development of the chain of supply, and appropriate ongoing industry and tenant consultation on the operation of the markets, so that it was not simply a landlord-tenant arrangement but would allow ongoing dialogue. I am sure that all these things can be included in the bid. A range of other issues will also no doubt be considered by the government, and I daresay that the industry itself will continue to have discussions with the government about what it would like to see out of the bid. In fact, one of the bids is from a consortium of industry figures. I would say that there is a very good chance that they will continue to outline to the government what they think is an appropriate structure for this arrangement into the future.

All in all, I think there is an opportunity here for vegetable growers—not just a risk, but a real opportunity for an improvement in the markets.

Ms R. Saffioti: You're kidding, aren't you?

Mr R.S. LOVE: No, we are sincere, and I am sure the Treasurer and the rest of the cabinet, in which National Party members are involved, will do their very best to ensure that this bid improves the situation for the growers. I do not think it is good enough to always take the negative view on everything that comes forward, as seems to be the case with members opposite. This could be a great opportunity for the growers and for the industry, and I look forward to good things to come for vegetable and fruit growers in the state of Western Australia out of this market sale process.

DR M.D. NAHAN (Riverton — Treasurer) [9.36 pm] — in reply: I thank members for their comments and issues on Perth Market (Disposal) Bill 2015. It has been a very interesting and informed debate. As the shadow spokesman for agriculture said, for a long time we have focused on the north and the mining sector, and appropriately so, because it has created the state's wealth. Before that, Western Australia was mainly involved in agriculture. Now we are swinging back to the potential for agriculture.

Mr M.P. Murray: You ignore one and prefer the other.

Dr M.D. NAHAN: We have not ignored it; it is just its time in Asia. Horticulture has a huge amount of potential. We are discussing today the sale of the Perth Market Authority. I will say a little bit about it. It is in my electorate, in the industrial area of Canning Vale. It moved there in 1989 from the city. It has been there for 25 years. I have a lot to do with it. Willetton Rotary Club, of which I am a member and patron, parks cars there every Sunday morning. I know it well. I have had a huge number of interactions with the management, the Sunday markets, the retailers and other activities. It is where my wife and I buy our Asian groceries. It is, as everyone has said, 51 hectares, with 12 hectares free. Some adjacent vacant land could be purchased if someone wished to do so. I do not know who currently owns it, but it is there. The markets have been starved of capital. As the member for Southern River indicated, it has grown quite significantly. The volumes have grown and the potential of the market has grown, but there has been only one expansion in storage facilities in 10 years, in the time of the former Minister for Agriculture and Food, Hon Terry Redman. It needs more. The management of the Perth Market Authority keeps saying that it needs more capital. In fact, the board approached me as the local member and asked me to urge the government to spend \$250 million on the expansion of cold storage facilities. It is a lot of money.

The government went into this sale for a number of reasons. Yes, we are trying to use assets that we no longer need to defray debt. We are not running away from this. It is not a huge sum in the general scheme of things, but it is there. We also need to get investment in an important asset—that is, the market for fruit and vegetables in this state. We do not think that we need to put state debt into this; we are convinced that that is the case. We also need innovation. As I said, the market includes a range of things, such as a large Asian vegetable shop and a fishing shop. Some businesses are located there, including a pub and a petrol station. There are a range of non-market activities on the market site. It has a large amount of underutilised land, for turning areas and other things. It is an underutilised asset. The Saturday exchange market and the Sunday market have had their ups and downs over the years. The member for Southern River and I were very active in keeping it going. For years the markets were started and leased out by a family operation—in other words it was contracted out. There was a dispute between the market and them, and we facilitated the market taking it over. The member for Jandakot was involved in that also and made sure the family who owned it before got a reasonable payout from that process.

Ms R. Saffioti: How much?

Dr M.D. NAHAN: Those are personal things.

The market authority has been trying to expand the Sunday market with some success. There is a large number of people there. I believe there is a great deal more potential for it.

Mr P. Abetz interjected.

Dr M.D. NAHAN: The member was there last Sunday. We all go there; it is in our area. There are major limitations for expanding horticulture in this state. Talking to anybody who is really interested, we have a number of challenges, but one of the biggest ones is that we have to improve the investment and facilities not only for domestic consumption, but also for export. One of the main objectives is not only the innovation of how land is used, but also substantial investment in the process. We are doing nothing different from what the Labor Party did in Queensland in the early part of the 2000s; that is, the Brisbane market went out for an open bid and they encouraged people to bid for it. In a way, that encouraged innovative bids. It opened it out not only for the Queensland Chamber of Fruit and Vegetable Industries Co-op but also a range of people. As it turned out in Brisbane, the Chamber of Fruit and Vegetable Industries in that state was the successful bidder, but it opened it up. This government was informed—this might not be correct—that when Brisbane put its bid in, I think it was the Beattie government, a condition of sale was that the market would last, not 20 years as we have done, but seven years. The information might be wrong, but that is our understanding anyway. We are following a process that has been done successfully in Sydney and Brisbane. Those markets are still operating and are flourishing. They have expanded more rapidly than ours and have access to capital that our market has been starved of. That is the major objective here. We are hoping for competitive bidding.

The major objective is to ensure the sustainable continued operation and growth of the market function and to facilitate private sector investment for the future of the market—not only that, but also to ensure not just private sector investment but substantial increased investment in the market. The key issue that the board and management of the market authority have repeatedly told us is to invest more in it. This is one way to do it. We are trying to maximise our transaction. We could give this away if that is what people wanted, but we want to maximise it. If we are going to transfer an asset that the state has invested heavily in, we want to ensure not only that it remains at its current function, but also that the state gets an adequate return on its investment. We also want to minimise the residual financial risk and liabilities to the state. We have entered into a competitive bid process. We have received five bids. As everyone knows, the five bidders have been named publicly. They

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Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

include Australian Capital Equity Pty Ltd and the Chamber of Fruit and Vegetable Industries in Western Australia—the people who operate the market now. It might not be correct but I understand that their bid is a joint venture with the equivalent markets in Brisbane and Sydney—Stockland Trust Management Limited, Propertylink (Holdings) Limited and Dexu Funds Management Limited. I am informed that one of them has dropped out; I am not sure which one. Another one is wavering, so there might be another one. The process is run by the Department of Treasury.

The Chamber of Fruit and Vegetable Industries in Western Australia has declared a property investor. They are people who are currently involved in the market. Australian Capital Equity Pty Ltd is into many things. I understand that it is Kerry Stokes' private firm. It also owns WesTrac, Channel Seven, WA News, a number of shopping centres and Capilano honey, and it provides many other services. To describe this as simply “property play” is inaccurate. Kerry Stokes has run many shopping centres around this state, developed them and operated them—but nothing about markets. We will ensure it is not just a market player.

Several members interjected.

The ACTING SPEAKER (Mr I.M. Britza): Okay, member.

Mr F.M. Logan: Have you asked the company?

Dr M.D. NAHAN: When we go out —

Mr F.M. Logan: Obviously it is a property player.

Dr M.D. NAHAN: You know! I am glad you know that, but that is not the evidence.

Mr F.M. Logan: Really; is that right?

Dr M.D. NAHAN: Yes.

Mr F.M. Logan: Where is your evidence?

Dr M.D. NAHAN: He does have things other than property. He has run shopping centres very successfully over many decades and they are essentially markets. People buy and sell things in his shopping centres.

Ms R. Saffioti interjected.

The ACTING SPEAKER: Member for West Swan, we have got the point.

Dr M.D. NAHAN: We selected five bidders. They now have access to the data room as to what the market is and the issues on that. We now expect them to come back with detailed bids of what they are going to do to line up with the objectives; that is, how they are going to retain, firstly, their commitment to operate as a fruit and vegetable market, the understanding of the issues, how they are going to invest ensuring the market not only continues as a market but also expands its capacity as a market. Our criteria for choosing that according to our objectives is that we will decide which one of the bidders best fits the future of the market. The major objective of this bid is to get a private operator in the market, owning the market, investing in the market and expanding the market for the future. If we listen to members opposite we would simply say, “Keep it as it is; do not invest adequately in it; do not innovate it.” I do not think the fruit and vegetable industry in Western Australia would benefit from that. Looking around the Brisbane and Sydney markets, they work well.

Ms R. Saffioti: It is a different model, you know that.

Dr M.D. NAHAN: The member does not know that. The process in Western Australia is very open. The member for Southern River indicated that the model of the bidding process the government has opened is fully open to that structure. The Chamber of Fruit and Vegetable Industries is linking with the Brisbane and Sydney ones.

Ms R. Saffioti: They could not get enough equity from local growers—is that what you are saying? That is what you are saying.

Dr M.D. NAHAN: No, I am not.

Ms R. Saffioti: Yes, you are.

Dr M.D. NAHAN: No, I am not.

Ms R. Saffioti: The chamber opened it up to local industry and they did not have enough money.

Dr M.D. NAHAN: Excuse me, I am trying to get through this senseless noise from the other side. Please help me.

Mr P.B. Watson: You're telling the Acting Speaker what to do now!

Dr M.D. NAHAN: I am seeking assistance to get important issues across through the noise from the other side.

The ACTING SPEAKER (Mr I.M. Britza): Minister, I will say right now that I am watching to see whether you answer. If you answer, I will let it go, but if you do not, then I will call it.

Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

Dr M.D. NAHAN: Okay. The process is that we have put on a number of market controls, as indicated in the debate today. First, it has to remain a market for at least 20 years. Also, if the owner of the market wants to use it for another purpose, they have to give the government of the day five years' notice before it can be transferred.

Mr M.P. Murray: Now you're talking about the 15-year mark.

Dr M.D. NAHAN: Yes, it could be.

Also the government of the day can undertake actions to keep it as a market, if it wishes. The idea that the planning authority, as the Leader of the Opposition implied, will rezone the Canning Vale industrial area as residential is ridiculous. It is one of our major industrial zones in the state. It is high-value land. The land is valued higher for its current use than for residential use.

Several members interjected.

The ACTING SPEAKER: Okay, members! Thank you.

Dr M.D. NAHAN: One of the restrictions is to keep it as a market for 20 years. We will also mandate that for that 20-year period the owner must maintain a minimum of 46 500 square metres of warehouse storage for those 20 years. Another is to restrict future developments unless the new owner can deliver up to 70 500 square metres for market-related purposes; in other words, other uses on the land can happen only if the owner increases the storage area by 50 per cent. Another restriction requires the new owner to prevent a single wholesaler from controlling more than 20 per cent of the available floor. There is a requirement to retain key trading rules for a minimum period of two years from the sale. These are largely about making sure it remains a wholesale market. The new owner is required to formally indicate to government its intentions for the site, as I said, five years before the 20-year restriction-use period expires, enabling the government of the day to determine whether any further measures are required in response to the proposed use.

In relation to tenant assistance, as indicated in the legislation, when the property is sold, the new owner will be liable for land tax, and the land tax liabilities will be phased in over six years. But to assist tenants right now, the Perth Market Authority buys electricity on the contestable market and sells it to the users according to small business tariffs. It makes a profit—a quite healthy profit. Our process will restrict the new owner's ability to extract that profit. To assist the transition and compensate to some extent for the imposition of land tax in four and six years, part of the contract will restrict the owner's ability to profit on the basis of electricity.

A couple of issues relate to the Sunday market that local members, at least the Liberal ones, use quite often. It was marginal and was not viable for the previous family owners. The Perth Market Authority took it over and is trying its best, but in my view it has a great deal of capacity to expand. Other facilities on the market's infrastructure, as I said, are now wide and variable. A number of real estate agents have come in and out of that area for various reasons. It is ripe for a development that will facilitate its use as a market. The proposal of the Labor Party to mandate the continuation of the Sunday market would not even be imposed on the existing Perth Market Authority as a government authority. It is a marginal venture that is facing competition from a raft of new Saturday and Sunday markets, including markets not very far away in Manning, which are very vibrant. The proliferation of these markets is putting pressure on the Sunday market and indeed on the Saturday market. The quote that I heard from the member for West Swan of \$700 million for the land is fanciful. We have not put a price on this but I guarantee —

Mr P. Papalia interjected.

Dr M.D. NAHAN: No, we are not. If the member for Warnbro knows what the price of land will be in Perth in 20 years, he should leave this chamber and put himself out as an adviser on land. In the meantime, I do not think he knows what he is talking about.

Under the current legislation, the Perth Market Authority has a monopoly run of 70 kilometres. The agreement will maintain that monopoly for 10 years and then the new owner will lose it—that is, it will be potentially open for competition within that catchment area. The issue of the transfer of the monopoly is that the monopoly is there now and it would be there forever if the legislation was left unchanged. We will keep the monopoly for just 10 years. In essence, we are doing what the Labor Party did in Queensland almost 15 years ago.

Mr P. Papalia: No, you're not!

Dr M.D. NAHAN: Yes, we are. We have a market. We have a burgeoning horticulture industry that needs a market. The market needs more investment. We will transfer it to a body that has —

Several members interjected.

The ACTING SPEAKER: Members!

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Dr M.D. NAHAN: We will sell it to a party that can and will be required to invest in additional capacity in the market. That is an essential part of the transaction; that is, the successful bidder would be committed to not only maintaining the market, but also expanding the market in terms of hard commitments to designing and building additional infrastructure. That is a positive move.

As to discussion, we have had wide dialogue with all range of parties. I am sure the people on the other side of the chamber found a few people who complained, but the vast majority of the users of that market and the growers want expanded investment in the market infrastructure. That is what this sale will deliver. I commend the bill.

Question put and passed.

Bill read a second time.

Leave denied to proceed forthwith to third reading.

Consideration in Detail

Clause 1: Short title —

Ms R. SAFFIOTI: I have a question in relation to the consultation on the Perth Market (Disposal) Bill 2015. In his second reading reply the Treasurer said that industry had been consulted widely. Could the Treasurer provide a list of the people he consulted on this bill?

Dr M.D. NAHAN: I can get that; we do not have it at hand but we can provide it to the member for West Swan. It would be not only the Department of Treasury, but also the lead financial advisers, Ernst and Young and Jones Lang LaSalle. They undertook quite widespread dialogue with not only potential purchasers but also interested parties, as did the Department of Treasury, but I can provide that.

Ms R. SAFFIOTI: I am sure the Treasurer consulted with financial advisers and property managers through Colliers International, I suspect. I am happy to receive the list of whom the Treasurer has consulted. However, he stood and said that the majority of growers supported this bill, so what growers in WA have the Treasurer and his officers spoken to?

Dr M.D. NAHAN: They spoke a number of times with all the users of the facility. They also, of course, talked with a number of other participants and had some communication with them. As the member would know, Treasury undertook this process in terms of due diligence—not myself—and I am assured that they have had widespread consultation with growers, users of the market and various types of input suppliers to it, from trucking companies to others.

The ACTING SPEAKER (Mr I.M. Britza): Before I give you the call, member for West Swan, I do not think the last question had anything to do with the short title of the bill. If I do not see relevance, I will make a ruling on it. Provide the relevance to the short title of the bill.

Ms R. SAFFIOTI: The short title of the bill, Perth Market (Disposal) Act 2015, describes what the bill is and is the title of the bill. I am asking whether this bill has been sent to growers and prospective users, in particular the Swan Valley grape growers, Hills Orchard Improvement Group, Vegetables WA. My question relates directly to the bill—have they been consulted—and relates to a comment that the minister just gave in his reply to the second reading debate.

Dr M.D. NAHAN: The bill is available to them; we did not send the bill to them. All the growers and others were invited for many discussions at the Perth Market Authority. I cannot say whether the various groups that the member specifically mentioned or the people who are members of those groups came.

Ms R. Saffioti: You said they were. Did you know what you were saying?

The ACTING SPEAKER: Let the Treasurer answer the question.

Dr M.D. NAHAN: You asked me if we sent them the bill —

Ms R. Saffioti: You said they were consulted.

The ACTING SPEAKER: Let the Treasurer answer the question.

Dr M.D. NAHAN: The question right now was: did Treasury send the bill to these people? I do not think so.

Ms R. Saffioti: You don't think so. Did you or not?

Dr M.D. NAHAN: But you do not consult —

Ms R. Saffioti: Did you or not?

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Dr M.D. NAHAN: Would you please let me finish.

Mr P. Papalia: She is acting on behalf of her constituency.

Dr M.D. NAHAN: Yes, yes; I know!

The member asked me a question: did Treasury send the bill to those people? No, but that is not how it is done. We do not send a bill to a bunch of growers.

Mr F.M. Logan: Yes, you do, sometimes.

Dr M.D. NAHAN: If they want it, they can have access to it; but did they have dialogue with the approach of it—yes.

Several members interjected.

The ACTING SPEAKER: Members! Member for Collie–Preston!

Several members interjected.

The ACTING SPEAKER: Have you two finished? Thank you.

Mr W.J. JOHNSTON: When the Treasurer said that a majority of growers support the bill, how many is that?

Dr M.D. NAHAN: A majority is a majority. I have been told that Treasury had dialogue with them and that the majority support the bill. Exactly how many that is quantitatively, I cannot answer that.

The ACTING SPEAKER: I am still not convinced at all that this has to do with the short title of the bill. The member is expanding the debate for questions to come later, so I am listening intently, member.

Mr W.J. JOHNSTON: With respect to choosing the name Perth Market (Disposal) Act 2015, the Treasurer has just said, and I wrote it down: I have been told that a majority of growers support the bill. Who told the Treasurer? Is that advice contained in a written document? If it is contained in a written document, what is the name of that written document? What is its date and who is the author?

Dr M.D. NAHAN: I have been given verbal advice by the people involved in the transaction from Treasury that there has been widespread, widescale consultation, both in the early phases of it, when it went out to tender, when there was a selection of the final five bidders—not only with the bidders but the participants in the market and others who were interested in it. That is what I have been told. As to a specific document that I can quote, I cannot.

Mr W.J. JOHNSTON: In respect to choosing the name Perth Market (Disposal) Act 2015, the Treasurer says he has been verbally told. Who verbally told him that the majority of growers support the bill?

Dr M.D. NAHAN: As I just said, the Treasury officials who were appointed to run the disposal process.

Mr W.J. JOHNSTON: In respect to choosing the name Perth Market (Disposal) Act 2015, the Treasurer has been told by just Treasury officials that a majority of the growers have supported it. I am making it clear; I am not trying to put words into the Treasurer's mouth or any of those things. I am trying to be quick. Just to make it clear: that is what the Treasurer is saying, because it was not clear from his earlier answers. We accept that the Treasurer has given a correct answer. So is it the team at Treasury who the Treasurer says has told him that there is majority support amongst the growers?

Dr M.D. NAHAN: Not only that, they said there is wide support for it in terms of not only growers who had input to it, but also the users of the market and others. This has been, except for the people opposite, the member's team, a process that has had widespread support, for good reason. As I indicated, people see it as an opportunity to expand investment in the market.

Ms R. SAFFIOTI: In choosing the name the Perth Market (Disposal) Act 2015, the Treasurer said that this bill has had widespread support from the growers. Can the Treasurer provide the list of the growers who support it?

Dr M.D. NAHAN: The member has asked that question once before and I provide the same answer. I do not have that list with me here, but we can provide a list of the people who have been consulted and discussed with. I do not have the list. I was not directly involved in the process. The Treasury people did that, of course.

Ms R. SAFFIOTI: The minister has said that he is going to provide a list of who has been consulted. I also want a list of the growers who support this bill.

Dr M.D. NAHAN: I cannot tell the member that. I do not think that they took a vote.

Mr P. Papalia: Then how do you know you've got a majority?

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Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

Dr M.D. NAHAN: They had a discussion with the people. They do not go out there and say, “Do you support it or do you want it?” This was not a voting process. We went out and consulted widely, and not only with the growers—the small ones, the big ones and others. We did not, I am sure—I was not involved in it—take a vote, nor did we list everybody’s pros and cons. This was not a branch activity of the Labor Party. All I have been told is that this was a widely supported process by not only the growers, but also the users of the facility.

Ms R. SAFFIOTI: The minister said that there was majority support. How does he know that?

Dr M.D. NAHAN: Because I was told that.

Ms R. SAFFIOTI: The minister said that no-one took a vote and that they did not ask people whether they supported it, so how can the minister tell us that there was majority support?

Dr M.D. NAHAN: Because I was told that.

Ms R. SAFFIOTI: This is how this Treasurer operates.

Mr P. Papalia: He makes stuff up.

Ms R. SAFFIOTI: He makes up stuff. He puts his advisers in a difficult position because he makes up stuff. The minister said that this has majority support. He has told us that he was not involved and that his office is not involved. He told us that this has majority support, but he cannot give us a list of the growers he talked to because he did not talk to anyone. The minister said that the majority support this, but he cannot tell us how he can determine that. He should ask his advisers how it was determined that there was majority support.

Dr M.D. NAHAN: Again, the advisers and the lead financial advisers undertook the process, as is required. I was not involved in the process, and appropriately so. As I have said over and over again—we can sit here all night if members wish, repeating the same question—I have been advised that the majority of the growers and users of the facility support the sale.

Ms R. SAFFIOTI: Was the Hills Orchard Improvement Group consulted and did it support the sale?

Dr M.D. NAHAN: The member can ask, but as I told her, I was not involved in the process. We do not have a list of everybody, so I cannot answer that question.

Ms R. SAFFIOTI: Was the Grape Growers Association of WA consulted and did it support the proposal?

Dr M.D. Nahan: Same answer.

Mr W.J. JOHNSTON: I just want to clarify that the consultation the minister is referring to is consultation in respect of the sales process. Is my understanding of the minister’s answer correct?

Dr M.D. NAHAN: Yes.

Mr M.P. MURRAY: Were any meetings held in the south of the state, such as in Manjimup or Myalup, and were those people consulted?

Dr M.D. NAHAN: No.

Clause put and passed.

Clause 2: Commencement —

Ms R. SAFFIOTI: When does the minister expect and require royal assent for the sales process?

Dr M.D. NAHAN: As soon as possible.

Ms R. SAFFIOTI: Okay, as soon as possible. What is the expectation? From the government’s perspective, what is the critical time frame for when it needs this legislation to be passed to accommodate the sales process?

Dr M.D. NAHAN: We expect contract signing at the end of January and the sale process at the end of February.

Mr W.J. JOHNSTON: Is that why this bill is being considered at the top of the government’s priority list? The government needs to get this legislation through, obviously if the sale contract is to be signed in January. The Treasurer will need this legislation through both chambers and given royal assent before probably the end of the year, so this is being given priority because of that time line.

Dr M.D. NAHAN: No. We set the time line some time ago. When we announced the list of asset sales, the first was always going to be the Perth Market Authority. We indicated in this chamber repeatedly that it was going to be the first of the asset sales into the market. We indicated some time ago that it was going to come on now or in this sitting, followed by Utah Point. We have been planning for this for some time, therefore, it is not an issue of “must”; this is what we had planned to do.

Extract from Hansard

[ASSEMBLY — Tuesday, 10 November 2015]

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Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

Mr W.J. JOHNSTON: If it is not a question of must, then the Treasurer does not need this legislation to sell the market.

Dr M.D. NAHAN: The government chose the timing of the sale of the market and the start of this process. Of course, to sell the Perth Market Authority we have to pass the bill and to have royal assent. This is part of the government's planning process; it is not a rush job. It has been planned for over a year and it is on schedule and going to plan.

Mr W.J. JOHNSTON: The Treasurer's original answer was a bit confusing, because he suggested there was no need for the legislation to be passed and he had this planning process that was going to lead to the sale and this legislation does not have to get through before Christmas. I am trying to get a picture of why this legislation is more important than the child sex offender legislation that we were promised a year ago. The government has prioritised this legislation and not other legislation, so I am trying to get a picture of why. The Treasurer is saying this legislation has to get through before the contract is signed in January. Is that what the Treasurer is saying?

Dr M.D. NAHAN: Yes, but we have been planning this for over a year and have referred to this regularly in this chamber. It is appropriate; we need the legislation to be passed to effect the sale.

Mr W.J. JOHNSTON: That is the point I am making to the Treasurer. It appears to me that the Treasurer has got a problem because of the way he has handled this. The announcement of the sale was August 2014, which was the date of the Treasurer's media release. But nearly 15 months later the Treasurer is saying that we need to get this legislation through, effectively this week in this chamber, because it will have to go to the other place. They have only three weeks of sittings left in the other place and a very large load of legislation including the Bell litigation legislation, which is very complex legislation that has only just been dealt with, and that also has to get through before Christmas, and a list of other issues that they are dealing with. Even though the process has been going for over a year and we are now dealing with this nearly 18 months since the original announcement, if we do not get the bill through immediately, the Treasurer will not meet the time line. It seems strange that this is the priority the Treasurer is attaching to this bill. More than \$2.1 million has been spent on consultants—Jones Lang LaSalle and Ernst and Young got over \$2 million; they have already been paid—and now the Treasurer says he has this great plan and he is keeping going with the process to sell the thing, but unless the bill is passed in the next couple of days, he will miss the time line he has set. That seems a bit odd. Generally speaking, in planning, all the steps are worked out and each step is taken in order. The problem here is that the Treasurer has offered for sale the Perth Market Authority and the land at Canning Vale before the legislation was available. Imagine in the upper house, if the National Party decided it wanted to protect the interests of growers and merchants, like the member for Southern River, who is opposed to this legislation. Imagine if the National Party adopted the view of the member for Southern River who said on a number of occasions in his contribution to the second reading debate that he is opposed to this legislation. The member for Southern River set out in his speech how the terms of this legislation do not represent the interests of growers in this state. He made that very, very clear when he opposed this legislation in the second reading debate. It seems to me that the Treasurer has put this the wrong way around. He has spent over \$2 million on consultants and he has already closed the tender process and shortlisted five potential purchasers, but he cannot complete the sale process without the approval of this legislation by the Parliament. Why would he have spent all that money and done all that work and then introduced—as the member for Southern River made clear—second-rate legislation that does not protect the interests of growers in this state?

Dr M.D. NAHAN: The member has had a lot of time to debate this issue. We are going through consideration in detail. The member verbalised the member for Southern River.

Mr W.J. Johnston: No, I did not.

Dr M.D. NAHAN: Yes, the member did. The member for Southern River did not condemn this legislation.

Mr W.J. Johnston: That is not true.

The SPEAKER: Order, member for Cannington!

Dr M.D. NAHAN: We followed a process over the last 15 months. We announced it and reviewed the details of it. We went out for tender and we selected five potential purchasers. We have had extensive dialogue with them about the structure, the market conditions and other aspects that are incorporated into the Perth Market (Disposal) Bill 2015. We are now having dialogue with the five selected people in terms of the bidding room and the contract that we will sign with them, and it has all been due process. The member might think that we should have the bill and the detail settled before we discuss it with potential market participants, but I do not agree with the member on that. This is a priority bill because it not only raises money but also

transfers the very important asset to the horticultural industry so that we can get modernisation and investment into the facility.

Mr W.J. JOHNSTON: I know that the Treasurer was in the chamber but clearly he was not listening to the member for Southern River. The member for Southern River outlined that the only way to protect the interests of the growers is to have a structure in this legislation that aligns the interests of the market participants with the landowner. He made it very, very clear that if we do not have that alignment then there will be a negative outcome for the growers in this state. That is exactly what he said in this chamber without any doubt at all. This bill does not do that and this is the point that I am making to the Treasurer. The Treasurer tells us that the market will be sold and contracts will be signed for the market sale in January, but if that contract is signed prior to the passage of this legislation that contract will have no effect because it is not capable of being completed. The Treasurer is saying that the member for Southern River's speech was for naught because he is not prepared to countenance the member for Southern River's position on this issue. The Treasurer is saying that all the things the member for Southern River said were irrelevant because the Treasurer will only contemplate passing this legislation on this truncated time line. He has spent millions of dollars on consultants, negotiated with more than five potential bidders and five shortlisted bidders in the end, and he has had this parallel process running outside the Parliament. No-one in the Parliament had been given the details of that process, and without this legislation the sale cannot be completed. That is why I say to the Treasurer that it seems premature to be talking about finalising a contract when the executive in Western Australia has no parliamentary authority to sell the asset. The only way it can sell the asset is with the authority of the Parliament, and yet the Treasurer is saying that he has already got to the last moment of negotiation. In defence of his position, the Treasurer has said that selling the asset is the only way to align the interests of growers to the future so that they can expand. Of course, this legislation, as the member for Southern River outlined in his speech, does not do that. If the Treasurer had listened, the member gave a detailed explanation about why this bill does not do what he wants.

A Liberal backbencher is speaking in Parliament against this legislation and calling for an alternative. The member for Southern River said that he would wait and see what the Treasurer did in consideration in detail before he decided whether he would support the legislation. I imagine that the National Party is doing the same thing.

The SPEAKER: Member for Cannington, I just want to bring you back to clause 2, which refers to the commencement of the bill. You are starting to wander a lot now.

Mr W.J. JOHNSTON: With respect, Mr Speaker, that is not true.

The SPEAKER: That is your opinion. I am saying to you that you are starting to wander, so just deal with the commencement of the bill.

Mr W.J. JOHNSTON: That is exactly what I am doing. I am saying that we are in a position in which the executive is enforcing its authority on the Parliament, and that is a breach of the processes of this chamber. The Treasurer has said that he is so far advanced with contract negotiations that he is weeks away from signing a final agreement, yet this is the first occasion that we have seen the bill and a government backbench member is speaking against the legislation. What an outrage! What sort of shambles is running Western Australia? We cannot allow the member for Southern River to be embarrassed like this by the government. It is outrageous that this bill is not being delayed.

The SPEAKER: Member for Cannington, you came back to the point and now you are running off again about the member for Southern River. Just stick to the point about the commencement. That is what you need to do.

Mr W.J. JOHNSTON: Thank you very much; that is exactly what I am explaining, Mr Speaker. The member for Southern River outlined exactly why this commencement date is wrong. That is exactly what he said in his speech. He said in his speech that this bill is inadequate and will not align the interests of the growers in the sale process. The Treasurer said that that is his intention; he said that that is what he is trying to do—align the interests so that there can be expansions et cetera. However, this bill will not do that. Instead, we are rushing along because the government has spent all this money on the consulting firms Ernst and Young and Jones Lang LaSalle and now we have to get our money back from them. It is outrageous. We should allow a proper process, as the member for Southern River outlined in his speech, so that instead of having this sham legislation, we can have the real legislation that the member for Southern River discussed.

Mr B.S. WYATT: I have a quick question of the Treasurer. I think the Treasurer talked about contracts being signed at the end of January. When does he anticipate making a decision on the successful tenderer? How many expressions of interest, which have been whittled down to five, from memory, were there? I am not asking for names.

Dr M.D. NAHAN: There were 15 expressions of interest and we plan to submit a recommendation to cabinet on 14 December.

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Ms R. SAFFIOTI: In relation to the commencement of the legislation, given that the Treasurer will submit the preferred tenderer to cabinet on 14 December, does that mean that the government is not taking on board the contribution by the member for Southern River?

Dr M.D. NAHAN: No, it does not mean that at all. He expressed a preference for a certain type of contractual arrangement. Nothing in this bill will preclude an investor from doing that. There is not. If members go to the body of the bill, which I thought we were here for, they will see that we have approached in an open manner both the structure and the ownership patterns of the bids that we will allow. That has been the whole approach of this sale process. We have allowed a diversity of types of bids, exactly as the member for Southern River indicated. I am not involved in the details of the bids, but there is nothing in this process that precludes it. It does not mandate it; it allows alternative ways, but it does not preclude it, and the member for Southern River indicated that.

Ms R. SAFFIOTI: Is the government considering retaining the ownership of the land and just selling the revenue stream from the Perth Market Authority?

Dr M.D. NAHAN: I did not say that, and that is not his proposal. The member is verballing the member for Southern River. The member for Southern River's recommendation is to separate ownership from use. In fact, I think that he suggested that a super fund should own the land. That is not government; he was not talking about the Government Employees Superannuation Board. He said that perhaps a super fund could own the land and get a return on it, and the operation of the market would be done by a different party. That is the model that the member for Southern River suggested, not government ownership. If the member wants to go on about this, she should be precise and not verbalise.

Mr W.J. JOHNSTON: Is the Treasurer saying that the bidder that wins will not be the highest bidder?

Dr M.D. NAHAN: No, not necessarily. We have a whole range of criteria, one of which is a commitment to maintain the facility as a market. A number of criteria are indicated and I have listed them. There will be a weighted priority process, and the top priority is to ensure that the successful bidder is committed to maintaining it as a market.

Mr W.J. JOHNSTON: Will the Treasurer table the selection criteria and the weighting of criteria?

Dr M.D. NAHAN: It was in the expressions of interest, so it has already been publicly available. But yes, I will.

Clause put and passed.

Clause 3: Terms used —

Ms R. SAFFIOTI: This is the definitions clause. In relation to assets, can I have clarified: have some of the bidders that have put forward their bids separated the underlying asset from the income stream? Given the comments just made by the Treasurer, is that correct?

Dr M.D. NAHAN: I did not say that at all. I said that the process is allowing bids of different structures. I did not say how they are structuring their bids. I have not seen the structure of the bids. Again, the member for Southern River said, "Here is a proposal." There is nothing in this bill that inhibits any of the bidders from approaching their bid in the way that he suggested. I am not saying that it is that way. This bill does not preclude that and in fact it enables that if that is the case. The bill does not force the structure of the bid in that manner.

Ms R. SAFFIOTI: The Treasurer said that what the member for Southern River suggested is still possible, so can the Treasurer assure us that some of the bids are structured in that way?

Dr M.D. NAHAN: No, I cannot. I said that I do not know the structure of the bids. The bill before us allows a bid to come forward as the member for Southern River recommended. I am not going to say whether a bid has or has not, because I actually do not know, nor am I going to disclose it, because there are still some negotiations yet to be done.

Mr W.J. JOHNSTON: I want to clarify the Treasurer's use of language. The Treasurer said that it is possible for the member for Southern River's plan to come to fruition. That means that one of the five bids must be the proposal put forward by the member for Southern River. It is not what is in the act; it is what is actually possible, because despite the fact that the act allows many things—we will get to that later; this is one of the problems with the process that the government has chosen—and despite the fact that the legislation may or may not permit what the member for Southern River said, unless one of those five bids being considered is the proposal from the member for Southern River, then it is not actually possible for that to be an outcome unless the Treasurer is going to reopen the tendering process. That is why I am asking whether one of those five bids is in the form described by the member for Southern River. If the Treasurer answers no, then the proposal from the member for Southern River dies.

Extract from Hansard

[ASSEMBLY — Tuesday, 10 November 2015]

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Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

The SPEAKER: This is to do with the definitions clause, and I have given you a lot of latitude. Can you address the definitions clause, please.

Mr W.J. JOHNSTON: Indeed.

The Treasurer can see that “corporate vehicle” means —

- (a) a company created in accordance with section 10(4) each security in which is held by a person specified in section 10(6); or
- (b) a subsidiary under the *Corporations Act 2001* (Commonwealth) of a company referred to in paragraph (a);

Is the Treasurer saying that one of those five bids meets the criteria set down for the Treasurer by the member for Southern River?

Dr M.D. NAHAN: The Perth Market (Disposal) Bill 2015 allows a bid, as mentioned by the member for Southern River, to come through and be adopted. We have not even seen the bids; they have not been finalised.

Mr W.J. Johnston: Surely you have seen them.

Dr M.D. NAHAN: No. The bids have not been finalised. We preselected five; they are still working on the data room and the bids. They have not submitted a final bid yet, so I cannot preclude that or not, and nor am I going to. But I assure the member that it allows for a variety of approaches other than what the member for Southern River suggested, but it does not preclude that and they have not been finalised.

Mr W.J. JOHNSTON: What did the 10 rejected bids contain?

Dr M.D. NAHAN: Again, those were expressions of interest, I think. Fifteen were received, we preselected five. The assessment team was of the view that the 10 not moved to the next stage did not have the necessary qualifications. They did not have the necessary skills or meet the criteria. They did not put forward a detailed bid at that stage. They are now at the stage of putting together a detailed bid. We have not seen it yet.

Mr W.J. JOHNSTON: To clarify, when the Treasurer says “expression of interest”, is he saying he only considers it a bid when he asked those five participants to make a detailed submission? That is what the Treasurer considers a bid, and that the other 10 never made a bid; is that what the Treasurer is saying?

Dr M.D. NAHAN: Yes. We went out with a two-stage process; we asked for expressions of interest in the asset, and they put together their views and bona fides. The bid assessment team preselected five of those 15, and those five now have access to the data room and are in the process of putting together their final bid. We will choose from those five.

Mr B.S. WYATT: I want to explore in detail one thing the Treasurer mentioned in his second reading reply. The bill reads —

market asset means —

- (a) the whole or any part of a business carried on by, or any asset or liability owned by or managed on behalf of the State by, the Authority; or

I will not read paragraphs (b) and (c). I want to get my head around that as it applies to a Sunday market. A Sunday market takes place, and the Treasurer made the point that the Perth Market Authority, I think he said, has taken that over because it was unviable. The Treasurer said that was a contract that the authority had given to a family to operate that market. How long had that contract been in place? The Treasurer said it was taken over but it was purchased back, so how long was the contract due to run?

Dr M.D. NAHAN: I cannot give the member precise times, but as I understand it—I cannot be precise about this—the family went to the authority and said it would like to put on a Sunday market.

Mr B.S. Wyatt: Was that years ago?

Dr M.D. NAHAN: It was years ago—decades ago.

Mr B.S. Wyatt: Is it the same family that —

Dr M.D. NAHAN: Yes; father and son. That is who I have interacted with. They organise a Sunday market; it is up and down. I do not believe they were involved in the Saturday market. They had a Sunday market, and about four years ago —

Mr P. Abetz: Sixteen years ago.

Dr M.D. NAHAN: Sixteen years ago? Time flies.

Sixteen years ago the market authority decided it was going to take back the Sunday market business, because in its view it was not run adequately. The Sunday market was struggling financially, too, but it was a viable asset

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and everybody who looked at it thought it had potential. The issue that came to me and the member for Southern River was that the market authority basically took the right to run the Sunday market away from the family.

Mr B.S. Wyatt: Just while you're on your feet, to save me getting up again, was that a right they had? Did they have to buy it out? Was there a payment made?

Dr M.D. NAHAN: We negotiated with them. As to what their legal responsibilities were, they had—if my memory is right—legal advice that they could do that.

Mr B.S. Wyatt: Sorry, they could do what?

Dr M.D. NAHAN: Take back the ability to —

Mr B.S. Wyatt: Without paying them out?

Dr M.D. NAHAN: The lease had expired, but our debate is that even if the lease had expired, there was goodwill there. This family had set up and had developed goodwill as a Sunday market so we, as local members do, lobbied the Perth Market Authority to compensate them in some way.

Mr B.S. Wyatt: And what was that compensation?

Dr M.D. NAHAN: I do not know, but since then the market authority has taken it over and has run the Sunday market, and it runs it to this day, to my knowledge.

Mr B.S. WYATT: Can I confirm that when that lease or contract was taken over by the authority from that family, the view was that there was no financial value in it because it had expired, and that the payment that was made was for goodwill only?

Dr M.D. NAHAN: I cannot answer that. First of all, the transaction between the market authority and the family was a personal issue. I was not involved, and nor was the member for Southern River.

Mr B.S. Wyatt: But you just said that as the local member you asked —

Dr M.D. NAHAN: I know, but I did not get involved in the nature of the transaction. Whether it was goodwill or anything else, I do not know. I understood that the lease had expired and that the market authority had the right to not renew the lease with the family, and it decided to run the market itself, and that is what it is doing now. The family went to a whole range of parties and asked for assistance; we talked to the market authority and said, "You're taking over a business they had run; yes, you have the right to do that. We urge you to assist them in some way". Whether it is a gratuity or related to that, it is a private matter, and I have never been informed about the extent of it or the rationale for it, specifically. Whether it was goodwill or otherwise, I do not know.

Mr B.S. WYATT: When was the payment made? In which financial year was the payment made?

Dr M.D. NAHAN: Again, I was not involved in the transaction. It was held confidentially by the family. I do not know how much it was, if there was any contract or exactly when it was transferred.

Ms R. SAFFIOTI: My question relates to the definition of "public market" in this clause. I understand that it is defined as a wholesale market, so we do not define the weekend markets at all in this bill. Can I have that confirmed?

Dr M.D. NAHAN: That is right.

Ms R. SAFFIOTI: Can I confirm that, as a result, the 20-year guarantee does not apply to the weekend market?

Dr M.D. NAHAN: That is right.

Ms R. SAFFIOTI: I would like to move an amendment. I move —

Page 4, after line 26 — To insert —

weekend retail markets means the markets held on a Saturday or a Sunday to provide access by the community for the sale and purchase of goods or services.

I move this amendment because it relates to a further clause. Basically, what we are trying to do is to insert the definition of "weekend retail markets". As we outlined in the second reading debate, we believe that this bill provides no protection or assurance that the weekend markets will continue, and that it will be entirely up to the private operator of the markets whether the weekend markets continue. The bill does not refer to the weekend markets; it refers only to the wholesale market. There is no protection and no assurance that those weekend markets will continue under this privatisation. The Treasurer obviously goes and buys his fruit and vegies down there. My colleagues and I also frequent the markets and, as I said, Hon Sue Ellery has attended the markets to seek the views of many of the people who attend those markets on the weekend. What she heard first-hand from

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all the people she consulted with over the past couple of months is that people are very keen to ensure that the weekend markets continue. We are providing a definition of the weekend markets so that further on in the Perth Market (Disposal) Bill we can move that they continue for the same period as the wholesale markets.

Mr P. ABETZ: I rise to speak against the amendment. I was involved in supporting the family who had run the Sunday Canning Vale markets. The lease was expiring and the Perth Market Authority chief executive officer informed the family that the authority would not renew their lease. The rationale given to me by the CEO at the time for not continuing the lease—I think they were working on a five-year lease—was that the authority believed that with the growth of the market —

Dr M.D. Nahan: The wholesale market?

Mr P. ABETZ: Yes. The authority believed it would not be able to make all that space available due to vehicle movements because the authority believed that with the move towards seven-day trading in retail and so on, the markets may operate on a Sunday. Trucks would be coming and going and the authority wanted to be in control of that because it was unsure whether it would continue the markets in perpetuity. That is why the authority claimed that it would not renew the lease. The fact that the lease was not renewed, yet the Perth Market Authority was going to continue running the markets, is why I believe the Perth Market Authority had a responsibility—not a legal responsibility but a moral one—to make some payment to the family for the goodwill of the lease. I believe that if the opposition wants to lock in the operation of a Saturday and Sunday market in the wholesale market space, it will potentially limit the ability of the market operator to fulfil its primary function, which is a wholesale fruit and vegetable market. If it is not used on a Sunday, by all means let it be used for a Sunday market. I am not sure of the term for overwriting fruit when it can be bought by people on a Saturday. It is up to the wholesalers to decide to operate that. We cannot force the operator who buys the market to force wholesalers to do something if they do not want to do it. I think it is a nonsense amendment.

Dr M.D. NAHAN: The clearance market on a Saturday is sanctioned but not organised by the Perth Market Authority; it is organised by some of the tenants. Some participate, some do not. They may not want to do it. The opposition is trying to force tenants to operate a market that they may not want to do. It is not operated by the market authority; it is operated by some of the tenants. I do not think the opposition has thought this through. It is seeking to force the tenants to run a type of market on Saturday that they may not want to run—that some of them do not want to do.

Ms R. SAFFIOTI: The Treasurer has not read the amendment. He does not understand that this is a definition of a public market. All this amendment will do under “Terms used” is provide a definition of the other markets that currently operate from the site. The site, the wholesale market and the market to the public, is there—two different types of markets, a community market and a clearance market on Saturday and Sunday respectively. This amendment seeks to give a definition of those markets because the legislation does not define them or acknowledge them in any way. The legislation acknowledges only the wholesale market. This amendment will provide a definition. We can deal later with how we treat the issue. This amendment will not force anyone to do anything. All it will do is create a definition that we will refer to later.

Mr W.J. JOHNSTON: I think that what my colleague and friend the member for West Swan has outlined is quite important because before the minister asks his colleagues to vote against this, it is important that we understand what we are doing. This is about definitions that are included in the Perth Market (Disposal) Bill. It contains a definition for public market that excludes the weekend retail market. One of the opportunities highlighted in the sales document is that the site is 50.9 hectares. This is seen as one of the opportunities being presented to the purchaser of the land. The sort of thing that my good friend the member for Southern River outlined—that we might need trucks to come and go on the weekend—is of course a side issue here. The government is proposing the sale because it believes that the private sector is smarter than the government, and will be able to come up with new opportunities. Those new opportunities are clearly not the public market. We are asking to protect not only the public market but also the weekend retail market. It is not a particularly surprising decision for the opposition to take, because there will be all these other things on the 50.9 hectares, and that is the reason the government is telling us to support the sale legislation. Therefore, if we are going to protect certain aspects of the conduct of the site, it is not unreasonable to protect, or provide the opportunity for protection of, other aspects of the site, in the same way as we are encouraging the purchaser to bring in new activities on that 50.9-hectare site. We are just saying, bring in all these other activities, whatever they are, but we want to protect the weekend retail market. We are surprised that the Liberal Party does not like the weekend retail market and is opposed to its continuation, because it seems that that is what it is determined to do. The government is determined to provide that it will be shut down, and that does not make any sense.

Dr M.D. NAHAN: Our allowance is that if the purchaser wants to do a Saturday or Sunday market, it can. If the market wants to have an Asian food place, it can; it does now. If it wants to have a fish shop, it can. We are not

going to restrict the purchaser to operating an Asian grocery store, a fish shop, an outlet for a real estate agent, or Saturday or Sunday markets. These Sunday markets have been very marginal. They are facing a lot of competition from other markets. The opposition is trying to impose a specific restriction on the future owner that it would not put on the Perth Market Authority. The Perth Market Authority right now has no obligation to commit to that, and the opposition is trying to force this on the purchaser, and therefore undermine the potential effectiveness of this market for the future use of wholesalers. That is what the opposition is trying to do. We will not support this definition or subsequent debate about provisions later on in the bill.

Mr W.J. JOHNSTON: The problem is that this will allow one of those outlet stores to be built on the site. As everybody in this chamber knows, the fastest growing area of the retail industry in Australia is these large direct factory outlets, as they are called. There is Watertown here in Perth, and there is a massive one near Essendon Airport in Melbourne. That is the most likely quick fix on this site. It is the first thing the new developers will try to build. They are the single fastest growing segment of retailing in Australia, and guess what? It is quite likely that the site currently used by the community market will be replaced with a commercial operation. We like the community market, we think it is a great idea. I am not opposed to some sort of discount operation like that at Essendon Airport or Canberra Airport. We are not opposed to that, and we understand that that will almost certainly be the first thing that these property developers do on that site. But do not allow them to do that at the expense of the community of Western Australia in that south-east corridor. This is a popular weekend activity. I do not understand why the Liberal Party does not want to provide the equivalent protection, as the member for West Swan has outlined—she will wrap up the debate in a moment. We do not understand. We are genuinely surprised that the Liberal Party is opposed to protecting community assets like this weekend market, when it is very happy to have one of those discount operations on that site. We are not opposed to having the direct factory outlet, we just think there should be an opportunity to protect these important community assets as well.

Dr M.D. NAHAN: I do not have faith in the member's projection of what a person or an investor would put on the market site. All I can say is that if they did redevelop the land where there are existing commercial retail outlets, it would not affect the Sunday markets, because the Sunday markets are not held on that area. If the member goes there, he will see they are held under the covered area that is usually used for the wholesale market and it is held on Sunday because the wholesale market does not operate. As the member for Southern River said, if the wholesale market starts operating on a Sunday, the Sunday market would have to close down. The Labor Party is just trying to impose something on the future site, which it would not do with the existing market, and it is not logical. I am not sure why the Labor Party is trying to impose restrictions on the use of the wholesale market that would prevent wholesalers, if they so wished, from operating on Sunday, because I thought the whole purpose of this debate was to ensure we have an effective operating wholesale market. The ultimate outcome of this definition is to try to inhibit that from happening by having a small market—not a fruit and veggie market—with various types of goods and services sold on the wholesale market floor. It is not appropriate for growers.

Ms R. SAFFIOTI: The Treasurer tends to mislead the house every time he gets to his feet. This amendment is a definition of a retail market. That is what we are attempting to do. We are not forcing anything; we are not doing anything in this amendment but including the definition of operations that are currently undertaken. The Treasurer said nothing currently forces the Perth Market Authority to run these markets, but there is one thing and it is called public pressure. When something is owned by the government and in government hands, public pressure means something. By virtue of the government's ownership, I suspect any attempt to shut those markets down would be pretty unpopular and I suspect local members would want to support the markets. We are trying to continue to allow the community to have access to a site that it currently has access to. That is the key point. It is nothing more to owners than what is currently the case. This amendment adds the definition of retail activity; that is what we are doing with it. If the government wants to tell all its voters in its electorates that it does not care about the continuation of those weekend markets, that is fine. Stand up here and say that, if that is what is being said. If that is the government's position, we accept it because this government is in power, but it should stand up and say that it does not care about the future of those community weekend markets.

Dr M.D. NAHAN: What I can say to my electorate is that we will not put restrictions on the operations of the wholesale market that inhibit wholesalers from operating the market, because that is the intent of the amendment. The intent or the effect of the opposition's amendments—the definition and the subsequent amendment that will flow from it—is to stop the wholesale market from operating on Sunday.

Mr W.J. Johnston: No, it doesn't.

Dr M.D. NAHAN: That is what it will do, because if this definition and the subsequent amendment that will necessarily follow are accepted, the space that is used for the wholesale market will be taken and used for a Sunday market. That is what it is, because that is the same space. Anyone who goes there would see it.

Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

Mr B.S. Wyatt interjected.

Dr M.D. NAHAN: It will flow from what has been said and we have no intention of inhibiting the use of the wholesale market as Labor proposes. Labor Party members should go to their constituents and the various growers they say they are linked with and tell them they have stood here and tried to stop the wholesale market from operating on Sunday if that is the case. As the member for Southern River said, the Perth Market Authority itself was preparing for that, particularly following on from Sunday trading legislation. The Labor Party is trying to inhibit the market authority from operating its central purpose on a Sunday. I cannot understand why it would do that.

Mr W.J. JOHNSTON: I was not intending to get up but when the Treasurer gets up and speaks such drivel, I have no choice. The problem is that he has not read the proposed amendment. I will read it out for the benefit of the Treasurer. It states —

weekend retail markets means the markets held on a Saturday or a Sunday to provide access by the community for the sale and purchase of goods or services.

It does not specify a location. I know that there are detailed issues regarding a public market and the location, and they are covered in the bill, but this does not intrude on that. I make the point that there is nothing here that says or implies the restriction that the Treasurer says there is. There is nothing in this definition and nothing in clause 14(1)(a) that requires the weekend retail market to operate in the space specified as a public market—none at all. To suggest otherwise is wrong. That is a furphy.

I know what this does, Treasurer—it reduces the value of the sale. For example, when we later move to increase 20 years to 50 years, that reduces the value of the sale. This amendment reduces the value of the sale. We understand that. We are not apologising for that because we think that the balance between the gross income of the sale process and the benefit to the community is balanced. That is why we are saying the balance should be towards the community rather than just towards the purchaser of the property who will benefit if this amendment is defeated.

Mr P. ABETZ: The Perth market site also has a service station. I find it incredibly convenient to have a petrol station there. Will we also include a definition of a petrol station because it is so convenient for the community to have a petrol station there? The legal practice Cornerstone Legal operates in the office part of the facility. I find it incredibly handy to have a legal practice so close by. Will we impose on purchasers that they must retain a legal practice on the premises? Let us not be silly. The primary purpose of that site is a wholesale fruit and vegetable market. That is its primary purpose. The petrol station and pub are both incidental.

Mr J.E. McGrath: There is a TAB.

Mr P. ABETZ: There is probably a TAB in there as well for all I know, member for South Perth. There are various other facilities in there but we do not lock that in. As the lease expires, if the new owner wants to do something different, they are free to do that. To impose on the purchaser the requirement to do something that could actually inhibit the primary purpose of the whole facility, which is to be a wholesale fruit and vegetable market, is utter folly.

Dr M.D. NAHAN: If the member for Cannington knew the markets, he would know that the Sunday market is located in the only place it could be. It is where the wholesale market operates. There is no other place to operate that safely. When the wholesale market is operating, there are trucks and forklifts and all sorts of activity in there. It would be impossible to operate. As the member for Southern River said, the market authority took over the Sunday market because it thought it had a limited life because there would be a desire from the wholesalers to operate on Sundays. The Labor Party is trying to inhibit that from happening. It is trying to inhibit it from operating on Sundays. It will undermine the future operation of the wholesale market. I do not know why it is trying to do that. Why is it trying to undermine the operation of the wholesale market? That is what this amendment proposes.

Mr W.J. JOHNSTON: I am happy for the Treasurer to vote against this amendment. I am not happy for him to misrepresent what is occurring. I do not understand why he is incapable of understanding the words on the piece of paper in front of him. There is absolutely nothing in the amendment that conflicts with the definition of “public market”—not a single word. The Treasurer says that the only place that this can happen is where the public market is held. That is not true. The reason the government is selling the land, as the Treasurer outlined in his sales document under the heading “The Opportunity” and in his second reading speech is so that the purchaser can use this large gift of land for all these new reasons. We are not saying that that is necessarily a bad thing. We are just saying that given that the government is asking the new purchaser to do these new things with the land that is sitting there, at the same time it should protect the weekend retail market. It may well be that the place starts to be used seven days a week. That is great if that is what the users of the facility need to do to

expand the opportunities for growers in Western Australia, but in doing that we want to protect the weekend retail market. With 50.9 hectares of land, surely the purchaser will have the wit and wisdom to fit in that massive land endowment. We should remember that that is the attraction for the purchasers of this land. That is why four out of five of the short-listed buyers are land developers. There is no retailer amongst them; they are land developers. The only one who is not a land developer is the grower organisation. It is not a surprise that we are saying to land developers that in developing the land endowment that this legislation proposes to sell to them, we want to protect the weekend retail market in the same way as we want to protect the public market, which is also defined in this clause.

To suggest that there is a single word in this amendment that says that the weekend retail market must continue to take place on the floor of the wholesale market is stupid. The only person who could say that is a person who has not read the amendment. Every person who reads the amendment sees that that is not true. I would suggest that before the Treasurer contributes again to the debate—he can vote against the amendment if he wants—he reads the words in the amendment. Then he will not make a fool of himself by claiming that the amendment that we are moving in some way impacts on the capacity for the wholesale market to operate seven days a week because clearly there is not a single word in this amendment that says such a thing. No-one reading the amendment would propose such a silliness to the chamber. I am sure that once the Treasurer reads those words, he will not propose such a silliness to us.

Dr M.D. NAHAN: If the member knew the layout of the land, he would know that it is an industrial area. We could theoretically put the Sunday market on the vacant land out the back but I do not think the community would like that. We could open up one of these cold storage areas and put the market there or we could put it in the truck parking lot out the back but how would people get to it? The simple fact is that the Sunday market is held on Sundays because the wholesale market does not operate, and it is under cover. That is the issue. Could it be held in any other place? It could be held in the park. It could be held in a petrol station, but that would be difficult. The reality is that it is where it is because it is undercover and the tarmac is laid out for the Sunday market to operate. There is no other feasible or appropriate place to hold it. Anybody who has been to the market knows that. If the member wants to continue the argument about that, it is his prerogative but this definition and what it will lead to later retains an existing use that could potentially adversely conflict with the wholesale market, which will not support it.

Ms R. SAFFIOTI: The Treasurer stands up and basically says that this bill is the death of the weekend markets.

Dr M.D. Nahan: No, it isn't.

Ms R. SAFFIOTI: That is what the Treasurer is saying.

Dr M.D. Nahan: No, it isn't.

Ms R. SAFFIOTI: That is what he is saying. He basically said that the weekend markets are gone. He has not mentioned the clearance markets. Obviously the clearance markets have gone, and the Sunday markets have gone. I am glad we had this debate to understand the real intention, which is that the government does not care about the future of the weekend markets, the clearance markets or the Sunday market. That is the intention. We have moved this amendment, as it provides a definition. The government does not care about the community markets. I say to the member for Southern River that if he thinks his petrol station example is directly comparable to community and clearance markets and to helping community organisations, he is very much out of touch. The Liberal Party does not care about the weekend markets. That is its prerogative; it is in power. It is the government's legislation, but our amendment stands and if the government wants to vote against it, it will vote against it.

Division

Amendment put and a division taken with the following result —

Extract from Hansard

[ASSEMBLY — Tuesday, 10 November 2015]

p7968d-8019a

Ms Rita Saffioti; Mr Ben Wyatt; Mr Peter Abetz; Mr Bill Johnston; Mr Mark McGowan; Mr Paul Papalia; Dr Tony Buti; Mr Mick Murray; Mr Shane Love; Dr Mike Nahan; Speaker

Ayes (15)

Ms L.L. Baker
Dr A.D. Buti
Mr R.H. Cook
Ms J. Farrer

Ms J.M. Freeman
Mr W.J. Johnston
Mr F.M. Logan
Mr M.P. Murray

Mr P. Papalia
Mrs M.H. Roberts
Ms R. Saffioti
Mr C.J. Tallentire

Mr P.B. Watson
Mr B.S. Wyatt
Ms S.F. McGurk (*Teller*)

Noes (30)

Mr P. Abetz
Mr F.A. Alban
Mr I.C. Blayney
Mr I.M. Britza
Mr G.M. Castrilli
Mr M.J. Cowper
Ms M.J. Davies
Mr J.H.D. Day

Ms W.M. Duncan
Mr J.M. Francis
Mrs G.J. Godfrey
Dr K.D. Hames
Mrs L.M. Harvey
Mr C.D. Hatton
Mr A.P. Jacob
Dr G.G. Jacobs

Mr S.K. L'Estrange
Mr R.S. Love
Mr W.R. Marmion
Mr J.E. McGrath
Ms L. Mettam
Mr P.T. Miles
Ms A.R. Mitchell
Mr N.W. Morton

Dr M.D. Nahan
Mr D.C. Nalder
Mr J. Norberger
Mr A.J. Simpson
Mr T.K. Waldron
Mr A. Krsticevic (*Teller*)

Pairs

Mr D.J. Kelly
Mr M. McGowan
Mr D.A. Templeman
Mr P.C. Tinley
Mr J.R. Quigley

Mr D.T. Redman
Ms E. Evangel
Mr M.H. Taylor
Mr C.J. Barnett
Mr B.J. Grylls

Amendment thus negated.

Mr W.J. JOHNSTON: I have a question about the definition of “public market”, which reads —

... means a place at which persons meet for the purposes of selling or purchasing produce by wholesale, but does not include —

- (a) a place at which the sale of produce occurs if the place is the premises of the seller; or
- (b) a place at which the purchase of produce occurs if the place is the premises of the purchaser;

I draw the Treasurer’s attention to the comments of the member for Southern River, who indicated that we do not know what technological advances are going to occur in the future. I wonder whether we are restricting this to a physical location rather than cyberspace. If we are to take up the comments of the member for Southern River that technological change will move us along on this issue, does there have to be a specific place or can this public market be a virtual public market in which whatever technological process is taken?

Dr M.D. NAHAN: I am advised that one of the issues we have to address is that this might go to a virtual market. I am not saying it will, but we do not want to preclude it. To put it in a different way, instead of now, when people bring to the market a large amount of produce and sell the volume at that market and a buyer comes, they might come and sell a subset of that and the other sales will occur directly. I think that the member for Southern River said wool is sold in that way, but I do not know that. This clause does not preclude virtual markets or other alterations such as a partial sale of the quantity. It does not mandate that all the throughput of the transaction goes through that site. We are trying to accommodate a virtual market if that is, in fact, where the market goes.

Mr W.J. JOHNSTON: The word “place” could mean a virtual place, if you like. That is basically what I took the Treasurer to say, and he can clarify that when he responds. I refer to the definition of “central trading lot”, which reads —

... means the land that, immediately before the commencement of this section, was the part of Lot 1002 on Deposited Plan 16227, Certificate of Title Volume 2129 Folio 88 that is shown hatched on the plan in Schedule 1 Division 1;

When I go to schedule 1, division 1, “Central trading lot”, I see that the plan shows a bit that has lines in one direction—it is not the crosshatching, just the hatch—which is defined as the central trading lot. That is a significant part of the land being talked about here. If we say that “public market” means a place “at which”, the place could be a virtual place. We could then expect that at some time the purchaser might return to us asking for concessions in respect of the central trading lot or other parts of the land. If less of the land is restricted as to future use, then obviously the land becomes more valuable. Apparently on the green this week we will be dealing with the amendments to the Natural Gas (Canning Basin Joint Venture) Agreement Amendment Bill 2015 where proponents come back and ask the government for changes subsequent to the passage of the

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legislation. Are we contemplating a situation where in the future, after the transaction, we might make a change to this legislation that makes the land more valuable for the purchaser?

Dr M.D. NAHAN: No, we are not contemplating that. I cannot preclude the decisions of a future government to come back and change it, but the answer is no. The potential bidders understand that that is the central market trading lot and that is the definition. We do not intend to change the vague geographic definition of that.

Mr W.J. JOHNSTON: Can the Treasurer tell us if any purchaser has discussed with a government agency the possibility of changing the restricted land?

Dr M.D. NAHAN: I cannot tell the member about those discussions because I am not party to them, nor have I been briefed on them. The understanding I have from the officers involved is that the definition of a central trading area is built into the bill. There is no discussion to diminish or alter the use of it.

Ms R. SAFFIOTI: My question relates to paragraph (c) of the definition of “produce”, which refers to produce including fish, crustaceans and marine animals that have not been subjected to any other process other than freezing. I have a curious question. Will the Italian type of stockfish or smoked or salted fish not be included in that definition?

Dr M.D. NAHAN: Good question. I think it would be fresh fish too, but yes, it relates to any process other than freezing such as that used for salted fish. Others would perhaps be precluded from that definition.

Mr W.J. JOHNSTON: I had not looked at that provision at all. It says “any process other than freezing” so would that mean that they cannot be gutted? It does seem to be a very narrow provision. Is gutting also excluded? Does it have to be the whole unprocessed fish?

Dr M.D. NAHAN: My advice is no. We could have a whole fish, a gutted and a headed fish and all that sort of stuff, although that is usually done on site. The issue about processing and smoked, salted and pickled fish and other things is an issue we have to look at.

Mr B.S. Wyatt: Was this definition used because this is what is currently in place?

Dr M.D. NAHAN: I cannot answer that.

Mr B.S. WYATT: I have a question following on from that asked by the member for Cannington about the central trading lot. Can the Treasurer refer quickly to page 9 in the bill, which contains a definition for “Perth market site” that includes the central trading lot in paragraph (a) and (b), and confirm that the Perth market site on those two certificates of title is the entire 51 hectares? Are the entire 51 hectares effectively on two titles?

Dr M.D. Nahan: Yes.

Clause put and passed.

Debate adjourned, on motion by **Mr J.H.D. Day, (Leader of the House)**.

House adjourned at 11.25 pm
