

ECONOMIC SUCCESS — LOCAL CONTENT

Motion

HON LJILJANNA RAVLICH (East Metropolitan) [10.04 am] — without notice: I move —

That this Council condemns the Barnett government for failing to take every opportunity to ensure that local workers and businesses share in Western Australia's economic success.

I am moving this motion because there are clear signs that the Barnett government is failing to take advantage of opportunities to ensure that local workers and businesses share in Western Australia's economic success. It is fair to say that not only is the government failing to take every opportunity to ensure this occurs, but also many opportunities are being thrown away. I want to spend time exploring that issue today.

There is no doubt that Western Australia is a great place to live, and we want everyone to share in the success of the state because we believe that it is only right to share those benefits. A job—a good job in particular—is a key way that Western Australians can contribute to the state's economy and also benefit from the state's economic success. Labor believes that Western Australians should have the right to work and that these opportunities should be forthcoming to the citizens of the state. Recently, the resource boom has delivered many opportunities to many Western Australians. However, we are also seeing that the boom is finite. Although it is fair to say that the boom is probably not over, there is no doubt that the booming conditions in the resources sector have started to show signs of slowing down. We need to look at what this means for Western Australia as a state and its workers, families and communities, and the government response to these indications of slowing growth.

We have seen opportunities missed throughout the high level of economic activity in the resource sector. Western Australian jobs went offshore and the Barnett government did very little to protect those jobs. In response to that, Labor introduced into Parliament the Skilled Local Jobs Bill 2011 to ensure that the resource boom helped create skilled jobs for the future. We also saw training opportunities go offshore and massive opportunities for this state were lost as a result. The Skilled Local Jobs Bill would have ensured that the big projects outlined the skilled work that would be performed locally and provided agreements with the state for local training and apprenticeship commitments. The Western Australian economy is complex. It is not just about resources. Although there has been a focus on resources, like any economy, Western Australia's economy is diverse.

All parts of the economy need to do well if the local economy is to grow and people are to prosper. We have seen a solid concentration on the mining sector, while other parts of the economy have become weaker. Members have only to look at what is happening in the retail sector and the building and construction sector of the Western Australian economy. I will take the building and construction industry for a start. Both the commercial and housing sectors of this industry are doing pretty poorly in this state, but more so the housing sector. Having said that, this government introduced a bill in this Parliament to enact the Building Act 2011, which was supposed to be a major reform; but there were downsides to this act. Businesses in the housing sector of the industry rang warning bells that parts of this legislation were problematic and, in fact, would not only not add to efficiencies in the building industry, but also cause problems leading to delays and consequently would feed into this whole problem of declining activity in the building and construction industry in this state. We saw a very concerning trend, and a clear example of how this government failed to take the opportunity to ensure that local workers and businesses shared in Western Australia's economic prosperity, and its legislation was so bad that it took away opportunities and there was a cost to the sector as a result of that. The formula is simple; basically, to ensure adequate levels of economic activity in our community we need to maintain consumption levels, and people need to earn a good income in order to spend. If consumers are not spending and they are concerned about the future, clearly that will impact on jobs and have consequent devastating impacts for the longer term. Likewise, we need to ensure that we have adequate levels of investment—preferably high levels of investment—because if investment levels are not maintained, once again, businesses will not be able to operate at high levels of efficiency and there will be lost opportunities for jobs.

We also need to make sure that government spending is maintained. In this case, we have a government that is spending high but is also borrowing high to do that, so we are heading into troubled waters. We are losing the opportunity for government to be a good and efficient employer. In fact, we have seen government jobs decline over time, through constant cuts to departmental budgets as a result of efficiency dividends. As a major employer of people in this state, I would have thought the government would build up the public sector; instead, we have seen reductions in public sector jobs.

Hon Simon O'Brien: That is simply not true.

Hon LJILJANNA RAVLICH: The minister will get a chance to have his say in due course.

Extract from Hansard

[COUNCIL — Thursday, 20 September 2012]

p6222e-6232a

Hon Ljiljanna Ravlich; Hon Simon O'Brien; Hon Jon Ford; Hon Max Trenorden; Hon Matt Benson-Lidholm;
Hon Phil Edman; Hon Wendy Duncan

I want to bring to the attention of members the very concerning issue of Western Australian government work being sent offshore by government agencies, and the government's lack of accountability for this. The government has shown a lack of any understanding about what is going on in government in respect of work being sent offshore. Last Sunday, like many Western Australians in this state, I woke to a front-page story in *The Sunday Times* simply titled, "State jobs go to India", that referred to "WA bureaucrats replaced by overseas workers". I will quickly go to the part of the article that deals with the department of the Minister for Finance.

Hon Simon O'Brien: So you are basing your attack on the government on a story in *The Sunday Times* that you have not looked into?

Hon LJILJANNA RAVLICH: Yes, I am.

Hon Simon O'Brien: God almighty!

Hon LJILJANNA RAVLICH: The minister will get to respond.

The article reads —

WA public sector jobs are being outsourced to India.

Finance Minister Simon O'Brien told *The Sunday Times* that Indian workers have been hired to audit leave balances for the Office of Shared Services, a department providing human resources and financial services to government agencies.

Mr O'Brien said WA information technology company Agile Logic—the only tenderer out of the six invited—had been awarded the contract.

The article reported that according to the Premier the reason this contract had been awarded was —

... Synergy needed to remember it was not a private company and the only excuse for overseas contracting was if WA lacked the appropriate skills.

Having said that, the report makes it clear that the Minister for Finance said the only reason this work had gone to India was that local skills could not be found in WA. I have to say that I find it very concerning that of the six tenderers invited, only one responded and that tenderer picked up this work, yet the minister made the comment that he goes to great efforts to put locals into these jobs. That did not seem to me to be any effort at all. The article states —

The Premier's office ... said it had no idea how many Government departments may have started outsourcing work to other countries.

I have to say that it is very concerning when the Premier of the state—who also has somebody like Mr Conran as the person responsible for the public service—has no idea how widespread this practice is. I suspect what is happening is that as government agencies are forced to come up with their efficiency dividends, they are looking for ways in which they can cut costs, and rightly so. The easiest way to cut costs is to get a low-ball bid in a tender and not make any inquiries about how that work will be done by the contractor and consequently have no idea about where the workforce is going to be sourced. I do not think there is any effort by ministers to go out and find appropriately trained Western Australians to undertake this work. I think that in this case, which is a very good example, it is quite clear that an invitation to six companies, which received only one response and that respondent was awarded the contract, does not indicate there has been any effort whatsoever to ensure any rigor in the process was applied in this case. Perhaps when the minister responds, he might be able to indicate to the house whether more of this is occurring in his agency and whether other companies that won contracts are sourcing their human resources from overseas countries; and, if so, where they are sourcing them from. We need to know whether the government thinks this is appropriate, because the Premier seems to be saying one thing; that is, he does not think it has appropriate —

Hon Simon O'Brien: Your heart is not in this today.

Hon LJILJANNA RAVLICH: The minister should not worry about my heart. My heart is in this, because I am telling the minister that members on this side of the house do not find it acceptable that these jobs are going offshore, and we want to know why the government is not giving opportunities to Western Australians and why it is contracting companies that are then sourcing —

Hon Simon O'Brien: Well, you haven't established that that is the case.

The PRESIDENT: Order, minister! When you get your time for a contribution, I am sure you will expect not to be interjected on and interrupted.

Hon LJILJANNA RAVLICH: — their workers from overseas.

This is not the first time this has happened. In this case it is the Office of Shared Services; however, we know that this has also happened with Synergy. In early 2009, Hon Kate Doust asked the Minister for Energy whether he had been briefed about Synergy staff travelling to India to meet with the Indian company group Tata, and what the purpose of the travel was. The minister responded as follows —

I cannot confirm that; it was not discussed. I understand why the member is pursuing this issue—quite validly, I must say—but the collective agreement with the Australian Services Union and Synergy will be negotiated and I would like to think that there will be a just outcome.

He went on to give, as per usual in his case, a non-answer to what was a very specific question. The honourable member pursued the issue, and in time it became known publicly that the state government, through Synergy, was trying to shift jobs offshore, once again to India. I do not think it is any coincidence that this is happening. I think there is a strategy within government to source workers from India and other countries where the cost structure is lower than that in this country and Western Australia to get the savings the government so desperately needs.

When the issue of Synergy sending work to India arose, the Premier told radio 6PR back in February last year that the only excuse for such a move was if WA lacked the skills to carry out the work, which Synergy insisted was the case, but apparently Mr Barnett still hauled the utilities into line. This whole issue about sending work offshore to India was supposed to deliver efficiencies. I have to tell members that there was a \$100 million blow-out on the billing system of Synergy, so clearly the efficiencies were not there, but from February until now we have seen no reduction in this sort of activity; in fact, there has been an increase.

Here we have Synergy; and here we have, through the Office of Shared Services, work going offshore. The question that needs to be answered is: how widespread is this in government? I believe it is the tip of the iceberg. The Premier really should explain why, if he is opposed to work going offshore, this is happening within agencies across the state; furthermore, the question needs to be asked: what will the Premier do to protect Western Australian public service jobs? The minister needs to answer the question of why he has allowed this to happen.

Hon Simon O'Brien: Which minister are you talking about?

Hon LJILJANNA RAVLICH: Both ministers, in fact. They can both account for why this has happened. I notice that Synergy is still sending work offshore, because it was in the 2010–11 annual report of Synergy, so I think it is beholden on both ministers to explain to this house why this is occurring, what they intend to do about it, and how they believe this is for the benefit of Western Australia and protecting Western Australian jobs.

HON SIMON O'BRIEN (South Metropolitan — Minister for Finance) [10.25 am]: Now that we know a little about what was in the member's mind when she framed this sweeping motion, we can attempt to deal with it. Let me say at the outset that she has put forward a number of questions or assertions that are, frankly, false. Firstly, she has accused the government of having a strategy of offshoring jobs. That is false. She has accused the government of reducing public sector jobs and then recruiting people offshore. That is false. Although it is true that we have contained the expansion in the number of public sector jobs—that is a good thing; it needed to be reined in—we certainly have not reduced them. The member referred to the Building Act—an act the opposition supported. We will deal with a bill on that next week. She referred to the already-rejected Skilled Local Jobs Bill that the opposition put forward, which flew in the face of all the effort that this government made in the area of local content, tapping directly into the very extraordinary positive economic circumstances in which we find ourselves. I know that Hon Phil Edman has a particular interest in this area and has a few things to say about the government's record on that.

Speaking not in relation to the Department of Commerce but my Department of Finance, I point out to the honourable member that far from reducing the opportunities available to Western Australians through Building Management and Works, this government is delivering a massive construction and public works program, which has a direct flow-on benefit to Western Australians, and not only in construction. That record infrastructure spend is obviously being shared by local workers and businesses throughout the Western Australian community. For the member to pretend that that does not exist is really sticking her head in the sand, and, quite frankly, it is false. The member needs to wake up to the fact that she cannot come into this place and mouth a whole lot of false accusations based on false premises that she has not even bothered to research and not expect to be challenged on them. It is not the government's credibility on the line in this debate; it is the member's, and she is failing very, very dismally.

Similarly, the Department of Finance also administers government procurement. Through the common-use arrangements that are managed by government procurement as part of the Department of Finance, a huge amount of government expenditure is directed to local companies, and it is part of our policy that that be so. As the

Extract from Hansard

[COUNCIL — Thursday, 20 September 2012]

p6222e-6232a

Hon Ljiljanna Ravlich; Hon Simon O'Brien; Hon Jon Ford; Hon Max Trenorden; Hon Matt Benson-Lidholm;
Hon Phil Edman; Hon Wendy Duncan

member said in her opening remarks—it is about the only thing I agreed with—this is a great state, so why on earth would the member even conceive of an idea that any government would not have as its first priority the advancement of the interests of all Western Australians? It just shows how pointless the debate is.

I will respond to one specific matter that Hon Ljiljanna Ravlich raised. For part of her speech, the member relied on an article in *The Sunday Times*, which is an absolute beat-up. It was about a line in a story that was conceived long before it was finalised. It had worked out what its headline was going to be. That says something about that particular newspaper. We will see more of it this Sunday. It is about a false premise being perpetrated by this member. The story came about after someone went to that newspaper reporter and said, “We’re sending jobs offshore rather than giving them to Western Australians.” My agency picked up responsibility for the Office of Shared Services on 1 July and four days later I took a proposal to cabinet, for which I gained support, that it be decommissioned. The Office of Shared Services was a failed experiment. The author was the Labor government, of which the mover of the motion was briefly and tragically a minister. The then government set us on a course that has seen almost \$500 million wasted on that failed experiment. I do not see the member raising any motions about that. Perhaps it needs to be referred to. I know that Hon Max Trenorden would have some things to say about it if it came up.

The process of decommissioning the Office of Shared Services requires some discipline and good management, and it is getting it. I acknowledge the work of the Director General of the Department of Finance together with the officer principally involved with the decommissioning office, Mrs Stephanie Black. It is a massive job to roll out a large number of agencies with many thousands of government employees’ pay details and other interests at stake. We have to ensure that we do it right. I hope I would not have any argument that this government is correct in establishing the priority of ensuring that people get paid, they get paid the right amount, they are credited with the right leave entitlements, their recruitment processes are all done correctly and the rest of it. That is what we are doing. With the rollout of agencies away from Shared Services, which is shrinking all the time, and in light of the difficult position those who are still there are involved in—the office is shutting down, which is not good for morale—we need to deliver the correct information back to the agencies or groups of agencies that are taking on the responsibilities. Guess what we have found out about the leave entitlements of government employees being managed at Shared Services? The information is not reliable. The opposition would be right to demand of us that all the information about each individual’s leave entitlements that has migrated back to their host agencies be correct. Of course it should be. What do we have to do? We have to check it.

A job came up whereby 8 500 employees with up to seven different leave types and with various employment conditions related to them had to be checked. They had to be checked in a certain time frame. We do not have the 22 to 25 people that was predicted would be needed to do that checking to ensure that employees’ details were all right in the time frame available. We were not going through the sort of nonsense that the mover of the motion went through when she was Minister Assisting the Minister for Planning and Infrastructure. When their systems were breaking down at the licensing centre, what did they do? They just hired another 78 public servants to keep doing the same things and perpetuating the same inefficiencies, spending millions of dollars doing it. In fact, I think the figure was 108. We are not going to take on 25 permanent staff to do a finite job which takes a narrow period of time. In looking around for who could be tasked to do this very important job, the decommissioning office made efforts prior to 16 January to recruit staff to the leave audit team using a pool recruitment process for the decommissioning office. Those positions were advertised on Jobs WA. Four staff were obtained from the pool to undertake leave auditing but this was nowhere near the number needed. Further expressions of interest were circulated in January this year, which was unsuccessful because the sort of staff who had the profile to undertake the audit could not be released to the decommissioning program due to the need to continue to provide services in their home agencies. Having been taken out of Shared Services, we are hardly going to rip them out and pop them back there again for a few months because they have other work to do. A direct approach was made to temporary personnel agencies on the common-use agreement. That was in March, April and June this year. Suppliers on common-use arrangement 22008 relating to temporary personnel were all contacted in an effort to identify temporary personnel to undertake the leave audit. The initial approach was unsuccessful. A tweaking was made to the requirements of the profile and further requests were made and through that process another two candidates were sourced.

Through all these efforts—we can see that efforts were made—it is untrue to say that strenuous and repeated efforts were not made to get people to do this. The final endeavour was to request a quote for these services through another common-use arrangement. That was issued to half a dozen suppliers on the common-use arrangement panel. Those six suppliers were chosen as they were the most likely to respond based on the provision of similar services and their knowledge of the market. The request for quote did not even stipulate price and it did not have restrictive requirements, yet only one supplier responded. In the face of a motion

Extract from Hansard

[COUNCIL — Thursday, 20 September 2012]

p6222e-6232a

Hon Ljiljanna Ravlich; Hon Simon O'Brien; Hon Jon Ford; Hon Max Trenorden; Hon Matt Benson-Lidholm;
Hon Phil Edman; Hon Wendy Duncan

alleging that we have all these people in Western Australia who do not have any work, even though we have the lowest unemployment figures in the nation, and despite all of these protestations, we cannot find anyone to do the job, which has good remuneration, for a short period. One suitable supplier did respond and it was awarded the contract. It was on the panel. It is a Western Australian supplier. The contract will be managed from its Perth office. It has offices elsewhere. At least some of the resources used by this supplier will come from offshore. The government has not gone offshore to obtain people to do some work; we have gone to the local market. In turn, as would happen from time to time, our subcontractors source goods or services from overseas.

I am looking at Hon Jon Ford, deep in conversation with the mover of the motion. I wonder whether he bought his shirt in Western Australia.

Hon Jon Ford: Yes.

Hon SIMON O'BRIEN: Does the member remember where he bought it from?

Hon Jon Ford: Kingsize Menswear, I reckon. That is where I go. It is a very good store.

Hon SIMON O'BRIEN: It is a good store. If I had more time, I would ask the member where he gets his hair cut. He bought his shirt locally at a Western Australian business, and good on him. I wonder what the label inside his shirt says. I do not know if it says "Made in Western Australia".

Hon Jon Ford: I don't know. I'll take it off if you like.

Hon SIMON O'BRIEN: He should get it off. Members can see the point I am making. We go out to Western Australian suppliers but sometimes we find, particularly in relation to goods, that the goods originate from overseas. The computers and what have you are not made in Western Australia. The decommissioning of Shared Services, a complex task, is being undertaken in a short time frame. The department went to the lengths I have mentioned of going to all sorts of sources to get people and eventually we found a local company that could provide the service. That is being done now to fix up the problems that we inherited, to make sure that our people are paid correctly in getting the right job done.

In conclusion, I am sorry to say this, Glen's article in *The Sunday Times* is a complete beat-up. There is no plan to replace Western Australian public servants with people from overseas, be they Indians, Brits, Americans or whoever, so stop saying it.

The PRESIDENT: I have noted the people who have spoken. Hon Jon Ford.

HON JON FORD (Mining and Pastoral) [10.41 am]: Thank you, Mr President. At the minister's suggestion I looked at my tie and, even worse, it is made in New Zealand!

In supporting the motion moved by Hon Ljiljanna Ravlich, I would like to refer quickly to an article in today's *The West Australian* headed "Reserve warns of mine jobs vanishing", which reads —

The Reserve Bank has cast major doubt over the WA cornerstone of the WA economy, warning jobs will soon disappear across the mining sector.

In a paper released yesterday at a conference on the rise of Asia, bank economists also predicted fly-in, fly-out worker numbers will also tumble, putting strains on those parts of the Pilbara benefiting from their non-permanent workforces.

According to the bank, the mining boom has entered its production phase, which means there will be a drop-off in demand for workers.

Downsizing could be on a big scale.

That is the normal doom and gloom. The point I am making is that, significantly, these people are not talking about a downturn in the market; they are talking about a natural transition from construction into production, which, of course, requires fewer workers. I listened with interest to what the minister said about not finding people available to do the jobs. This is how I measure it. The government has been in power now for four years. I can go around the Pilbara, the Kimberley and the Gascoyne and talk to young people in schools who do not see that they have an opportunity within the resource sector directly or indirectly. In fact, in Port Hedland, whether they are young people or middle-aged people, it is more difficult for them to get a job in the north west than it is in Perth. As I have said before in this place, we have lost an opportunity to build on the skills required to build these major projects. I will give the house an example of how that would work. When I was working on building a ship in the Samsung shipyard in South Korea and we were doing something called terminations, which involves connecting cables to pumps, one Korean electrician and a crew of about 40 people were learning the trade. I can tell members that it led to fairly tardy results and we had to do major workovers. But that is the attitude we need to have. If we are going to import a skill, we need an adequate number of people learning the skills from those people. There needs to be a strategy to do that. As I have said in this place before and I will say

Extract from Hansard

[COUNCIL — Thursday, 20 September 2012]

p6222e-6232a

Hon Ljiljanna Ravlich; Hon Simon O'Brien; Hon Jon Ford; Hon Max Trenorden; Hon Matt Benson-Lidholm;
Hon Phil Edman; Hon Wendy Duncan

again, a young adult living in the north west cannot get an apprenticeship mainly because their employer cannot afford to house them. Unless their parents live there they cannot get a job. I walk around the Kimberley—I just spent the weekend in the Kimberley—and I see lots of kids who, had they been brought down to Perth where housing is notably cheaper than it is in the north, we could put them into hostels, get them into offices and give them traineeships. If I had seen evidence of that I would have been arguing that we cannot tackle the government on this issue, but we have not seen any evidence of it. In fact, in the north west—I have talked about it in this place before—if it is so difficult, and acknowledging that the average price of a house in Karratha is more than \$1 million, why do we not have fly in, fly out apprentices? We do not have that because no initiative is being driven by the government to do that. In fact, all the trainee initiatives I have seen in the resource sector are driven by the resource sector itself, notably led by Rio Tinto for Indigenous people. That is what I see.

How do we look at that? The Nationals, along with this government—I am referring only to the Nationals because it is an initiative, so it cannot possibly be the government—have built houses under royalties for regions and some medium-to-low-cost housing for small businesses and their employees. But no initiative has been developed by the Nationals to look at housing apprentices up there with low-cost dongas, for example—the sort of construction camps that we saw when I first went there and we could easily build now. That must be the government's fault, not the Nationals' fault, because we know the Nationals are not part of the government, and are less and less so as we head towards the next election.

We have lost and continue to lose opportunities to build off the back of the skills that are required to do these jobs. If Gina Rinehart had said, I want to bring in 1 000 overseas workers and on top of that I will bring in 2 500 unemployed Australians to work at Hope Downs mine, I would say, "That's great; fantastic."

Hon Jim Chown: You are.

Hon JON FORD: Why are the companies not doing that? They are not doing that because there is no incentive. The government has different priorities. It thinks that building opportunities for the Pilbara involves building Pelago, Brendon's folly. It thinks that building opportunities and giving opportunities to Western Australians is building a dual-lane highway out to the Burrup, not giving traineeships to and mentoring the young Indigenous kids in Roebourne. That is the Nationals' priority. I will keep referring to the Nationals because people have to realise that they are part of the government. The Nationals' priority for building Pilbara Cities is not about getting employment or getting economic development; it is about spending money on amenity. That is important too but it should not be the priority. There is no vision. It is a natural progression for these projects to sooner or later go from a construction phase into a production phase, yet we have not seen diversification of employment. We have not seen the government grabbing hold of the opportunity to build those skills so that when the next upturn happens—we never know when it will happen; it always captures governments and, in fact, the market on the hop—we will have the same arguments again, because we will not have the skill sets or the ready-to-go people for employment. Members cannot sit here and tell me that we have the lowest employment record and wear it like a badge on their chests when there is so much poverty in this state. We are not grabbing those people and pulling them in, and that is what we have to do. That is where we have to spend money, but it is not a priority. The government says we should leave the people out in the bush because it is too hard to bring them in and train them either in Perth or other centres. It will, instead, spend half a billion more than we need to on a stadium or will build Elizabeth Quay. That is the priority of the government, not the investment into young people in this state. We will lose our skill base out in the bush in farming because there are no incentives to get people working on that and build the skills out there. I urge the state, while we still have the chance, to really grasp hold of that opportunity and milk it for all it is worth for all Western Australians.

The PRESIDENT: I have noted the members who want to speak. I want to be as fair as I can. Hon Max Trenorden stood first, so I will give the call to Hon Max Trenorden.

HON MAX TRENORDEN (Agricultural) [10.50 am]: Thank you, Mr President. I am also aware that a range of people want to speak, so I will quickly get through what I wish to say today.

Today's debate obviously has one thing fixed in its sights, and that is 9 March. There is absolutely nothing wrong with being conscious of the looming election. The Standing Committee on Public Administration just came back from a tour. As part of the tour we had the great honour to sit in on the United Kingdom Parliament and listen to Prime Minister's question time. The Prime Minister of the UK told a very uneasy nation that he has completed a 25 per cent reduction of their civil service—not a three per cent reduction, not a one per cent reduction, but a 25 per cent reduction of their civil service. My plea to members, particularly given that we have an election coming up on 9 March, is that we should have the debate about the advantaged and the disadvantaged, the National Party and the Labor Party and all the rest, but that we should also keep an eye on the future. Our turn is coming. If members think that we are immune from what is happening in the UK, the United States or Europe, they are crazy. Our turn is coming. We have to spend a portion of our time thinking about what

Extract from Hansard

[COUNCIL — Thursday, 20 September 2012]

p6222e-6232a

Hon Ljiljanna Ravlich; Hon Simon O'Brien; Hon Jon Ford; Hon Max Trenorden; Hon Matt Benson-Lidholm;
Hon Phil Edman; Hon Wendy Duncan

we are going to do about this great state of ours to make sure that when that crunch comes, we have some capacity to do something about it.

If members were watching television last night—many of us do not have that opportunity, but when the house adjourned last night, I watched TV for a little while—they would have seen a person of some eminence commenting on the US election. He was saying, which I think is absolutely correct—even though I have not been to the USA for a while but I do read things—that both candidates for the presidency are way off the mark. They are focusing on the people who support them, and particularly the big-ticket item people, and not the person who is living down the street and who does not have a job and cannot pay their mortgage. The things that both candidates are talking about do not relate to those people who are really in trouble—they relate to the aspirational people in the United States, who are the minority, or perhaps I should say “the people who have got it”.

Also on television this morning and last night were items concerning the situation with David Jones. It was once a strong retailer, but sales are now down 40 per cent. I watched the CEO explain the circumstances of David Jones—he has not got it. I am not a retailer, but those days are not coming back. He needs to know that is a fact. We all need to know that the world has changed since 2008. It is not a matter of sitting around and waiting until the days prior to 2008 return. They are not coming back. The sooner we understand that as a government and as members of this chamber and the other chamber, the better off we all will be.

Also last night I watched a program on American and English banking. We all know about the bundling of securities and assets and the high profit drive that was in that. Guess what? They cannot wean themselves off that. They are now going to be bundling things such as carbon credits and a raft of things to ensure a high profit process at the top end of banking. I am not talking about the commercial banks in Australia even, but those people at the top end are still craving those revenues. It is blind. Those questions are going to hurt each and every one of our constituents. We have no part in that game. We are not in that game. Other people are controlling that game. We cannot get into it.

I would also like to remind people, and this is important from my point of view, of history. In 1929, the crash occurred. In 1933 or 1934, depending on whom you want to argue with, the crash repeated itself. How did we get out of that Depression? The answer was war—the Second World War. That is what pulled everyone out of the Depression. That is hardly an objective that we should be aiming for. What will pull us out of this depression? It has to be a really thoughtful process by everyone, including our state. We are only talking about services, but we need to consider what is going to happen. If we look at our state, we have some wonderful people doing wonderful things. We have outstanding people in health, medicine and research who are doing fantastic things. They are issues that will keep this state strong. We have fantastic people in the mining industry—not just those who are digging holes but also those in software, management and contracting who could take those skills out of this state and into other parts of Australia and, more importantly, into Africa, South America and other places and use that expertise to earn money.

I have to go to the eastern end of my electorate on Friday to listen to farmers in areas where it has not rained. Farmers have also been told that they cannot sell their livestock. There is no prospect of income for them. I have to go and talk with them on Friday. The federal Department of Agriculture, Fisheries and Forestry has put out an over 300-page report on the value of food and agricultural opportunities in Asia. We have already blown that market. It is going to be a lot of work to get that back. We have told the people of Asia, “We will only give you food if it is morally right, and we don’t like your culture”. That is what we have told them. They have told us, “Forget the food; we do not want the food”. If members are not picking up that message today, they are not listening. That is the next boom and we are writing ourselves out of it. We, the closest nation with the greatest opportunity to supply South-East Asia, are writing ourselves out of that market. Do not just think it is sheep and cattle. If a supplier is unreliable, they are an unreliable supplier—that is the bottom line.

I have almost used up my whole 10 minutes. I turn to the question of the Office of Shared Services. I am not picking on the minister. It is not just the neat \$500 million that was lost; while shared services was carrying out its disaster, most agencies had to duplicate its activities. Nobody has added the cost of that duplication of the disaster of shared services into the equation. I count Hon Ljiljanna Ravlich as a friend. I do not argue that she has the right to raise that question. I think the answers the minister has given are valid. I encourage Hon Ljiljanna Ravlich to go through with her fight. However, I ask every member of the chamber to keep an eye on the real world. We are not playing this game in isolation—we are a part of it. We need to look at our strengths and make sure that they are supported. I support some of the statements made by Hon Jon Ford. But this cannot be about putting apprentices and other people into industries that may not be the way of the future. We must identify what will be successful in the future and build on that, not on what was successful in the past. I feel for people in the eastern states who have lost their jobs with Ford Motor Company. But if Western Australians and Australians are

Extract from Hansard

[COUNCIL — Thursday, 20 September 2012]

p6222e-6232a

Hon Ljiljanna Ravlich; Hon Simon O'Brien; Hon Jon Ford; Hon Max Trenorden; Hon Matt Benson-Lidholm;
Hon Phil Edman; Hon Wendy Duncan

not buying Ford cars, why was Ford given \$100 million? This debate is about 9 March 2013—that is fair—but let us keep an eye on the real world because it will catch up with us very soon.

HON MATT BENSON-LIDHOLM (Agricultural) [11.05 am]: I certainly welcome the opportunity to speak on this particular non-government business motion. I thank Hon Ljiljanna Ravlich for putting it before the house. Already in the few commentaries from members there has been a diversity of opinions. I tend to agree with some of the opinions of those on the other side of the house. I often find myself agreeing with Hon Max Trenorden about a number of issues that prevail in the Agricultural Region, which is a bit of a worry. But on one score I do not agree with him; perhaps it is an issue of interpretation. The member talked about apprenticeships. My idea of apprenticeships, education and training is that, yes, by all means, we should endeavour to incorporate skills in what people do. Skills rely upon modern technology, which is what any government should put in place. We must assist the youngsters of today in their schooling and the like to ensure that they have that sort of exposure. Another thing about apprenticeships, and training and skilling people is that we must give people the opportunity to gain transferable skills. We must give youngsters and apprentices the capacity to move with the times. I do not imagine for one second that Hon Max Trenorden would disagree with me on that score. But as we go down the global pathway, we must ensure that we impress upon our families and kids the importance of education and training and what we can put in place. I am sure that is exactly the direction that Hon Ljiljanna Ravlich's speech was taking; we do not have a lot of time in these particular debates to talk about those sorts of things. She said that we must ensure that local workers and businesses share. The only way to do that is to make sure that the people in the workplace, and the families and communities that we develop, are skilled and capable of moving on in a modern western-style economy. Hon Ljiljanna Ravlich also said that there is a need for Western Australians to contribute to and benefit from the state's success. She referred to the finality of the boom, suggesting that it will happen, perhaps not immediately, but down the track. That is my point about making sure that society has the capacity to move on and adjust to a changing work, social and economic environment. If we can do that, I am sure Hon Ljiljanna Ravlich's motion will have more meaning. I am sure that is the way she would have us interpret her motion.

Hon Ljiljanna Ravlich said that the economy is not simply about resources. Many parts of the economy are weakening. I think Hon Jon Ford talked about the slowing down of construction—I will not say the conclusion. He referred to the issues associated in the construction industry with apprenticeships and training and of having people engage in particular skills. Once the construction phase finishes, people will have to move on. Again, I make my point about having a skilled workforce, a workforce with transferable skills that can adjust to changing times.

Hon Ljiljanna Ravlich mentioned something about debt being a looming issue, if not a crisis, as the resources boom starts to slow down. Once again, how will society react to that? We have to make sure—this is perhaps a message for the Ministers for Education, and Training and Workforce Development—that these things are put in place in our schools. Is that being done at present? I do not think we are doing as good a job as we can. There are many issues in our schools. I am sure members visit their schools and talk to students in years 8, 9, 10, 11 and 12. I guarantee, particularly in the areas I represent, that there are significant issues with what is provided for our kids. If we are going to move on, we must think about the bigger picture, which is exactly what Hon Ljiljanna Ravlich was talking about.

Hon Robyn McSweeney: We are doing the bigger picture.

Hon MATT BENSON-LIDHOLM: The minister is welcome to make comments. However, I have only four and a half minutes to go.

I want to draw to the house's attention an article in *The West Australian* dated Thursday, 9 February and written by Daniel Emerson. The heading reads "Synergy offshore deal riles Barnett". People have been talking about elections and the like, but maybe this underpins what the Premier was saying. The article reads —

Colin Barnett issued a stern rebuke to government trading enterprises yesterday, accusing them of forgetting that they were publicly owned amid revelations that electricity retailer Synergy had contracted work overseas.

...

Synergy spokesman Andrew Gasper yesterday confirmed that some work relating to the utility's trouble-plagued system was temporarily being carried out in India, but only because WA lacked the necessary skills.

I rest my case. The article continues —

Shadow energy minister Bill Johnston said Mr Collier had broken a promise.

Extract from Hansard

[COUNCIL — Thursday, 20 September 2012]

p6222e-6232a

Hon Ljiljanna Ravlich; Hon Simon O'Brien; Hon Jon Ford; Hon Max Trenorden; Hon Matt Benson-Lidholm;
Hon Phil Edman; Hon Wendy Duncan

“In 2009 when this contract was let, Mr Collier stood in Parliament and said whatever work couldn't be done in WA, —

Here it is, members —

training would be undertaken to make sure it could.

If that was said but has not been done, why has it not been done? Logically I am saying that that very issue underpins this motion. The Minister for Finance was a little disparaging about *The Sunday Times* article, but that is the sort of thing that rings alarm bells in the kitchens and backyards of houses and families across Western Australia. The same thing is happening, albeit with 14 jobs going to India, when those sorts of skills and training should be well and truly available in Western Australia. The minister can tell the house as much as he likes why it was necessary to outsource work overseas and the imperative to do that immediately; but at the end of the day, I get back to my original point about making sure that that does not happen in the first place.

I will mention a couple of other minor things in the last minute or so that I have left. I am particularly concerned about unemployment, specifically in regional parts of Western Australia. In our own backyard, in the south metropolitan–south west area, some figures came to light that I want to bring to the attention of the house. These figures relate to unemployment levels, obtained from an Australian Bureau of Statistics publication. According to the ABS, youth unemployment rates in the south west metropolitan region of Perth rose from 20.3 per cent in April 2011 to 24.8 per cent in April 2012, whereas in April 2009 youth unemployment in the area was 16.9 per cent. Again, I rest my case about providing training and apprenticeship opportunities and making sure that particularly our youth—the future of this state—are catered for and looked after.

The debate about facts and figures will continue. However, the real issue in a state like Western Australia, where we are perhaps witnessing right now the biggest construction boom in our nation's history, is the tragedy that more and more young people, in traditionally blue collar parts, especially in Perth, are increasingly without work or training opportunities. That is the very thing that I believe needs to be put in place.

HON PHIL EDMAN (South Metropolitan) [11.10 am]: I have reported to the house, during other debates involving the very same issue, visits to the western trade coast. On 8 February 2011 the Premier visited the western trade coast. The western trade coast takes in the area from the City of Cockburn, through what is now the City of Kwinana—as announced on Monday—right down to the City of Rockingham. The Premier, along with Minister Hon Simon O'Brien, visited companies such as Civmec, Pacific Industrial, Fremantle Steel Fabrication and United Construction. Back then, 19 months ago, it was true that 90 per cent of those steel fabricators—which reside in my electorate, mainly in the Kwinana industrial strip—were in fact at around 20 per cent capacity. It was bad; we really needed to do something. Civmec, which occupies 29 000 square metres, was at three per cent capacity. It is a huge factory. There was virtually nothing on the floor at all. It was a problem. Minister Simon O'Brien and the Premier took up that challenge and gave some really big resource companies a very good talking to. That is all great, but what has come out of that? On 24 February, the opposition Labor Party brought this up in debate in this house. We spoke on it then. Then, on 11 August 2011, the Labor Party brought it up yet again and we spoke on it. Back then, I spoke about those same companies —

Hon Sue Ellery interjected.

Hon PHIL EDMAN: Be careful on the opposite side, because I know which members have gone to visit the steel fabricators, especially in the South Metropolitan Region, and you're not one of them! Be careful what you say, because I know exactly what your movements are, Hon Sue Ellery. You need to start visiting some of these factories.

Several members interjected.

The DEPUTY PRESIDENT (Hon Col Holt): Order, members! I do not think we need to lift the roof off this place just yet. If we could get Hon Phil Edman to continue in a quieter tone, it would be good.

Hon PHIL EDMAN: Sorry, Mr Deputy President, but the truth is the truth. I am sorry to get carried away with facts!

We had that debate on 11 August. I rang around quickly to see how the companies were doing so that I had new information for the house. Back then, Civmec was at around 50 per cent capacity. It told us it was bringing on two apprentices every month. It had employed 160 boilermakers. Fremantle Steel had around 12 apprentices. Once again, most of the businesses we had originally visited in February 2011 were at 50 per cent capacity. Something had happened. Our government has made an impact. It has brought not only economic sustainability to our premier industrial park, but it has also delivered apprentices and brought some of those funds into the area.

The Premier and Minister Simon O'Brien recently visited the western trade coast again, which was great. I was able to come along. That was on 5 September. We visited those same factories to see how things were coming

Extract from Hansard

[COUNCIL — Thursday, 20 September 2012]

p6222e-6232a

Hon Ljiljanna Ravlich; Hon Simon O'Brien; Hon Jon Ford; Hon Max Trenorden; Hon Matt Benson-Lidholm;
Hon Phil Edman; Hon Wendy Duncan

along. It is amazing that we did that—we did not even know this debate was to come on again, but that just shows how keen the Premier and Minister Simon O'Brien are to make sure things are working well. They took four and a half hours out of their schedules to visit those same factories in the industrial park. Where are we today? Is it 50 per cent, 60 per cent, or has it gone down? I will tell members exactly where it is: the companies we visited, the same ones, are all up now at around 80 per cent capacity. They have not gone down since February 2011; they have gone up to 80 per cent.

In August 2011, Civmec employed 160 boilermakers. When we visited a few weeks ago, that number was up to 170. It had 14 apprentices in August 2011. When we visited a few weeks ago, that number was up to 28. The company takes on a couple of apprentices every month. Fremantle Steel had 12 apprentices back in August 2011. This is a pearler: it was up to 39 apprentices when we visited it a few weeks ago—39 apprentices from 12 in the space of a year. There has been all this talk and facade about, "There's no apprenticeships; we're going to be in trouble in our own industrial park". But they are the facts and figures.

Hon Ken Travers interjected.

Hon PHIL EDMAN: Once again, the Labor Party does not like the truth. I made the effort—the minister will remember this—to ask if any members opposite had been down to visit. The answer was no. I could run off all the members in both houses, but they have not been down there to visit. I can tell members that these places make a lovely cup of tea and I think there are some Tim Tams on order as well!

There is more! We have been talking about what appeared in *The Sunday Times* and some other newspapers in February. That is all great, but I am really interested in watching the news now. What is happening today? I would like to quote something in *The West Australian* from only August of this year. It is stated, under the heading "Busy contractors say they would welcome delays" —

The torrent of work in the resource sector is so great that any delays in new projects would give the industry a welcome breather, according to one of WA's biggest contractors.

That contractor was Monadelphous.

We must be doing such a crummy job when we have busy contractors saying, "Geez, I wish things would slow down because we can't keep up"! Members opposite bringing this sort of baloney into this house is like groundhog day. I remember Minister O'Brien saying this last year. This is now the third or fourth time that we have heard this same debate. The Labor Party has brought it on because it has nothing else better to speak about. Honestly, can I give members opposite some advice: if they are going to come into this house and bring something that will benefit the people of Western Australia—because taxpayers pay their wages—bring something that is constructive and will make this state a better place in which to live, such as our government has done.

HON WENDY DUNCAN (Mining and Pastoral — Parliamentary Secretary) [11.17 am]: I thank Hon Ljiljanna Ravlich for bringing this motion to the house because it actually gives us time to talk about the sorts of things being done in the regions to support local businesses and local workers. Probably one of the most recent initiatives is the Buy Local campaign, which was funded to the tune of \$1 million from royalties for regions. It was funded 50–50 between the Department of Commerce and the Small Business Development Corporation. It was an initiative that came from a cross-party working group, consisting of the members for North West, Geraldton and Albany. It focused on six priority areas, including the impact of buying local in communities; a focus on local content; government purchasing; royalties for regions helps local contractors work on local projects; education and training on how regional businesses can be more competitive; and apprenticeships as a requirement for local contracting. The first initiative rolled out under this was the recent announcement about the business development workshops. One was recently held in Geraldton. They will also be held in Northam, Kalgoorlie–Boulder, Collie, Mandurah and Albany over the next few months. That initiative is a real indication of how important local content, local buying and local jobs are to this government and to the National Party.

I also want to talk about service workers' accommodation in Karratha and Port Hedland, which Hon Jon Ford mentioned. Members will notice that in his speech he did not pass any judgement on that. That is because the people of Karratha and Port Hedland really like this initiative. Royalties for regions, through this initiative, is looking after workers and businesses in the Pilbara by providing affordable housing for service workers. The successful Warambie Estate in Karratha recently won an award in the affordable development category in the 2012 Urban Development Institute of Australia Awards for Excellence. The Warambie Estate development was a partnership between the Department of Regional Development and Lands, LandCorp and National Lifestyle Villages. It received \$13 million in royalties for regions funding and provides housing for up to 250 workers. The village offers long-term tenancy opportunities with rents ranging from \$300 to \$500 a week. That is a great

Extract from Hansard

[COUNCIL — Thursday, 20 September 2012]

p6222e-6232a

Hon Ljiljanna Ravlich; Hon Simon O'Brien; Hon Jon Ford; Hon Max Trenorden; Hon Matt Benson-Lidholm;
Hon Phil Edman; Hon Wendy Duncan

initiative. The first group of service workers' accommodation has been announced for Port Hedland following an initiative by the Department of Housing, the Minister for Housing, Terry Redman, and former housing minister Troy Buswell to deliver new and refurbished houses to support small businesses and their workers. That royalties for regions program culminated in the delivery of the first house in South Hedland to a family business called Advance Panel and Paint. The business has secured a home for the company's panelbeater, who had previously been a fly in, fly out worker, and his family because accommodation was otherwise not available. This means that he can now live and work in Port Hedland with his family while at the same time provide much-needed assistance to his employer. This first lot of accommodation is supporting non-resource sector industry workers by ensuring that businesses can house their employees. The service workers' intervention package will have a further 29 dwellings available shortly and another 15 next month. The Department of Housing is committed to delivering a further 80 newly constructed dwellings by the end of the year to help ease the housing shortage in the town.

I will move on to the issue of apprenticeships. Hon Jon Ford asked why do we not fly them all to Perth and train them there. Potential apprentices and already engaged apprentices have told me that the last thing they want is to be transferred to accommodation in Perth. A lot of them are young and their parents are worried about them coming to Perth at that age of between just 15 and 17. It is far better to provide the training and the hostel accommodation for these young people in the areas in which they live. If Minister Collier had had more time, he would have talked about that. I have looked at residential accommodation for young people in training in Fitzroy Crossing. Part of the \$20 million of royalties for regions funding that has gone towards the total rebuild of Agricola Residential College at the Western Australian School of Mines in Kalgoorlie includes a commitment for apprentices to be housed there to undertake their training close to home and where the jobs are. We need to focus on that. There is over \$100 million of royalties for regions money going into workforce development and training in collaboration with the Minister for Training and Workforce Development. Royalties for regions is supporting our regional workers and local businesses and it is making sure that people have an opportunity to live, work and train where they love to live.

Hon Jon Ford also had a dig at the road to Burrup. It is interesting that he should do that because, when I went to Karratha way back when we were campaigning, that project was very high on the list of priorities of the people who live there. It was a very dangerous road when the workers changed shifts. It is a great initiative to have that road fixed. Another thing to take into account is that it was a high priority for the local government and the local people; it was in their strategic planning. It is not just a bright idea that someone had in the middle of the night; this initiative is meeting the needs of the people according to their local priorities.

Finally, Hon Jon Ford talked about the Pelago apartments being Brendon Grylls' folly. That development is a private investment; it has no royalties for regions funding. It meets the needs of people who require a different type of accommodation from those who want a house with four bedrooms, two bathrooms, a garden shed and a lawn, and all those things that families might enjoy. Young, single professionals, visiting teachers and nurses and so on actually enjoy the type of accommodation that the Pelago apartments provide. That is part of the process of Karratha and Port Hedland becoming mature, well-rounded, flexible towns that meet the needs of all types of people who want to live and work there.

Motion lapsed, pursuant to standing orders.