

SMALL BUSINESS POLICY — BARNETT GOVERNMENT

Motion

Resumed from 20 October on the following motion moved by Hon Ljiljana Ravlich —

- (1) That this house condemns the Minister for Commerce for his failure to produce a small business policy and calls on the minister to outline what he will do to assist small businesses and Western Australian workers who have been adversely impacted by the global financial crisis.
- (2) That this house calls on the minister to explain —
 - (a) his government's policies to deal with the impact of the global financial crisis on small business and the thousands of workers who lose their jobs and require retraining;
 - (b) what strategies he has put in place to protect small businesses and their workers;
 - (c) what practical assistance is available to small businesses that go bust and the thousands of workers who lose their jobs; and
 - (d) why he has been asleep at the wheel whilst small businesses in Western Australia go under.

HON MIA DAVIES (Agricultural) [2.07 pm]: I would like to continue my remarks on the motion that Hon Ljiljana Ravlich gave notice of on 19 March 2009.

I had been speaking about new businesses, particularly business opportunities being created by this government, and I would like to talk about the aviation task force that I and Hon Max Trenorden were members of. At the request of the Minister for Regional Development, I, along with Hon Max Trenorden, the Wheatbelt Development Commission, the chief executive officer of the Shire of Wyalkatchem, and Paul Tomlinson, the CEO of Avon Community Development Foundation, visited a number of shires throughout the Wheatbelt because an opportunity had been identified to develop the aviation industry in the Wheatbelt. The Wheatbelt has great potential for the strategic development of that industry, and the final report is now complete and with the Minister for Regional Development.

A number of shires are very keen to see the furtherance of the findings of the committee as they have invested a great deal of money into developing airfields to create opportunities for small businesses. If anyone has been out to Northam, they will know that ballooning and small aviation-related businesses work from those airfields. That is another fantastic and practical way that the government is providing opportunity, particularly in the Wheatbelt. On the back of an announcement by the Minister for Agriculture and Food today, the government has recognised that some communities in that part of the world are doing it very tough, and that it is incumbent on us as a government to respond and make sure that those communities get through the difficult times.

To return to the findings of the aviation task force, we found that there was a need for a comprehensive industry development plan for aviation development to encourage growth and allow businesses to capitalise on global opportunities. This is by no means the state providing opportunities just within the state; China Southern West Australian Flying College, Merredin has just had an influx of students from China Southern Airlines, and they are the sorts of things that we are trying to think big about in the Wheatbelt.

Another practical initiative proposed by the Minister for Regional Development is the regional buy local working group, which is being chaired by the member for Kalgoorlie; who is joined by the members for Albany, North West and Geraldton. This group has been charged with investigating new ways to promote a greater buy-local culture across regional WA, with a particular focus on government departments. As everyone knows, buying local helps the growth of small businesses, which then employ more people. In turn, small business owners have a greater income to reinvest in their community, resulting in more jobs and choices for consumers.

I believe this committee was due to report to the minister by 31 October. I have not had an update, but I know that the committee members have been working diligently under the minister's instruction.

The final thing I will touch on is that from the National's perspective it is no accident that our party has never supported changes to retail trading hours in this state. We have always listened to the voices of small business, rather than the voices of Coles and Woolworths. For Coles and Woolworths it is not about consumer choice; it is about increasing their market share. We agreed with the assessment by the National Association of Retail Grocers of Australia that small and medium-sized businesses provide competition and choice to keep downward pressure on food prices. That is very important these days and particularly in the regions, where it is always more expensive to do grocery shopping and small businesses need to be supported. Both major parties have ignored the needs of small business in this debate, but we have stood firmly on this and we will continue to do so.

In conclusion, the Nationals in government have introduced practical initiatives to support and encourage small businesses to thrive and prosper in regional Western Australia. We do not ignore the challenges of operating in the

regions, but we are committed to creating opportunities for small businesses to grow and prosper. We are about action and we are delivering through royalties for regions and much more. Such a small investment has generated a very large and real return for the communities that we represent. We will continue to work closely with the Small Business Development Corporation and the staff in the development commissions, who are the people on the ground, to ensure that government investment provides strong returns for the regions and the people who chose to live, work and invest there.

HON JON FORD (Mining and Pastoral) [2.12 pm]: I rise this afternoon to support the motion and comment specifically on the ongoing lack of action for practical assistance. I am always glad when I hear Hon Mia Davies get to her feet to remind us all how fantastic royalties for regions is and how it does everything from building every single hospital and school in the regions to adding police cars, when, in reality, in 2001 regional Western Australia was an absolute disaster. It took a very focussed approach by the Gallop government to start turning things around. The introduction of the regional investment fund started this notion of specific funds to target regional Western Australia, so we are pretty pleased that that work has carried on. However, up until 2001 the National Party had managed to completely abandon rural Western Australia to the stage that it was on its knees. We are glad to see the National Party reinvigorated to represent rural Western Australia.

Before I move to the substantive part of my speech, I will respond to some of the matters raised by Hon Mia Davies. Members who have reread *Hansard* to catch up on the debate that occurred prior to the two-week recess would think that Hon Mia Davies had said that rural Western Australia is almost immune from the global financial crisis, because of royalties for regions, and that things are really racing. I am not quite sure where the member goes in rural Western Australia, because whilst there are places that are busting ahead and have all the problems associated with growth, people are still suffering directly from the GFC.

There was an example in today's paper wherein the Broome Chamber of Commerce commented on a 20 per cent slump in retail sales. The chamber of commerce put it down to people being nervous—like everybody else in the country—and therefore refusing to spend their money. I know from talking to members of the chamber up there that they are also concerned because tourism numbers are down as a direct result of the GFC. One of the complaints we now hear refers to people struggling to get their market share. Reference has been made to aviation; for a lot of people it is cheaper to travel to Bali. At the moment you can get a return ticket to Bali for about \$220.

Hon Max Trenorden: It was \$114 in yesterday's paper.

Hon JON FORD: How much?

Hon Max Trenorden: It was \$114 return.

Hon JON FORD: One cannot get to Broome, Port Hedland, Karratha or Exmouth for that amount of money. That \$114 is less than the cost of a night's stay in a pretty standard hotel in the north west—in fact, it is about half the price. Businesses are suffering as a result of the global financial crisis.

Hon Mia Davies also talked about aviation operations, which I am quite interested in from a hobbyhorse perspective because I started my working life in the aviation industry. Whilst companies like Skippers Aviation have grown and pushed up into the mining sector as a result of the mining resources boom, small general aviation companies have been missing out. Smaller businesses experience difficulty in getting a share of the mining business because of their low capacities; they have smaller aircraft and simply do not have the numbers.

To use Broome Aviation as an example, it has one King Air and a range of smaller aircraft. The King Air lets the company charter flights to the mining industry, but if that aircraft is tied up, it does not have another one to move people around. Therefore, Broome Aviation relies heavily on tourism aviation and as a result is suffering pretty badly from the GFC. That is the case right across the aviation sector from Exmouth to Kununurra. If members were to go to Kununurra now, they would see more Alligator Airways or Slingair Heliwork WA aircraft on the ground than in the air. In earlier years, at about four o'clock in the afternoon, hardly any aircraft would be seen on the ground because they were full of tourists being taken across the Bungle Bungle Range for a sunset tour, like a taxi trip. However, that cannot be seen now. Businesses out there in rural Western Australia are suffering.

I agree that royalties for regions plays an important role in filling gaps and providing stimulus to help those businesses weave their way through the decline of the global financial crisis, but they have a long way to go. I am still astonished at some of the debate surrounding the federal government's stimulus package and whether the Building the Education Revolution program should have been pulled earlier or left to go longer. People have very short memories. At the time, this country, like others, was facing the collapse of its economy. That was the real fear. Governments of all persuasions did what they could. It is all right to debate it retrospectively, but the fact of the matter is that the global financial crisis is not over. The American recovery is very slow and teetering. We now have the problem of dollar parity affecting export business and primary industry in particular. Rural Western Australia is now facing the double whammy of parity of the dollar and fuel prices not coming down despite it being reported in the paper that the world price of oil is easing, and many parts of Western Australia facing drought.

Extract from Hansard

[COUNCIL — Wednesday, 10 November 2010]

p8417e-8430a

Ms Mia Davies; Hon Jon Ford; Hon Alyssa Hayden; Hon Helen Bullock; Hon Ljiljana Ravlich

A lot of people are hurting in regional Western Australia, as are those in the rest of Australia. There is high employment, but that does not mean that people are not suffering. We can see that with mortgages and with rents going up, and people not being able to sell property to get out of the debt cycle. There is a lot of work to be done.

I would like to touch on one of the things that I see affect small business. It took a bit of research and talking to people who understand the impact. It is a classic unintended consequence of a government decision, and that is the alcohol restrictions in the Kimberley. The businesspeople in Fitzroy Crossing and Halls Creek do not complain about not wanting drunks or people who suffer from substance abuse, or children and families who are threatened by the results of alcohol and substance abuse. Although without some research it would be hard to work out exactly what is right and what the triggers are, they are saying, and I believe they are right, that anywhere between 20 and 70 per cent of their businesses have been damaged. They are not companies that sell alcohol. The Fitzroy Crossing IGA has another problem; it burnt down. It is the only general store in the town. The owners finally got the insurance payout after a year and are finally able to see some building work commence. They have said to me that, as a result of that, people have been going to Coles in Derby and buying their shopping, and that while they are there they have been buying alcohol and then driving back to Fitzroy Crossing. As a result of the liquor restrictions and the fire, those businesspeople are claiming a loss of business of between 20 and 30 per cent and maybe more. They are also saying that the initial drop-off in the rates of crime that was reportedly associated with alcohol restrictions is rising back to the earlier levels. The owners of Fitzroy Crossing IGA complained to me that they had had 17 break-ins in about three months.

They are worried that by the time they get their shop up and running, and they are no longer operating out of the kids sporting pavilion, they will have lost that custom. Tourist operators complained that tourists will not stay in the town because they cannot buy grog, or that they buy alcohol in other places, such as Kununurra or Broome, and bring it into town. Tourists hit town and find they cannot buy alcohol. That message gets out to other people in other caravan parks. They buy their alcohol and their food at the same time, and so there is no need for them to go into Fitzroy Crossing. They can be quite self-contained. In the North West in the tourist season every overnight camping ground and every boab tree that can fit a Winnebago underneath it have tourists. Although the liquor restrictions were well intended, as we have said and as we have heard people say in this house before, they fix only the symptoms and then for only a brief time. I have not met one copper in the North West who would not say that prohibition does not work in the long term. They are waiting for what will be invested and what will be done in the long term to fix the problem. Houses are being built, which is promising, but I do not hear the people who should be targeted by programs telling me that they had been targeted with family support and issues surrounding child protection and education and mentoring kids into school. Without that investment, in the long term all these businesses will suffer. If they go broke, people will have a long way to travel to get what they need day to day. When the IGA at Fitzroy Crossing burnt down, people had to spend nearly three hours travelling to Derby or to Halls Creek. We must have a plan to support those businesses because they are important infrastructure for the people who live there, the tourist industry and the pastoralists.

National Party members might want to look at this. It seems to me that with the disaster of the Fitzroy Crossing IGA burning down, maybe some grant structure could be tapped into through royalties for regions that would help those businesspeople out in the form of a no-interest or low-interest loan, which would help their businesses stay afloat until they received insurance money. In the example of the IGA at Fitzroy Crossing, it took a number of members of Parliament—a couple from this house and a couple from the other place—to get onto the back of the insurers to make them realise how serious the problem was. It seems to me that, although we will never get away from those commercial realities, it would be simpler if the government of the day, or a local government with assistance from the government of the day, could assist those companies.

Another example I could give is Nullagine Roadhouse and Super Store, which is subject to severe flooding from time to time—not all the time, but every year there is heavy rain. From time to time the building is inundated. Why is the roadhouse important? It is because the Nullagine roadhouse is also the local grocery store. Its owners have a problem with their insurers, who refuse to pay out because they switched their fridges off. The reason they switched their fridges off was that the State Emergency Service told them to as the roadhouse was about to be inundated. Insurers said that it was the owners' decision and that the fridges did not fail because they were inundated with water. Insurers said that the owners switched them off and so they would not pay. The fact is that the whole building was flooded halfway up the structure. That is a problem for that community and for that business. It nearly went bust and caused the owners extreme problems. There is an opportunity there, through royalties for regions and through government, to create some sort of assistance package for those businesses because, as with the Fitzroy Crossing IGA, Nullagine Roadhouse is an essential piece of infrastructure for the community. That community is growing. Because FMG is just down the road, it is becoming a mining hub. The Nullagine Roadhouse is important for the tourism industry. As vehicles become better and better, more and more people are making the journey out there. It has an important role to play in maintaining the health services that are available for the older and ever increasing section of that community who need staff and food. The Nullagine

Roadhouse is important. The Kumarina Roadhouse is about 150 kilometres south of Newman. Without that roadhouse, the road from Meekatharra would be the longest stretch of road without a service station. Currently that distinction belongs to the 300-kilometre stretch of road from Sandfire Roadhouse to Broome along which there is nowhere to stop for fuel. The Kumarina Roadhouse is very important for the local pastoralists and people—particularly young people—who venture north and who should not, but do, drive a Hyundai Excel past Meekatharra. If that roadhouse were not there, they would run out of fuel. The roadhouse spends an enormous amount of money on diesel fuel and is completely self-contained. A lot of those businesses have huge power costs because they need to keep the premises air-conditioned. That cost is not borne by every other small business in Western Australia, but it is borne by every small business in the north west. It seems to me that there is an opportunity for the government to assist small businesses in the region by offering them a rebate on the tax they pay. We can argue whether that is a state or a commonwealth issue, but sometimes we just have to get past that argument and help those businesses.

The government can help small businesses in the state. Another example I will use is the PumpHouse Restaurant and Bar in Kununurra. That is a fantastic restaurant and asset for the community, particularly from a tourism perspective and, very importantly, for the amenity of Kununurra. It now has a restaurant by the diversion dam in the Ord that is as good as any restaurant anywhere in the country. Members who have not been to Kununurra should do themselves a favour by going to the PumpHouse restaurant. What a story that is. The old diversion pump house, which supplied water for irrigation in the area but which is now redundant, was converted to create the PumpHouse restaurant. Hon Ken Baston can probably correct me, but I believe it took 12 years, during which time there were successive governments, to get approvals for that restaurant. I remember the frustration I felt as a minister when trying to get anything done in that area. If I did not have to deal with the then Department of Planning and Infrastructure, I had to deal with the then Department for Environment or the local government. About 13 different agencies or departments had to be dealt with. It was a classic example of *Yes Minister* when trying to fix that matter. In all the time I was the minister, I tried to break that down. If the government has an idea about how to fix it, let us know and we will support it. It is ridiculous that it took 11 years to hand over a redundant piece of infrastructure and turn it into a fantastic asset. I am interested to hear the government's response about how to rectify our failure to allow those types of investments to proceed. There are many anomalies regarding tourism businesses in the Ord. Every camp associated with the tourist boats on the Ord River is illegal, but everyone turns a blind eye to them because those businesses would close down if the law were applied. I would not be surprised if some ministers in this government—just like the ministers in the former government—had to intercede to make sure that commonsense prevailed.

Hon Robyn McSweeney: We are full of commonsense.

Hon JON FORD: Good. Fix that. There are a lot of opportunities to nurture and support small business in Western Australia. This motion condemns the Minister for Commerce for his failure to produce a small business policy and calls on the minister to outline what he will do to assist small businesses and Western Australian workers who have been adversely impacted by the global financial crisis. We have not heard about the government's plan. I am not saying that I disagree with the thrust of what Hon Mia Davies said. However, as I said at the beginning, people who heard her comments would think that everything is rosy, but it is not. There are a lot of challenges.

In my view, pastoralists are one of the greatest underrated contributors to the management of Western Australia's environment. For very little cost, Western Australians get a good return from pastoral lessees. In most cases—not every case, but that is a compliance monitoring issue—they manage the rangelands very well. They spend years studying the properties that they are charged with managing. They do not own the properties; they are on allocated crown land. The Western Australian taxpayer gets good value for money from pastoralists. Pastoralists face many challenges, including drought, the parity of the US and Australian dollar, wages, bills, the costs associated with operating a station in a remote area and attracting staff. Local governments do not receive much revenue from pastoralists compared with the revenue they receive from the increasing resource sector, which is impinging on the areas managed by the pastoralists. Local governments are short of revenue and recently pastoralists have seen a massive escalation in their local government rates and charges. Many pastoral stations, particularly in the area that I knock about in, which is mostly in the Pilbara and in the western part of the Kimberley, are pretty marginal operations. Some of them are being charged \$40 000 in rates, even though it is the pastoralists who grade the roads, put up fences and deal with the damage caused by tourists and local businesses. Members should talk to Jack Burton from Yeeda Station and they will hear some horror stories. A few years ago he told me he spent \$70 000 a year to employ 1.5 people to rebuild fences and manage the rubbish generated by the tourists and locals who fished in the part of the Fitzroy River that runs through his property.

It is a big problem when pastoralists get a huge rates bill on top of that. I am of the view—I have yet to successfully convince my colleagues about this view; I will have a go with government members—that the government of the day should pay pastoralists' rates. If local governments cannot get the revenue, we should pay their rates. As I said, pastoralists provide a good and cheap service; they provide a value-for-money service for Western

Australians. Who will look after the rangelands after they have gone? Somebody will have to. We recently debated the Railway (Roy Hill Infrastructure Pty Ltd) Agreement Bill 2010, which allowed us to talk about the project at Roy Hill. If, hypothetically, that business is bought out, who will look after the pastoral lease when the mine closes? The pastoral lease covers one of the state's most environmentally sensitive areas; namely, the Fortescue Marshes. That area is currently looked after by pastoralists at Hillside and elsewhere. Who will look after the land once those people go? If those businesses become unviable, we would be better off paying them a reasonable salary to look after or manage the land. As I have said many times in this place, the worst possible neighbour for Western Australian pastoralists is the Department of Environment and Conservation, because they will have problems with weeds and feral animals. There is an opportunity for the government to not only offer relief to the pastoralists, but also recognise their contribution. From a royalties for regions perspective, the contribution would be small when one considers the number of pastoral leases.

I refer to another small business issue for which I would like the government to have a plan. When big businesses fold, small business creditors are pushed to the end of the line. Six or seven years ago a major business partner was put into administration. Many north west businesses and small creditors lost lots of money. In fact, they did not get anything back. One tyre business was put under extreme duress. Luckily for that business a major mining resource company extended business its way because it saw that tyre business as a valuable asset to the community. Whilst the tyre business supplied that resource company with only light vehicle tyres, it provided everyone who lived in the community and who was associated with the mine the convenience of being able to call into a local shop in the light industrial area. If that tyre business had not received support from the major company, it would have gone bust because it was owed tens of thousands of dollars. I am aware that this is a federal issue. The law must be changed to ensure that there is equity in the way creditors are dealt with. At the moment the major creditors of a big company that goes belly-up—I refer to the bank and the companies that are better able to absorb the risks—are put at the top of the list. By the time the administrators reach the small businesses at the end of the queue—after the other creditors, if they are lucky, have got their 70c in the dollar—they receive next to nothing. Something must be done about this issue. The opportunity exists for a state to take up that issue. Now is a good time because everyone is down on the four major banks. When the opposition talks about wanting to hear about the government's small business policy and its plans for small businesses, those are the sorts of things that members on this side of the house want to hear about.

Another small business issue, which has been touched on during other debates in this house, relates to local content and local participation, particularly the participation of small businesses in the resources boom. We have heard good statements about what was introduced into agreement acts during the Labor Party's time in government. Those provisions have been carried on by this government. However, there is a problem with that. They do not really work. Because we are all free marketeers, there is no mechanism to force companies—I like the idea of levers but not many other people do—to give business to local businesses. We hear a lot of talk in the media and the local press about Pilbara Cities. It was interesting to hear the answer to a question asked yesterday by Hon Kate Doust about the response to the Pilbara water shortage and the decision to build a desalination plant and whether the power existed to run that plant. There does not seem to be a plan behind that. I assume that by the time there is a desalination plant, that issue will be resolved. There is no point in talking about Pilbara Cities if we do not have the utility and services issues worked out. There is no point in raising expectations if those businesses are going to miss out. The running costs of those businesses could be met by companies within the resource sector, which would then allow them to service the amenities and provide a quality of life for those who choose to live in those towns. In my past life, the purchasing policy of a company that I worked for stated that, provided that all prices were competitive, we should deal with local businesses, which was fine. In my case we were dealing with stationery. What happens when a boss is breathing down a staff member's neck and saying that he wants a 15 per cent cut in spending and the staff member realises that he could achieve that by simply buying all the company's stationery over the net from Officeworks? It would be much easier to pay up and novate the supply contract or disregard it altogether and to have the stationery sent after ordering it off the internet. Who checks up on that? Staff try to meet their boss's requests. The policy of the company I worked for stated that where possible we had to look for competitive rates. If a question was asked, staff could refer to the company's policy. The reality is that those businesses are being squeezed out.

The issue of housing is another problem that successive governments have tried to fix. I welcomed the recent announcement about housing for small business employees in Karratha. If we do not allow businesses to participate and work out levers to make sure that they can participate in these booms, we will not get the support of the community in the north and the community will never achieve the same sort of amenity and standard of living that we in Perth enjoy. That is one of the issues with projects at Browse Basin and James Price Point. The members of Broome Chamber of Commerce think that a multibillion-dollar business sitting on their doorstep should be good for business and must mean that they will get extra business. That is what is in the chamber's mind. But when chamber members talk to the Port Hedland Chamber of Commerce or the Karratha and Districts Chamber of Commerce and Industry, they find that is not the case. They find that any benefit the chamber gets from extra

people arriving in town is completely drawn out by the fact that all of a sudden housing prices go even further through the roof and they cannot afford to employ people to work in their businesses on top of the usual high cost of power, wages and housing. Those businesses, therefore, just cannot survive. There is a contradiction in that absolutely every single bit of office space in Karratha should be taken up, but that is not the case as there is still office space for lease in Karratha.

What do we need to fix that? We need a plan and strategies to work out how those businesses can participate in the benefits of the boom. That is sort of the micro level of the local content and local participation argument that we hear in Perth—particularly on the Terrace strip. People see all the work coming straight over the top of them and that the port is busy because it is importing all the work, but businesses are not getting the fabrication work. Small businesses in Karratha and Port Hedland get a benefit because there are extra people there, but they are not getting the benefit that they could be getting if they were tied into supplying those companies.

For instance, we do not have a lever that says, “You will give 15 per cent of your business to local businesses in this town.” But people who are experienced with the big end of town could assist small businesses in developing those relationships. As we know in business, once a relationship is developed, it is very hard to break, through the good times and the hard times. I have personally seen good examples of that with small businesses. One example I can think of is of a friend of mine in South Australia who grows barley for a brewer. At a time when everything was hard white and nobody was planting barley, the brewer went to my friend’s father and said, “Will you grow us 8 000 hectares of barley and we will pay you the same price as the wheat?” My friend’s father said, “Yes, all right, we’ll do that.” In years past when the market fell out of favour with wheat, my friend and his father continued to grow barley and had a guaranteed customer, even though the specification was not exactly as everybody had hoped for. But the two businesses were joined together and that has kept those two family businesses going for years and years.

Another example is of a plumbing business in Karratha. Luckily, that business was created at a time when people could get in on the ground with a project—this is back in the Hamersley Iron days. It meant that from business to business, as Hamersley Iron transitioned through different companies, that relationship lasted and that business grew and prospered in that town; it is in fact the mainstay service provider from a plumbing perspective right through that area. That is the importance of having a plan that ensures that local businesses get an opportunity as these projects develop, because those relationships stay on forever. No matter what has happened with the internet and no matter what has happened with big building companies coming over from the east and giving more competitive prices, ultimately people prefer to deal with people they like. There are therefore opportunities here and now they are going to waste because there is no plan to bring those businesses into the opportunities that are supplied through the resources boom. In fact, I reckon if members called the chambers in Port Hedland and Karratha, they would be surprised at the few projects those chambers are currently trying to get for their members. That is because they do not have the capacity to do more. There is, therefore, a role for government in bringing those people together. If the government wants some advice on that, it should go to the Queensland and Victorian governments. That sort of role has been going on there for years. I do not know who started it, but they are particularly good at concentrating on bringing businesses together. In Queensland’s example, the government was able to bring Boeing into Queensland.

This motion has therefore given us the opportunity to identify that there are a number of issues and that lots of work needs to be done for small business. We would like to encourage the government to bring in a plan and a policy that will deliver benefits to small business in Western Australia.

HON ALYSSA HAYDEN (East Metropolitan) [2.57 pm]: I rise to speak against the motion moved by Hon Ljiljana Ravlich and I want to outline some steps taken by this government to rid small business—in fact all businesses—of the very evil that hinders, strangles and prevents many businesses from growing and continuing. That evil is red tape.

On 30 January 2009, only a few months after winning the election and forming government, the Barnett government created the Red Tape Reduction Group. Red tape has hindered our business community for many years. For the benefit of members who are not aware of red tape or who do not fully understand what exactly makes up red tape, it is a combination of redundant and excessive regulations that not only prevents action, but also wastes hours of time of the business community in obtaining licences and completing unnecessary paperwork and layers of multiple approval processes. The biggest favour that any government can do for small businesses is to free them up and get out of their way and let them get on with their job.

Hon Ken Baston and Liza Harvey travelled our state speaking to small business people, business communities, associations and chambers of commerce, learning firsthand the issues affecting our business community. This action demonstrates that this government wants to find out the real issues affecting our businesses. The members of the Red Tape Reduction Group did not sit in an office in Perth and make up the issues; they got out on the

ground and spoke to the businesses to find out what they were actually sick and tired of. Their efforts resulted in 107 recommendations across 16 separate areas of regulation. They also identified the need to improve state planning and development and local government processes. This extensive and well-considered report by my colleagues is currently being worked on by staff within both the Premier's office and the Department of Treasury and Finance, and it will become a great tool for shaping policy to reduce red tape for our small business community.

The government has also allocated more than \$22 billion over three years into capital works projects, such as roads, ports, schools, electricity and water. Investment in these sorts of works assists businesses, and in particular our contractors. This investment provides opportunities through prime contractors and suppliers of services and goods. Keeping work at the doors of our contractors and service providers is vital and is a responsibility that this government has acted on. This investment was also supported by the introduction of the regulatory impact assessment regime in December 2009. This is yet another reform that will assist people in small business and make their lives a lot easier by reducing any unintended consequence of new or amended regulation on our business sector. I am confident that the initiatives taken in our early months of government will address the many burdens affecting our small business community.

Another initiative taken by this government is the implementation of the BiZFiT program. This program has had an overwhelming response. I would like to quote a line from the acting managing director of the Small Business Development Corporation, Jacky Finlayson, in her report in the April 2010 newsletter. She stated —

... the successful BiZFit program designed to build business resilience, has been overwhelmingly successful since its launch in October 2009.

She went on to urge business to take up this great opportunity. This government has invested \$2 million in the BiZFiT program to educate small businesses on ways that they can help themselves through both good and bad times by identifying their strengths and weaknesses and learning strategic planning skills that will assist building businesses to be resilient. Small business does not need a global financial crisis to experience bad times. In fact, businesses experience ups and downs regularly throughout their normal calendar year. They are affected by school holidays, the end-of-financial-year period, post-Christmas holidays, interest rate rises et cetera. Businesses need to learn how to manage and use their good times to offset their bad times. It is my opinion that the previous government did not do enough to teach small businesses how to build resilience during our boom time. It did not teach them how to structure themselves to weather the storms. This government understands that the best thing that any government can do to assist small businesses is to get out of their way, to not try to control them and to help them help themselves. That is why extending our trading hours to 9.00 pm from 1 November was so important. It is important to take the training wheels off our small businesses and allow them to stand on their own two feet. They know when they need to open. They know the best trading hours for their business, not the government.

The payroll tax rebate is another step taken by this government to assist small business. The one-year payroll tax rebate has assisted many small businesses with payrolls of up to \$1.6 million with a one-off rebate being paid in 2010–11. This rebate will fully offset their 2009–10 payroll tax liability, equalling a rebate of up to \$46 750 on a payroll of \$1.6 million. It is estimated that 6 700 small businesses will benefit from this rebate, and it will result in fully offsetting the payroll tax for 68 000 employees.

Hon Jim Chown: It was a great benefit during the global financial crisis.

Hon ALYSSA HAYDEN: Exactly. It also helps more businesses to retain their staff, which in turn helps our state to retain low unemployment figures. One of the major killers for businesses is payroll tax. I am glad that this government has listened and acted.

In conclusion, through the continued support to the SBDC, this government is committed to assisting small businesses. It is committed to getting out of their way by extending or, as is our wish, completely deregulating trading hours. We are also ensuring that the new and amended policies do not hinder the business community. By backing small businesses and offering rebates on payroll tax, we are prepared to support them so that businesses can use the money during difficult times. This government is committed to helping small businesses. I urge my fellow colleagues not to support this redundant motion.

HON HELEN BULLOCK (Mining and Pastoral) [3.03 pm]: I did not have a burning desire to speak on this motion. It is not that I do not have much to say about the difficulties that small businesses faced during the financial crisis; it is that I felt that we should let Hon Ljiljana Ravlich make the point so that we could move on. However, after hearing the remarks of Hon Mia Davies and Hon Norman Moore, it aroused my desire to make a comment on those remarks.

Everything happened very quickly. Yes, it is true that the economic situation has improved considerably during the past 18 months, as Hon Mia Davies pointed out in her remarks. Hon Norman Moore also mentioned in his remarks that the view of most economic commentators is that we have finally emerged from the grip of the

financial crisis. I support that view. Now is a good time for reflection. This motion gives us a chance to look back and think about what we have or have not done, the sorts of policies that we should have implemented but did not, and the sorts of things that we could have done better. The Western Australian economy weathered the global financial storm so well because of two things. Hon Norman Moore touched on one—that is, China's strong demand for our resources. The other factor was the federal government's stimulus package, which Hon Jon Ford touched on. But I think that more needs to be said. We must mention these two factors when we debate why the Western Australian economy was managed so well during the global financial crisis. The survival of small businesses during the global financial crisis is certainly not a result of the National Party's royalties for regions scheme. That is irrelevant. I am embarrassed by the suggestion that somehow due to the royalties for regions scheme small businesses in regional Western Australia were saved from the impact of the global financial crisis. That suggestion must be corrected. We should be very grateful for China's demand for our resources and for the federal government's decisive and lifesaving stimulus package during the global financial crisis. The combination of these two factors prevented Australia from falling into recession. I have no doubt that these two factors had a great impact on small businesses in Western Australia.

Hon Norman Moore mentioned in his speech that the Western Australian economy is a significant beneficiary of the Chinese economic miracle. That economic miracle was the result of decisions made by the Chinese government. He also acknowledged that Western Australia's economy is heavily reliant on the Chinese economy and that at the moment there are some uncertainties facing the Chinese economy due to reduced demand from the United States and European countries for Chinese goods and services. I hope my summary is correct.

Hon Norman Moore: Very good.

Hon HELEN BULLOCK: I do not like to misinterpret anybody's speech.

Hon Norman Moore: I think it is fair to say that our growth is much to do with China, but a lot of the substance of our economy is still in Japan and with other buyers.

Hon HELEN BULLOCK: Yes, and other overseas countries. I am glad that Hon Norman Moore can see the fundamental flaw in the current rosy picture; that is, our economy is too dependent on the state of the Chinese economy.

Hon Norman Moore: Our growth.

Hon HELEN BULLOCK: Yes. We know what happens when one is heavily dependent on the other—it makes one very vulnerable. China has been rebuilding its country for the past 15 or 20 years. The duration and the high rate of gross domestic product growth are unheard of. It has broken world records. I think that the Chinese economic peak has been reached, but that is just my personal view. The question is: what will happen next? That is everyone's question. China's experience is not new. Looking into history, we only need to look at Japan's boom during the 1970s and 1980s, and its subsequent stagnation in the 1990s, to realise that sooner or later China's high rate of economic growth will stop or even fall.

Hon Ljiljana Ravlich: Every boom has a bust.

Hon HELEN BULLOCK: I am sure all members understand that.

Hon Norman Moore: Wouldn't you acknowledge, though, that the task in China is greater than the task even in Japan in terms of the number of people involved?

Hon HELEN BULLOCK: I am sure, Hon Norman Moore, that after China there will be plenty of countries to take over—countries such as India—but those are the uncertainties that we face, such as how quickly China will decline. Maybe I should not use that word—how quickly it will stop growing.

The thing we must remember is that we are not dealing with a free market economy. All the rationales that apply to capitalism do not apply to China. China no longer refers to itself as Communist or socialist; we sometimes call it a capitalist society, but it is not really. If members really want to call China capitalist, it is a capitalist country with considerable variations and it is completely different from ours. The fact is that we know very little about what we are dealing with, but we do know that any fiscal, monetary or budgetary policy change in China will have a dramatic effect on Australia's economy.

I will just give members an example. Imagine what would happen if the Chinese government decided to float the Chinese yuan. We know that the value of the Chinese yuan is actually significantly higher than it has recently been trading on the market. Also, it is the Chinese government's policy to suppress the value of the yuan. Can members imagine what the impact would be on the whole Australian economy—let alone other countries—if the Chinese government did that? It really is unthinkable, but it is not impossible.

Lots of Chinese government interventions were behind that Chinese economic miracle that helped shake off the impact of the global financial crisis, and the Chinese government also introduced an infrastructure stimulus package to cushion against unemployment. There have been numerous stories about how the money from the stimulus package was spent, one of which was about a bridge project that was close to completion. There was surplus funding, so to spend that surplus funding some sections of the bridge were intentionally blown up and rebuilt. Honourable members who watch *Foreign Correspondent* will remember a story about the newly built cities in China that do not have residents; they are called ghost cities. That story was also reported in the *China Daily* of 10 June 2010, and somehow, by accident, I kept the article with the picture. Many railway lines in China's coastal cities were built at astronomical cost without any hope of the costs being recovered in the near future. Those were some of the Chinese government's policies to keep its employment rate at a certain level, and Western Australia has certainly benefited from those policies.

I do not want to in any way speak as an expert on Chinese issues, although I could talk a bit more about Chinese employment policy and the valuation of the Chinese yuan, or even China's governing body, but my point is that we depend on the Chinese economy too much, which makes us very vulnerable. The Chinese government is facing many uncertainties, and because we rely on China so much, its uncertainties also become our uncertainties. China was doing very well during the global financial crisis due to government intervention, but that was not because it wanted to be the world saviour—it had its own agenda to pursue. Whatever that agenda was, we certainly benefited from it. Despite what this government did during the global financial crisis, it is undeniable that the Chinese economy played a significant role in preventing the Australian economy from falling into recession as was experienced by the United States, the United Kingdom, and other European countries. That, of course, filtered through at a microeconomic level and benefited small businesses in Western Australia.

Another point I wanted to make is that we really should utilise this opportunity to re-establish our manufacturing industry to strengthen our economy, so that we will be in a better position if we are faced with an economic trough in the near future. I found it quite amusing when I listened to Hon Mia Davies' speech about how the National Party saved Western Australia from the global financial crisis and how the flow-on effect from the royalties for the regions funding saved small businesses in Western Australia. I must say, in comparison, that Hon Norman Moore was very modest when he gave lots of credit to the Chinese economy.

Hon Norman Moore: I also gave credit to our economy, which could respond very quickly to Chinese demand. That was an important aspect of our economy.

Hon HELEN BULLOCK: There must first be the demand.

Hon Norman Moore: That is right, but we responded quickly—ahead of most countries.

Hon HELEN BULLOCK: We had to; that was an opportunity we did not want to miss.

Hon Norman Moore: I agree, but I would be interested to know what manufacturing you think we should be involved in and how we are going to compete with China.

Hon HELEN BULLOCK: Maybe not on this motion; maybe Hon Ljiljana Ravlich should move another motion about somehow re-establishing our manufacturing industry.

Hon Norman Moore: We would all love to have a manufacturing industry if it could be competitive; that's the whole point.

Hon HELEN BULLOCK: I understand that.

Hon Norman Moore: The irony of this particular issue is that the Chinese economy, which is growing dramatically, is our main competitor for manufacturing goods; that is what is so difficult to compete with.

Hon HELEN BULLOCK: But do not forget that China could float its yuan at any time, so its export market would not be competitive compared with other countries such as India, so then where will we go?

Hon Norman Moore: The Chinese are not likely to do any damage to their export economy because that is what is keeping it going. As you said, the stimulus package was for domestic growth, but they need to have an export market.

Hon HELEN BULLOCK: I am saying that they were pursuing their own agenda, but we do not know what the agenda was.

Hon Norman Moore: Well, who does?

Hon HELEN BULLOCK: Nobody. That is the thing. We rely on the Chinese, but we do not know them.

Hon Norman Moore: Except, like everything else, it is probably a political agenda.

Hon HELEN BULLOCK: It could be. It could be anything. How much do we know?

Hon Norman Moore: Enough to know what politicians do.

Hon HELEN BULLOCK: Yes. Let us have a guess. I am sorry; I will continue.

As I said previously, we cannot not mention the stimulus package. I have talked about the Chinese economy. I will move on to the stimulus package now. I have to mention that the federal government put the stimulus package in place to protect our nation from being sucked into the global financial crisis. It is the stimulus package that the federal government put in place and its flow-on effect, along with the strong resources demand from the Chinese economy, that saved the Australian economy from going into recession; and, in effect, it also saved small businesses in Western Australia.

When the Australian economy was threatened by the global financial crisis, the federal government took the decisive action necessary to keep our economy strong and to protect jobs and small businesses. At a very early stage during the global financial crisis, the government announced a \$10.4 billion stimulus package, which equates to one per cent of our country's gross domestic product. The package comprised \$8.7 billion that would flow to pensioners and low-income families in the form of cash bonuses, \$1.5 billion to support housing construction, and \$187 million for new training places. The housing aspect of the stimulus package was to extend the first home buyers scheme. If that had been stopped, it would have had a detrimental effect on the housing construction industry.

A few months after the announcement of that stimulus package, the Australian government announced a \$42 billion stimulus package called the nation building and jobs plan. It aimed to support local jobs throughout Australia by building new projects and facilities that would have lasting benefits across the nation, including additional investments in our schools, social housing and local community infrastructure to support growth and keep more tradies in work; a 50 per cent small business tax rebate to help small businesses to grow their business; and investment in economic infrastructure such as roads, rail and ports to support growth and jobs. It is worth mentioning that the package had an element of \$1.5 billion designed to promote a more skilled workforce, to guarantee a training place to all unemployed people aged under 25 years. As a result of those serial economic stimulus packages, the Australian economy has emerged from the global recession in a stronger position than any other advanced economy.

Hon Mia Davies started her remarks by referring to the policy that the state government put in place for small businesses during the global financial crisis. I was waiting to hear about this policy, but, instead, she talked about the flow-on effect of the royalties for regions funding in supporting small businesses in regional Western Australia. She talked about how the flow-on effect of the royalties for regions scheme partially funded a construction project in the Shire of Wongan-Ballidu for an amount of \$709 000 and how that somehow saved small businesses in the shire. She went on to talk about the flow-on effect of the \$200 million funding from the royalties for regions scheme for the construction of 400 homes in regional Western Australia and how small businesses in the regions have benefited from such projects.

Royalties for regions might have brought some benefits to small businesses in regional Western Australia, but it was never intended to be part of the state government's stimulus package during the global financial crisis or a policy that was put in place to help Western Australian small businesses overcome the impact of the global financial crisis. It is really embarrassing for Hon Mia Davies to use this opportunity to advertise the royalties for regions scheme and to imply that the royalties for regions scheme had anything to do with the policy put in place to help small businesses affected by the global financial crisis. It is hardly appropriate to talk about that when debating this motion.

Secondly, I would be very careful when talking about the flow-on effect. Flow on to where? We are talking about the construction of houses in regional areas and in mining towns. Many of those houses are prefabricated in other states and then transported to regional areas to be assembled. I think Hon Mia Davies should ask BHP Billiton where those houses that were built in the past few years for its workers were constructed. Were they built by Perth-based companies?

Hon Robyn McSweeney: They make them in Welshpool.

Hon HELEN BULLOCK: I was told on a tour of the BHP operation that those houses were built in Victoria and then transported and assembled on site.

The National Lifestyle Village homes in Karratha that were mentioned by Hon Mia Davies were built in Perth and delivered to Karratha in two parts by semitrailers. They are not built in regional Western Australia. However, in that case, the money stayed in Western Australia instead of flowing to other states. The intention was to spend some of that money from the royalties for regions fund in regional Western Australia, but in fact that money flowed to other states, and some of it even went overseas.

Hon Mia Davies also mentioned that hardware stores in regional Western Australia benefited from the construction of those 400 homes. Perhaps that is true. However, we must think for a minute about where the fittings and fixtures in those hardware stores such as toilets, taps and bathtubs come from. They are imported from overseas. We do not have the manufacturing industry any more that we have just talked about. We are not making things any more; we import everything. We even import steel from China, which is processing the iron ore that we export. That is really bizarre.

Let me give members another example. A friend of mine, a small business operator who owns a plantation and a timber mill in the south, recently received a big cabinetry contract from a big building company. He shipped his timber to China, because he has a factory there, to have the cabinets made in China and then ship them back to Australia as a finished product. I just hope that cabinetry contract is not part of a royalties for regions funded project. I will give members one more example. One of the telecentres decided to buy Dell computers using money that the government “threw” at them. That is not my word. Its words were that the government “threw it at us”. Dell computers have to be imported from overseas into Australia. I would not be surprised if they tell me that the uniforms in those telecentres were made in China or other countries like India.

Hon Mia Davies was asked where the plastic cows were made. Would members be surprised if I told them that those plastic cows were manufactured in China? I see that Hon Mia Davies shakes her head.

Hon Mia Davies: That is wonderful news.

Hon HELEN BULLOCK: So the member knew all along. I quote the uncorrected *Hansard* of Wednesday, 20 October in which the member was reported as saying that she did not have that information with her. Now she has. Where does this information come from? The information was given to me by the coordinator for the Augusta Margaret River Tourism Association. Thanks to the royalties for regions scheme for supporting the Chinese economy. These are the flow-on effects that Hon Mia Davies talked about. I wonder what is the percentage of the total royalties for regions funding that actually flowed on to regional Western Australia. She should not ever put her words into my mouth.

Hon Mia Davies: I am delighted that you have taken such an interest.

Hon HELEN BULLOCK: I am a very positive person. I come to that now.

Hon Ljiljanna Ravlich: You have really done it now! You have worked her up and you are going to get it!

Hon HELEN BULLOCK: I thank Hon Ljiljanna Ravlich for her help.

Hon Ljiljanna Ravlich: I know what you are like when you get mad.

Hon HELEN BULLOCK: The royalties for regions program certainly sees some money spent in the regions of Western Australia. I will not mention that paragraph any more, but it should really just be recorded in *Hansard*. I have decided not to be nasty but to be positive.

Hon Norman Moore: It is a pity that some of your colleagues do not take the same view.

Hon HELEN BULLOCK: They should all learn from me!

It is undeniable that royalties for regions is a really good scheme, but any new program, after a certain period of operation, should be reviewed, refined and finetuned. Do members agree with me? I thank them. I would recommend that the National Party do what I have just said, so as to make the program run more efficiently and more effectively. It is not necessary to use every opportunity to tell us how great the royalties for regions program is. We know that, and that is why we support it. It does make one wonder why members keep saying that.

Hon Mia Davies: There is so much to tell.

Hon HELEN BULLOCK: The member doth protest too much. That is from Shakespeare. I am just about to conclude. I can see that Hon Ken Baston is so glad.

Former Prime Minister John Howard said in his autobiography that the federal Labor government could have campaigned on a single issue at the last federal election. That single issue was that the Labor government stimulus package saved Australia from going into recession. It is the federal government’s stimulus package and the strong resources demand from China that saved Western Australia’s small businesses from being washed away by the tidal wave of the global financial crisis, not anything done by the state government or the royalties for regions scheme. I fully support this motion.

HON LJILJANNA RAVLICH (East Metropolitan) [3.37 pm] — in reply: Madam Deputy President —

Hon Norman Moore: I wish we had a standing order that said there was no right of reply on this.

Hon LJILJANNA RAVLICH: The Leader of the House can continue with his negotiations to see if he can get there soon.

Hon Norman Moore: We might use our extraordinary numbers to change it!

Hon LJILJANNA RAVLICH: I do not know what is wrong with Hon Norman Moore. He sat there nicely and passively while Hon Helen Bullock spoke.

Hon Norman Moore: She speaks sense, which is contrary to what you do.

Hon LJILJANNA RAVLICH: It is bad luck, because the Leader of the House is just going to have to put up with me.

Hon Norman Moore: I will just go for a walk. I will feel better!

Hon LJILJANNA RAVLICH: We will just wait until he leaves, shall we!

I want to thank members for their contribution to this motion. We have heard from a number of speakers on both sides of the house about the impact of the global financial crisis on small businesses. There is no doubt that different people have different perspectives of what exactly that the impact was. There is also no doubt that different people have different views about the contribution that the government has made in assisting small business to get through some of the challenges it faces. Clearly, the National Party representatives have a very clear idea of what the royalties for regions program has done to assist the small business sector throughout the state. Whether that is a view that is shared by anyone in this house, apart from perhaps National Party colleagues opposite, I do not know. Whether it is a view that is shared by the broader community, I do not know. But if I went to Midland, Belmont or Armadale and asked people if they thought that the royalties for regions program assisted small businesses throughout regional areas to tackle the challenges of the global financial crisis, they would probably think that I was mad. If I asked the same question of people in regional areas, they would probably think it was an exaggeration of the net impact of the royalties for regions program. However, I do not want to get into that. I accept that the motion took a long time to get to this place, but that does not matter. We have never had a ruling about how long a motion should sit on the notice paper before it is debated. If, as a part of these negotiations, we decide that all motions must be dealt with in a more timely manner, I will be the first to support it. However, in this case, once again, the motion is as relevant today as it was when it was first given notice of. If anyone thinks that the global financial crisis is over, they had better think again. Before I came into the chamber today, I told my colleagues that when I drove from my place to Fremantle along Curtin Avenue and through a number of streets that cross Curtin Avenue, I noticed that every single street had a for sale sign on it. That is being replicated throughout the state. Just as householders have mortgages, so do businesses. Some small businesses rely on the real estate sector and on the construction of new houses. Many people can no longer afford to stay in their home. They are forced to put it on the market and take whatever the market determines to be the value of the house, and many of them will be forced to sell at a loss. The same thing happens to businesses. Many businesses have gone to the wall during the global financial crisis.

Although it is hard to quantify the impact of the global financial crisis, an article from *The Sydney Morning Herald* titled “How the GFC pushed businesses to the wall”, which was written by Chalpat Sonti on 22 October 2010, gives us an idea of just how devastating it has been on the small businesses sector. The article states —

Just how badly, or well, businesses survived the global financial crisis and other economic turmoil of the past two years is evident from new official figures.

Australian Bureau of Statistics data shows in the two years from June 2007—encompassing the boom and subsequent bust—more than half a million Australian businesses shut up shop.

Nationwide, there was a 73.6 per cent survival rate in the two years, with the number of businesses falling from 2.07 million to 1.52 million.

That is a substantial number of businesses and is real cause for concern. The article continues —

That is an attrition rate of 28.3 per cent of all new businesses ... but the figures also tell a tale of two distinct years.

In Western Australia, about 57 000 businesses, including 10 000 new businesses, were forced to the wall, if the ABS data can be believed, and it is the best data we have, so we have to believe it. Imagine that—57 000 businesses! *The Sydney Morning Herald* is probably quite a reputable paper. In Western Australia, 57 000 businesses, including 10 000 new small businesses, were forced to the wall during the global financial crisis. That is a major cause for concern. If I were the small business minister, I would be listening to small businesses and asking how the government can help them. Simply blaming everything on the global financial crisis and adopting the attitude that we cannot do anything because it is the global financial crisis is simply not good enough. There is

Extract from Hansard

[COUNCIL — Wednesday, 10 November 2010]

p8417e-8430a

Ms Mia Davies; Hon Jon Ford; Hon Alyssa Hayden; Hon Helen Bullock; Hon Ljiljana Ravlich

a view that Western Australia is doing better, on the whole, than the other states because we are fortunate to have resources in the ground, which has given us some protection from the full impact of the global financial crisis. As a nation, we are also doing better than other nations. However, there seems to be a perception that because we are doing better people are not hurting. Members should not mix up those two concepts. Yes, we are doing better, but people are well and truly hurting. The government has not done the right thing and offered a solution to assist the small business sector. The former minister, Mr Buswell, was missing in action, and although Minister Marmion is a very nice gentleman, I wonder about his ability to deliver for the small business sector. We have not seen the minister come to the aid of small business owners and operators. He should understand the personal financial hardships that face many small business owners, many of whom have had to close their doors. It is safe to say that others will also be forced to close their doors.

Small businesses continue to brace for ongoing hard times. Only today there was an article in the paper about rate concessions that were given to vineyard and winery businesses down south. The small business people there are asking why local governments are giving concessions to the value of some \$20 000 on average, from memory, to those businesses when small tourism operators are struggling. They are asking why the local government is not doing something to help them. If they were all doing very well, they would not be jumping up and down about the concession that the local shire has given to those other businesses. There is no doubt in my mind that small business is hurting and it is clear that to date the minister has not explained the government's policy to deal with the impact of the global financial crisis on small business and the thousands of workers who lost their jobs and who require retraining. In fact, we have not heard anything about that. The government has been very quiet about it. We do not know what strategies have been put in place to protect the workers. Some comments were made earlier about the State Supply Commission being absorbed into the new Department of Commerce. I do not even know whether it exists. The State Supply Commission used to keep a watching brief on the Buy Local policy and make sure that it was adhered to. That policy was specifically designed to assist small businesses in regional and rural Western Australia to make sure that they got a percentage of contracts as a result of the enormous purchasing power of state government agencies. That is no longer there. What support there was for small businesses seems to have been taken away from the small business sector as opposed to anything being given to it. I am pleased that this motion has been canvassed quite widely by a number of members and I support it.

Question put and a division taken with the following result —

Ayes (11)

Hon Matt Benson-Lidholm
Hon Helen Bullock
Hon Robin Chapple

Hon Kate Doust
Hon Sue Ellery
Hon Jon Ford

Hon Lynn MacLaren
Hon Ljiljana Ravlich
Hon Sally Talbot

Hon Ken Travers
Hon Linda Savage (*Teller*)

Noes (17)

Hon Liz Behjat
Hon Jim Chown
Hon Peter Collier
Hon Mia Davies
Hon Wendy Duncan

Hon Brian Ellis
Hon Donna Faragher
Hon Philip Gardiner
Hon Nick Goiran
Hon Alyssa Hayden

Hon Col Holt
Hon Robyn McSweeney
Hon Michael Mischin
Hon Norman Moore
Hon Helen Morton

Hon Simon O'Brien
Hon Ken Baston (*Teller*)

Pairs

Hon Adele Farina
Hon Ed Dermer
Hon Giz Watson

Hon Nigel Hallett
Hon Phil Edman
Hon Max Trenorden

Question thus negatived.