

McGOWAN GOVERNMENT — ELECTION COMMITMENTS — PUBLIC SECTOR

Motion

HON SHELLEY PAYNE (Agricultural) [11.36 am] — without notice: I move —

That this house commends the McGowan government for bringing important workers in house and returning outsourced public services back to the public sector when it is possible and beneficial to do so.

It gives me great pleasure to move this motion today. It is a great opportunity for us to take time to reflect on some of the great things we have done since coming to government in 2017, including honouring our commitments and getting great outcomes for workers in Western Australia. We have heard a bit of talk this morning about inefficiencies and pushing us to do better. I will talk about how we are doing that.

The changes to bring workers in house and return outsourced public services back to the public sector have been happening across the health and transport portfolios and also within state government-owned entities such as the Water Corporation. These changes are consistent with the election commitments we made in 2017 to bring those outsourced services back into the public sector when it is possible and beneficial to do so. Our most recent announcement was in April this year and involved Main Roads. That was about returning our maintenance staff back in house. This will create over 660 jobs, 490 of which are expected to be within regional WA, which is really great. That will provide cost savings of \$25 million a year through moving to more streamlined processes. Workers will be directly engaged by Main Roads and will receive better pay and conditions. Their leave and entitlements will also be recognised. This will drive jobs and economic growth in the regions. As a regional member representing the Agricultural Region, this announcement is really great and it will have a positive impact on the regions.

If we look back in history, we can see that Main Roads had over 2 500 employees in 1985. During the 1990s, under the Court Liberal government we saw an increase in outsourcing workers from Main Roads. That was unfortunate because the agency lost hundreds of employees and decades of corporate knowledge. That had a direct impact on us in regional towns because we lost the ability to train local regional people and employ local workers. It also saw us lose control of assets and our in-house expertise. Main Roads was no longer an informed purchaser for many of its services. This announcement has not happened without a lot of significant work.

Last year we engaged Ernest and Young to have a look at whether the act of bringing workers in-house and having an in-house delivery model would bring value for money as well as other important things like Aboriginal employment and regional economic growth. The results of this study were very positive, saying that bringing workers in-house would drive jobs and economic growth, help with Aboriginal employment and engagement and increase the capacity and capability of Main Roads.

It was predicted that we would save up to \$25 million a year by doing this, it would benefit not only workers, but also regional and Aboriginal communities, and it would improve Main Roads capabilities. Importantly, it would attract people to live in our regions. It would also be great for the workers because if they came to work with Main Roads, it would improve their pay and conditions, with increased paid leave and long service leave after seven years as well as provide them with lots of other training opportunities for them to upskill. Aboriginal participation would also improve as we would be able to engage directly with Aboriginal people and businesses to build on previous successes. Yesterday, a Main Roads Facebook post referred to the first seven kilometres that has been completed on the Bindoon bypass. It also referred to the Garli Aboriginal company and the work that it has done with our contractor out there in the wheatbelt.

With this announcement, there is going to be some new depots out in the regions, and I am really pleased that Esperance will be one of them as well as Manjimup, Broome and Karratha. The existing depots, such as Narrogin, will be upgraded, so this is really great for bringing more jobs into the regions.

Main Roads has done a really great job. It has lots of great information on its website such as information for workers who want to know more about the transitioning, information for contractors as well as information about the time line for when things are going to be rolling over.

Five contractors are working right now out in the regions on five different contracts. As these contracts come up for renewal, we will progressively be moving the workers in-house. This will commence in the wheatbelt, when the contract ends later this year in October, and the transition is already underway for the staff to come under Main Roads. It is predicted that by March 2020, the majority of the work will be done by Main Roads' staff, and by 2026, all the Main Roads maintenance work will be done in-house. A steering committee is overseeing this work, including the Department of the Premier and Cabinet, Public Sector Commission, Labour Relations and Treasurer. As I said, this will trigger economic growth and provide permanent job opportunities in the regions and further support Aboriginal people and businesses.

The benefits for Main Roads, above and beyond the contract savings, is increasing the skills and knowledge capability within Main Roads. Hon Kyle McGinn has dealt with a few issues of late about some of the contracting work and the safety upgrades that have been going on in his electorate on the Great Eastern Highway. This will allow us to focus on quality for these construction and maintenance projects and more easily introduce different trials and initiatives and different technologies. We have seen the great initiatives with the regional road safety upgrades, which will make it a lot easier for us to try different things.

Some independent economic modelling, which looked at the benefits, has been done. It predicted that, over 10 years, this initiative will generate \$335 million of gross regional product. Having the staff based with their families in the regions will increase regional employment and trigger a lot of downstream community benefits, which will be great. This initiative will be self-funded, and some of the savings will be invested back into new regional housing and the new regional depots and offices, which will be required, and things like new vehicle fleets, so this is a positive thing that I am really pleased is happening.

I have talked about these initiatives being with not only Main Roads, but also some of our public sector services such as the Water Corporation. Over the past four years, work has been underway to move workers in-house. This started in August 2019 when more than 250 of our operations and maintenance workers were brought in-house, and this was more than two decades after the Liberal government privatised the services. Recently, we heard Hon Colin de Grussa talk about the decline of the Water Corporation, but this is an issue that we are trying to fix. Bringing these services back in-house will also save taxpayer dollars and ensure consistency in the services provided to all our customers across the state. This will mean more effective and faster decision-making when it comes to looking at new infrastructure and assets that we might need.

This first initiative is expected to have a savings of between \$2 million and \$3 million. The second initiative, which was only a few months later, in November 2019, when we made an announcement to move a further 170 employees, who are involved in the some of the core service deliveries—water and wastewater treatment—to come back in-house. It is really pleasing to see more essential services been brought back into public hands. This second initiative will give savings to taxpayers of approximately \$2 million a year.

I will move on to some of the other issues that Hon Colin de Grussa talked about. In 2020, we began to bring more specialised positions, such as 22 high-tech roles in maintenance and support, back in-house. Securing these essential skills and knowledge is necessary for better service delivery and improved efficiencies. Previously, the changes done to the Water Corporation under the Liberal–National government relied on external contractors, which meant that a lot of the knowledge and expertise sat outside the Water Corporation. Therefore, bringing the skills and intellectual property in-house strengthens the resilience of the Water Corporation’s critical infrastructure while reducing costs, and I think we would all really love to see a reduction in our water bills.

The other thing that the Water Corporation did early last year was to bring the meter-reading services back in-house. This started with about 30 permanent roles—half the meter readers in Perth—being created. This was great for the staff as it gave them job security and the ability to upskill and enhance their career opportunities, particularly as we move towards the digital meter-reading services with Water Corp.

As we continue our strong recovery from COVID, we are demonstrating our commitment to creating secure and permanent jobs and bringing these important roles in-house, further strengthening our economy. Up to 450 jobs across the Water Corporation have now been brought in-house, allowing us to have a fully integrated operations and maintenance business. I had a look on the Water Corporation website at some of the benefits and entitlements for these workers when they are brought in-house. The Water Corporation has a great superannuation co-contributions scheme, great personal and long service leave benefits as well as, as I mentioned, the security of employment. This compares with the water meter-readers who were being paid on a casual basis based on only the number of meters that they read.

Some other initiatives that the government is doing, which I am sure Hon Lorna Harper will speak very positively about, are with our hospitals. We have made changes to the Peel Health Campus and Fiona Stanley Hospital, resulting in a win for healthcare workers and patients; for example, at Fiona Stanley Hospital, some of our patient-facing services—cleaning, catering and orderly and domestic services—are coming in-house. This is an opportunity for more than 600 workers to come into the Western Australian health system. It really improves the patients’ experience as we do it in a sustainable and affordable way. Peel Health Campus is looking to transition to the public sector with over 890 staff coming in-house while allowing them to retain all their leave and entitlements and gain better employment as well. The government’s commitment to delivering quality health care across the state no matter where people live is great.

In closing, I commend the government for its initiative to bring workers back in-house when it is possible and beneficial to do so, improving outcomes for workers and, importantly, improving the public sector capabilities,

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particularly the benefits of the Main Roads initiative I talked about, and driving regional economic growth and triggering a range of community benefits in the regions. I am very pleased to see these initiatives.

HON JACKIE JARVIS (South West) [11.50 am]: I stand today to support Hon Shelley Payne's motion. It is an excellent motion and it is incredibly disappointing that so many members of the opposition and the crossbench have been called out on urgent parliamentary business.

Hon Dr Steve Thomas: You've got quality instead of quantity.

Hon JACKIE JARVIS: I note that we do have the hardworking Leader of the Opposition here.

The decision on Main Roads workers to which Hon Shelley Payne referred is particularly pleasing for me as a regional member. There will be 660 road maintenance jobs brought back in-house to Main Roads, including 490 in regional Western Australia. I thought that the opposition would welcome the creation of jobs and that the champions of regional WA on the opposition benches would be thrilled.

A government member: Hansard can't pick up sarcasm.

Hon JACKIE JARVIS: Hansard cannot pick up sarcasm? I was not being sarcastic, my dear colleague.

On 1 April 2022, Hon Steve Martin issued a media release about this, and I will quote from that release, which appears on the opposition alliance media website —

“The Premier's visit to Manjimup today was used to announce 660 new jobs for new Main Roads regional offices. This is an insult to the thousands of jobs in regional WA axed by this Government's populist decision to ban hardwood logging ...

I agree with one thing there. It was indeed a popular decision to stop the logging of the state's old-growth forests, and it was particularly popular with regional Liberal voters.

A member interjected.

Hon JACKIE JARVIS: Members, I am not taking interjections but I speak with some authority about the mindset of a regional Liberal voter as the only member in this place who lives in a regional Liberal-held seat. I think I have some interest in what my electorate might be thinking. Hon Neil Thomson earlier today suggested that we look at election data. I took the opportunity to look at election data from the federal election. I note that when it suits, we do not necessarily want to conflate federal election data with state election data, but I note that Hon Neil Thomson thought that was a good idea. Obviously, I have a lot of interest in the federal seat of Forrest. Despite the significant hard work by the campaign director for the Liberal Forrest campaign, who I believe may be in the chamber, there was still a 10 per cent swing against the sitting Liberal member of Parliament in Forrest. I suspect that the only other member of Parliament in Western Australia who lives in a Liberal-held seat, the member for Vasse, may have been concerned when she looked at the polling numbers in her home town of Dunsborough, where there was a 13 per cent swing against the Liberal government. There has certainly been significant interest in projects that recognise that climate change is an issue. However, I digress, and I want to come back to the matter at hand.

Yes, the government created a significant number of regional jobs, particularly in Manjimup in my electorate, where we knew that we wanted to bring those jobs back in-house. I fast-forward to 9 May, when Hon Steve Martin again issued a media release about the Greenbushes timber mill closing and said that, unfortunately, 50 jobs would be lost in the south west as a result. The owners of the Greenbushes timber mill made a commercial decision, as is their right, to close down their mill and move their operations to Nannup ahead of the end of native forest logging. I absolutely accept that that was as a result of the McGowan government deciding to end logging in native forests. I am not sure where Hon Steve Martin was on 9 May when he issued the media release, but I have noticed a number of regional members opposite seem to spend a lot of time issuing media releases from Parliament House, West Perth. I know where I was on 9 May. I was in Greenbushes talking to those 50 workers. I talked to them face to face and I explained what the government was doing to support them and the redundancy packages they would get from not only their organisation, but also the state government; and how they would receive payments of between \$30 000 and \$45 000. Hon Steve Martin said in his media release that more than 50 locals were looking for jobs. Indeed, they were looking for jobs and, fortunately, in addition to all the state and federal government service providers that were there to provide support, a lithium mine said that it had hundreds of jobs. People were queuing to speak to the lithium mine and the mine was happy to take them all. Of course, lithium is the main ingredient in batteries and is part of the renewable energy transformation the state is looking towards. I accept that we are bringing jobs back into Manjimup. As I said, I thought that would be greeted with jubilation, but apparently not.

We talk about the Liberal–National alliance not really understanding its voters in regional WA. I do not want to pick on Hon Steve Martin, because I like him and I think he is a good regional member. However, I noticed his opinion piece in the *Countryman* that almost reignited the climate wars. He talked about emissions trading schemes and climate change. It had almost come out of the Barnaby Joyce handbook. He was railing against the idea that Liberal voters did not agree with the greenwashing and the teal independents. He seems to forget that the genesis

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for the teal independent movement was Cathy McGowan, a formal federal MP who won the seat of Indi from Sophie Mirabella. Cathy McGowan was a bastion of the regional women's movement in Victoria, a former staffer for a Nationals MP and sixth-generation farmer. The teal independents came from the very Liberal–National heartland that the opposition seems to champion.

Regardless of that, Hon Steve Martin wrote an opinion piece about climate. I wondered what happened in Greenbushes. Obviously we were there on 9 May. Make no mistake; 9 May was an incredibly hard day. It was a hard day when I stood up in front of those people and took responsibility for the McGowan government's decision, and I did it with pride. Just a few weeks later, on 21 May, we asked what had been the washout from all of that and how did it translate to federal election numbers. We created new local maintenance jobs with Main Roads and, yes, we were involved in the ending of native forest logging. On election day, 334 people voted at the Greenbushes booth and there was over a 15 per cent swing against the coalition. There was an eight per cent swing against the Nationals. Granted, there was no Nationals MP running, but those Nationals voters did not just jump over to the Libs as we might expect. There was a six per cent swing against Rick Wilson. Despite the claims of the opposition, I do not think we can put that down to Hon Kyle McGinn, or any stickers that said “#GiveRickTheFlick”.

Hon Neil Thomson: So it would have been better if he didn't do the stickers; is that what you're saying?

Hon JACKIE JARVIS: No, I am not. I am saying that despite what the opposition claimed, there was over a 15 per cent swing in Greenbushes, where there were only 334 voters. Where did those votes go? A total of 6.79 per cent came to the Labor Party and over seven per cent went to the Greens. The Greens vote increased by seven per cent in Greenbushes. Let us put this into context. There were 334 voters and 50 workers impacted by the closure of the timber mine. They probably all had a partner, so about one-third of the voters were impacted by that, yet they were still swinging away from the Liberal Party.

I thank Hon Shelley Payne for bringing this motion forward. I am particularly pleased. I have looked at what is going to happen with the existing staff members for Main Roads, and as those fixed maintenance contracts expire, those workers will be offered the opportunity to transition to Main Roads. They will have the opportunity to put in expressions of interest for those jobs. This will replace a lot of the drive-in, drive-out workers. Since 2015, I have had jobs that require me to travel significantly across the wheatbelt, the great southern and the south west. A feature of any little regional country motel is they are usually filled with Main Roads workers who have come down from Perth. They go home on the weekends and they take their money with them. I absolutely welcome the motion that has been moved today. I welcome the increase in regional employment.

HON LORNA HARPER (East Metropolitan) [12 noon]: I, too, rise today to speak on the motion that Hon Shelley Payne has moved —

That this house commends the McGowan government for bringing important workers back in-house and returning outsourced service into the public sector, where it is possible and beneficial to do so.

It might be a surprise to some in the house, but I doubt it, that before I came into Parliament, I was a lead organiser for the health team at the United Workers Union. It might be a surprise that I am a proud union member. Since 2005, I have been a member of the Liquor, Hospitality and Miscellaneous Union, which then became United Voice and then the United Workers Union. I still am a proud member of the union. Like I say, once a misso, always a misso. As the health team lead, I was honoured to be there on the morning, and I mean early morning, of 9 March 2020, when the Premier and Deputy Premier announced to delegates at Fiona Stanley Hospital, the support service workers employed by Serco and also delegates of the United Workers Union across WA Health that they were going to be bringing three of the services back in-house—taking them off Serco and bringing them back into the public sector. A public sector job is a secure job. This announcement was great, because we have heard in the past about how bad this contract is. This contract was awarded by the Barnett government and it had no cost–benefit analysis, no assessment of clinical or other risks and poorly scoped financial modelling.

At the time of the announcement, it was believed that over 600 staff would be coming across from catering, cleaning and logistics—logistics include the orderlies et cetera. From the information I have received, by the time the staff came across, there were nowhere near 600. In fact, from information I have received, the number of staff in food services was halved by Serco before they were brought across. This was going to have ongoing implications across the hospital, because, as we know, in March 2020 that funny little thing we like to talk about called COVID happened and set the world into a spin and set health systems across the world into a spin. Health systems across the world have a lack of staff due to illness and have ambulance issues because of COVID; it is not a uniquely WA thing. The staff were going to move across. On 3 August 2021, they moved across to become public sector workers. Since then, the South Metropolitan Health Service has been trying to employ more staff. It still has almost 50 vacancies to fill, and that is not through any fault of its own. That is because there is low unemployment and it is very difficult to get suitable staff at the moment.

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Working under the WA government is a lot safer and a lot better for people, not just for the wages, but for the terms and conditions and safety of employment. This is great news. One of the things we could not do with that announcement was to change the Serco culture at Fiona Stanley. Although the workers came across, a lot of those in management came across as well, and those in management seemed to forget that they were no longer employed by Serco Asia Pacific. Let us remember, Serco is a multinational corporation that deals not just in health, but also in detention centres. We heard stuff in the news about Yongah Hill Immigration Detention Centre last night. Serco deals in prisons. What does that have to do with feeding people in a hospital? I do not know. I would say that it is that Serco Asia Pacific is out there to make profits; that is its number one goal. The staff at the hospital who still work under these former Serco managers have to fight and educate these managers about the fact that they are now public sector employees with the rights of a public sector job and that there are rules around how they hire people, whether they can get their holidays and whether they have to supply a sick note when they are absent for one day. There are strict rules, because there is an agreement with the state government about those rules.

This is all well and good, but we still have a few other services to come back in, so it was awesome to be part of the health team when the government announced that at the end of the contract with Ramsay Health Care for Peel Health Campus—that one always gets me—nearly 800 jobs will be brought back into the public sector. That is fantastic. That means that the people living in that area will have a true public hospital. It means that the people working there will be part of the public service. It will mean that people working at Peel Health Campus, Fiona Stanley Hospital, Royal Perth Hospital, Sir Charles Gairdner Hospital, Fremantle Hospital and all the public hospitals across WA will be working under the same terms and conditions of employment. It will mean that the cleaners at Royal Perth will get paid the same rate as the cleaners at Fiona Stanley and Peel. But we still have Midland Health Campus to go. Coming from the East Metropolitan Region, that is my local hospital. I have said in the past and I will say again—I do not hide it—that I would love it if that hospital could be brought back in-house. I would love it. But we have to look at the contract and whether it will be beneficial at this time, because I personally do not know what the deal was with the contract done by the Barnett government. That was another public service that it handed over to a private contractor.

Working in the public sector is a much better outcome for all members of the community in WA. Public sector jobs should be run by the public sector. Public services should be run by the public sector. This is our state. We should be in control of it. It should not be run by multinational corporations, religious organisations or large businesses wanting to make profits. It should be run to benefit the people of WA. We are now seeing this with water and with roads. Hon Rosie Sahanna and I had the pleasure of driving along the new road in the Kimberley at Dampier Point. They were still doing a little bit of work on it. That was done because these jobs were brought back into the public sector.

Hon Rosie Sahanna interjected.

Hon LORNA HARPER: She is whispering at me, but I cannot hear her; I am going a bit deaf!

It is important that, moving forward, we continue to look at services that should be run by the public sector. We should continue to look at whether these jobs can be run in the public sector; and, if they can, they should be brought back in-house. The people of WA should be running their own services for the benefit of the people of WA, not for the benefit of shareholders and certainly not for the benefit of religious organisations. I commend Hon Shelley Payne on this motion and I wholeheartedly agree with her.

HON KLARA ANDRIC (South Metropolitan) [12.09 pm]: I, too, welcome the motion that has been brought before the house by Hon Shelley Payne today. At a time when more and more work is becoming casualised and outsourced to contractors, it is amazing to see that the McGowan government is bringing more work back in-house. Essentially, this means better conditions and more stable employment for workers and the better delivery of public services. The McGowan government has paved the way for more privatised goods and services to be brought back into the public sector. I can only hope that other jurisdictions around Australia take a look at the great work being done by the McGowan government and see it as a green light to repeal their privatisation where possible and where viable.

In May 2018, the McGowan government made a historic change that brought the control of the Wandoo Reintegration Facility back into public hands. This was the first time in Western Australia's history that a state government department had taken back control of a previously privatised state asset. It was a truly historic decision for any government to make. Wandoo had been called the Rangeview Juvenile Remand Facility until the previous Barnett Liberal government made a disastrous decision back in 2012 to move the juvenile remand detainees into Banksia Hill Detention Centre and then privatise the centre. It had been run by Serco for about five years before this government stepped in. The responsibility for its management was returned to the Department of Justice and it was transformed into an alcohol and other drugs rehabilitation prison for up to 77 female offenders. This has been an incredible project that has focused on not just incarceration, but also rehabilitation. Back in 2020, the McGowan government also returned Melaleuca Women's Prison to public sector management. I read that the uniforms currently worn by

the Melaleuca inmates are made by the women at Bandyup Women's Prison. In a similar way to Wandoo, this transfer of management also opened up more opportunities for the rehabilitation of prisoners. In 2018, the McGowan government demonstrated its commitment to reduce reoffending rates among female prisoners by creating the Wandoo Rehabilitation Prison for women. The success of the Wandoo alcohol and other drugs rehabilitation prison is immense. It is an Australian first and the facility has remained drug free since its commencement, which is unheard of for any prison in not only Australia, but around the world.

I will move on to Main Roads Western Australia. Some of the previous members have already spoken about Main Roads in reference to this motion before us today. For decades, jobs at Main Roads, including those that involved maintaining our roads, were considered stable and secure with good working conditions. These jobs helped to support many other jobs in our regions. Main Roads was also a significant employer of Aboriginal people in the regions. In fact, in 1985, Main Roads employed 2 605 workers. However, the outsourcing of work ramped up significantly throughout the 1990s under the Liberal Court government. The agency lost hundreds of employees to the point that, by 2000, Main Roads employed a mere 819 people across our entire state. In April this year, the McGowan government announced that we will be moving road maintenance jobs back in-house. This will create 660 permanent jobs at Main Roads, 490 of which will be in regional WA and 170 in the metropolitan area. An analysis by Ernst and Young in 2021 found that moving maintenance jobs in-house would save more than \$25 million a year as well as drive economic growth in the regions, enhance Aboriginal employment and engagement outcomes, improve educational uptake and increase the capacity of Main Roads. Operations will be brought in-house as these contracts conclude with the majority of the work to be completed by March 2024.

I want to speak on the topic of health, as did Hon Lorna Harper, and make some points about a few of the issues that the honourable member also raised. One significant project that we have undertaken to reel back privatisation is to bring jobs back into the public sector at our flagship hospital, Fiona Stanley Hospital. The signing of the new deed of amendment modifies the existing facilities management services contract, which thankfully came to the end of its 10-year term in August 2021. As members are aware, the original contract was signed between the then Liberal-National government and Serco. I do not have much time remaining to go into detail about that and will leave it for another time; however, I will provide a little history on Serco. In 2015, Serco was stripped of providing sterilisation services for Fiona Stanley Hospital after ongoing serious mismanagement forced the previous government to step in. This just so happened to occur back in 2015, when I was in hospital giving birth to my second child. I had to have a caesarean section and remember looking at the equipment and hoping that I would not be one of those people who unfortunately had to endure some really serious health risks due to Serco's mismanagement of the sterilisation process. Thankfully, in April 2015, the Australian Medical Association WA president at the time, Michael Gannon, said that there had been instances of medical equipment returning to the operating theatre covered in blood and tissue. As a result, he said that the Department of Health would take over the sterilisation program at the hospital.

What happens when multinationals run public institutions? Fiona Stanley Hospital in Perth is the biggest public works project commissioned by the state of Western Australia since the goldfields water pipeline in 1898. It is also the site of the largest outsourced health contract in Australian history, a \$4.3 billion deal with the global giant Serco for non-clinical services over 20 years.

In 2014, the previous Liberal-National government awarded a contract that outsourced essential services to a multinational company with nearly no experience in running hospitals. Since August 2021, cleaning, patient catering and internal logistic services, which incorporates hospital orderlies, domestic assistants and cleaners, have been managed by the South Metropolitan Health Service. I am pleased to see that these staff will be offered continued employment at the hospital under the publicly managed Western Australia health system in line with public sector standards.

As Western Australia continues its strong recovery from the COVID-19 pandemic, the McGowan government is demonstrating its commitment to creating secure, permanent jobs by bringing the roles of important workers in-house and returning failing outsourced services to the public sector when and where it is possible and beneficial to do so.

HON DR STEVE THOMAS (South West — Leader of the Opposition) [12.19 pm]: There are 17 minutes left. Does the government wish to give a ministerial response?

A government member: There will be one.

Hon Dr STEVE THOMAS: If I take the full 10 minutes, there will only be seven minutes left for the minister's response, so I will try to cut it a bit short just to give them a bit of time. I am a team player—we are team players on this side of the chamber. We may not get answers to questions but we are team players.

A government member: If you asked better questions, you would get great answers.

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Hon Dr STEVE THOMAS: If I asked you, member, did you say you would actually get me the answer? You would probably lose your preselection if you did!

I would like to thank Hon Shelley Payne for the motion because, normally, we get motions in this chamber that are outrageous. There is actually a couple of sensible bits in this motion, so I think she has done a good job. Obviously, from the Labor perspective, the motion seeks to bring jobs back into the public service but the member actually put in there —

... where it is possible and beneficial to do so.

I commend her for that. I think that is a very sensible addition to the motion, which otherwise might have been a little more political. It is obviously the case that we would probably disagree on the parameters of where and when it is beneficial, and to whom it is beneficial. I think that is a good addition and when the minister, presumably for regional development, stands up to give a response to this motion—hopefully in a calmer and more relaxed way than she responded to the previous motion —

Hon Alannah MacTiernan: I am extremely calm and relaxed. I am enjoying myself immensely.

Hon Dr STEVE THOMAS: The minister might be able to tell us the parameters by which the government might define ‘beneficial’ because I think that is a critical part of the motion before the house. Obviously, the Labor Party wants to move as many workers into the public service as possible. The first question is: for whom is it beneficial? One of the first places it benefits is the union movement because the more jobs and people move into the public service, on a percentage basis, the more union members are going to join up. As we shift from the private sector into the public sector we tend to have a higher union representation.

A government member: There are plenty of private places that have union representation. Plenty of them!

Hon Dr STEVE THOMAS: There is union representation in private business as well but it is higher in the public sector. There is obviously a benefit to—dare I say—places like the United Workers Union, which we talked about in this chamber last year. I remember at the time, a swathe of Labor members putting their hands up to be members of United Workers Union, so that is obviously a benefit to that union, amongst others. We need to determine who benefits, because it is in the bloodstream of the Labor Party to maximise the size of the public service, and maximise the union membership as a result of that. They have struggled; union membership is not what it once was, and we accept that because it applies to political parties as well—both yours and mine. It is fair to say they are in a harder marketplace but this is the key crux of the matter because this government, along with previous governments, have continually used private sector contracts to deliver a range of services. This government continues to do that in a big way.

We have talked about transport, in particular, and what Main Roads does. Main Roads, probably more than anything else, gives out very large contracts to the private sector. Main Roads manages the contracts but how often are the people doing the work actually contracted out of the private sector? It is a massive component. This state government has not nationalised the delivery of those services, and neither it should unless—I agree—it can prove a benefit. That benefit cannot be just to the United Workers Union, or any other union that may be encouraging members down this path, but to the financial management of the state and, ultimately, to the reduction in costs to taxpayers. That has to be the key focus.

I will not go full-time. One of the issues that this government and previous governments all have is that the standard of legal advice, particularly around contracting, has always seemed to be far higher in the private sector than in the public sector. The issue is that the government is usually always at the poor end of the breakdown of a delivery. I think that is a major issue the Departments of Finance and Treasury need to look at in matching the capacity of those negotiators and legal representatives to the private sector. Normally, there is an assumption that the government will always take the risk, and that applies whether it is a Labor government or a Liberal government. There is a capacity here that needs to be looked at and, in that case, I think it will demonstrate significant benefits.

I understand that bringing these jobs back in-house to boost up union membership is Labor government heartland, but it should not walk away from the need to contract; do it now. Before it gets too high on its horse, do not forget that this government also privatises; it is selling off the Totalisator Agency Board, for example. The Labor Party privatised a whole range of renewable energy. Who sold off the renewable energy generation capacity? The Labor Party did. It does privatise; it absolutely contracts out. The Labor Party has no high and mighty moral ground. I understand that it wants to boost its union membership; I understand that, but that is a part of the process. The good part about this motion is the last little bit where the member has said the government is returning services to the public sector where it is beneficial to do so. That has taken a lot of the sting out of the debate today; I think it is a good thing and I think that it is incumbent upon the minister, ultimately, to demonstrate and define

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to the house what that benefit might be, and to whom. If we can get that we might actually be a bit further through the debate.

HON ALANNAH MacTIERNAN (South West — Minister for Regional Development) [12.26 pm]: I thank Hon Shelley Payne for bringing this motion forward because it is really important to acknowledge just what a step forward this is in the provision of government services. Hon Shelley Payne focused very much on Main Roads and Water Corporation—quite rightly because they are of very significant benefit to country areas and will have a major positive knock-on effect. I acknowledge that Hon Lorna Harper focused on the hospital sector, where she has very detailed knowledge. Hon Jackie Jarvis talked about the impact of jobs on the regions in the south west, and Hon Klara Andric talked about Wandoo. We can see all the facilities that have been bought back into government ownership. Of course, we always do this after we have done a proper business case analysis.

I will digress because I want to share a little bit of history. Once again, the other side claims that they somehow have a monopoly or even some insight into economic probity and how things should be done. Let me give members the story of what happened to Main Roads in the second term of the Court government. Some of these things are taking a long time to get back into balance. Ross Drabble—bow tie wearing Ross Drabble—was appointed Commissioner for Main Roads from outside the Main Roads institution. He had no background in road building, but he prescribed to a strong privatisation agenda. When Mr Drabble turned up at Main Roads, he was on the job for four hours and 20 minutes when he announced the decision to get rid of the construction workforce of Main Roads.

Several members interjected.

Hon ALANNAH MacTIERNAN: Tell me that that is a careful, considered organisation. It took him four hours and 20 minutes to decide to unravel the structure of Main Roads!

Obviously, jobs and big contracts were still being contracted out, but there was a very significant maintenance workforce spread throughout regional Western Australia. As many members have referenced today, this was an important source of employment in the northern half of the state for an Aboriginal workforce. When the history of this is written, we will see the consequences of the privatisation of these maintenance operations to Perth-based companies. It will perhaps be not quite as bad as when Aboriginal people were thrown off pastoral stations in 1968, but it will have enormous consequences. Reducing any involvement of Main Roads in the physical construction of roads has negative consequences for contractors. I had a meeting with Harold Clough. He has since passed, but he was a leading engineer and construction company owner who formed his company in the 1950s. He was politically deep blue, but even he acknowledged that one of the consequences was that Main Roads was no longer an informed client. It actually made the private sector's work harder, because jobs had been poorly scoped. The halving of staff led to —

Several members interjected.

Hon ALANNAH MacTIERNAN: I really urge members opposite to listen to this, because it is a really important story to understand. The slashing, burning and cutting of capability within Main Roads removed its capacity to properly scope and manage contracts. At that point we were stuck with long-term maintenance contracts, but we clawed work back. We clawed back areas such as bridge building and maintenance and soil handling so that we were able to expand and bring back more capability. We also said that Main Roads was going to directly manage—that is, employing staff—a minimum of 10 per cent of the value of the contracts. We were able to rebuild not only employment opportunities but also Main Roads' capability to manage the massive private sector contracting business that it oversaw on behalf of government.

We totally understand that to bring contracts back in we really have to look at the costs and benefits. We say that the decisions made on the other side of the chamber have been driven not by any careful consideration but by an ideological commitment to privatisation. We are quite happy to walk in both worlds, but over and over again we see evidence that the same cannot be said for our colleagues on the other side of the chamber. I do not think John Langoulant could ever be called a Labor person, but he reflected very negatively on the processes that led to some of the privatisations that took place under previous governments, particularly the example of Fiona Stanley Hospital.

It is really important for us to make sure that we work out the best fit. No-one has ever suggested that we would not have construction companies undertaking major construction projects under Main Roads, or that even in the case of hospitals there might not be certain services that could be properly carried out by external contractors. However, on each occasion, there really has to be a proper business case made. As I have demonstrated, the Court government's four-hour, 20-minute decision-making time frame for contracting out all maintenance projects revealed anything but a detailed and healthy consideration of what would be in the interests of the organisation—to such an extent that even supporters of the Liberal Party from major business entities pleaded for some of this work to be brought back under government control.

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Hon Lorna Harper talked about Fiona Stanley Hospital, as did a number of other members. John Langoulant in his inquiry revealed that the contracting out of that \$4.3 billion contract to Serco was the state's single worst case of financial risk-taking. He said that there was no standalone business case to support the decision, there was no assessment of the impact that the decision might have on the Department of Health, no cost-benefit analysis, and no assessment of the clinical risks of that decision. I say to members opposite that if they ever get back into government, can they please make sure that before they start their privatising agenda, they make sure that it will benefit the community.

Motion lapsed, pursuant to standing orders.