

[Wednesday, 12 September 1990]

**MR C.J. BARNETT** (Cottesloe) [10.13 am]: Mr Speaker, it is an honour to join this Chamber as the member for Cottesloe. It is a particular honour to follow such distinguished parliamentarians as Sir Ross Hutchinson and Mr Bill Hassell. I was born a sixth generation Australian and was just 12 days old when Sir Ross Hutchinson, the first member for Cottesloe, delivered his maiden speech in this Chamber in July 1950. Sir Ross served the electorate of Cottesloe and the State with distinction for 27 years. He held several ministerial positions and was the Speaker of the House at the time of his retirement. Sir Ross was succeeded by Mr Bill Hassell in 1977. In his maiden speech, Mr Hassell finished with the following words, and I quote -

I conclude by placing on record my desire to work in this Parliament for the protection of individuals.

I am sure, Mr Speaker, that all members would agree that Bill Hassell kept to that pledge. His fight against the Australia Card and his support for Mrs Tan in her quest for justice are just two recent examples of that pledge. Mr Hassell's ministerial responsibilities over the period 1980 to 1983 covered Police and Traffic, Chief Secretary, and Employment. His achievements included Australia's first misuse of drugs legislation. He was deputy party leader from 1983 to 1984 and party leader from 1984 to 1986. In his own words, it was his "greatest honour to lead the Liberal Party for over two and a half years".

My only regret in joining this Parliament is that it no longer has Bill Hassell as one of its members. I know that my new found colleagues concur with that sentiment and join with me in wishing Bill and Sue Hassell every success and happiness in the future. Mr Speaker, I would like to take this opportunity to thank the Liberal Party and the electors of Cottesloe for the confidence they have placed in me. As a relative newcomer to party politics, it was a special honour to be endorsed and subsequently elected as the member for Cottesloe. I was very much encouraged by the results of what I can only describe as an unusual election campaign. Credit for that success is properly shared by the more than 200 helpers involved. Of those, I particularly thank Mrs Patricia Sproule for her extraordinary effort as campaign manager.

It may be that some members of the House perceive the electorate of Cottesloe as one of "wealthy people living in leafy suburbs by the seaside". It is true that the electorate, bounded as it is by the Indian Ocean and the Swan River, and stretching from North Fremantle to City Beach, covers a very beautiful part of our city. It is also true that there is a great deal of diversity within the electorate. There is no shortage of families struggling to maintain home payments under the burden of high interest rates. There is a significant proportion of public housing with low income tenants. One quarter of the population is aged 60 years and over. These people have worked throughout their lives and quite rightly resent the erosion of their savings and generally fixed incomes by a rate of inflation that continues to be unacceptably high. The electorate also has some 1 500 small businesses and a significant industrial area within North Fremantle. I look forward to serving the Cottesloe electorate and in attending to what I have already found to be a very wide range of community issues and individual problems.

Mr Speaker, I join this Parliament with a background in economics and have been, for the last five years, the Executive Director of the Western Australian Chamber of Commerce and Industry Inc. For my part, it is a happy coincidence to have, in the one year, overseen the celebration of the centennial of the Chamber of Commerce and to have become a member of the State Parliament during this, the 100th anniversary of the granting of responsible government for Western Australia. I count the greatest achievement during my time with the Chamber of Commerce as being the public record of that organisation in support of free enterprise and free market principles. Indeed, it was the determination to be true to principle, more than anything else, that allowed the chamber to grow in both stature and credibility. I might add that the chamber was not free from criticism, from both within and without, for taking strong public stands in support of such issues as the deregulation of retail trading hours, the right of employers and their employees to a free choice of fund with respect to occupational superannuation, and the case for a separate central city council. My pledge to this Parliament is that I shall continue to remain true to the principles of free enterprise and the free market and to work in support of the rights of the individual. I also take some personal pride in initiatives of the Chamber of Commerce to Mr Speaker, I hope that over the course of my parliamentary career I might make a positive contribution to the economic and social development of Western Australia. The Western Australian economy is both small and unique. The disadvantages of geographic isolation and a limited local market are countered by the advantages of an abundant natural resource endowment and a very high quality of life. Our economy is exposed to the uncertainties of world markets and must operate within a macro-economic environment that is largely determined by policies set at a national level. Self-determination is further

limited by the disturbing trend of a loss of local control over local enterprises and the generally low level of responsibility delegated to the State managers of national organisations. In spite of these constraints, I contend that our economic destiny lies within our own hands. I also take some pride in initiatives of the Chamber of Commerce to develop new trade links with India and in the recent launching of a unique program of business to school links through the Western Australian Compact for Excellence in Schools Education. I thank the Minister for Education for his support in helping to bring this program to fruition. However, we must accept the reality that Western Australia is a small regional economy. Our population is only 1.6 million people. We cannot hope to be all things to all people. We cannot hope to be a small-scale version of the large industrialised economies of the world. In the increasingly competitive world of the 1990s, we must recognise that our economic success and, therefore, living standards, will depend upon our ability to specialise and thereby maximise our comparative advantages. Our future, both economic and social, depends upon our ability to do a limited number of things and to do them superbly. In a visit to the United States in 1987, I was very much impressed by the success of different regions in setting a clear path for their economic development. There were no master plans or legislative decrees, though there were common objectives shared by both the private and public sectors. Examples include the marriage of old money and intellectual resources to make Boston a booming centre of new technology; the deliberate attraction of a naval presence as the mainstay of San Diego's economy; and the more recent moves by Houston to become the centre of the space industry into the next century. For Western Australia, it is obvious to all that the greatest areas of comparative advantage are in mining and agriculture. In these industries, world class status has already been achieved. I suggest that there is the opportunity to develop a third economic base in marine related industries. There is a synergy waiting to be developed on the existing fishing, shipbuilding and offshore oil and gas industries. To these may be added the growing naval presence under the two ocean defence policy and the tourism and recreational opportunities presented by a 12 500 kilometre coastline. What is lacking is a base industry policy. Such a policy must have as its centrepiece a commitment to specialise in those export activities where our comparative advantage is greatest. Western Australia simply does not have the population to generate economic growth from within. It is only through exporting that we can bring income into the State. The circulation of this income throughout the community provides in turn the opportunities for what should be a flourishing small business sector. The best opportunities for manufacturing and service industries will be found in providing inputs to the base industries and in adding value to the product of those industries. In this context, there is no more critical element to a base industry policy and indeed to the goal of value-added processing than a reliable and competitively priced power supply. In comparison, all other industrial development policies pale into insignificance. For small to medium sized businesses to feed successfully off the economic base, it is essential that they be freed from the unnecessary burdens of over-regulation and over-taxation. Nowhere is this more true than with respect to employment. It is as though society is intent on making it even more difficult for small businesses to actually employ people. As an aside, I am at a loss to understand why the progress of labour market deregulation has been so slow. The much heralded process of award restructuring has, with a few notable exceptions, been a failure. I see no equity and certainly no comparative wage justice in a system which, for example, allows a nurse working over a weekend to earn a comparable sum of money to a colleague working a five day week. To adopt a base industry policy is not a riskless strategy. It is one, however, where the potential benefits are large relative to the risks. For Western Australia, the risks of specialisation are far less than those faced by other Australian States and indeed by most other regional economies around the globe. The risks are further minimised by what should be a supportive expansion in the services sector as Western Australia benefits from the rapid growth of wealth and disposable income within the Asia-Pacific region. Tourism, education, health care and business services are the obvious areas of service sector growth. The concept of a base industry policy is one that is almost self evident and therefore one with which it is quite easy to feel comfortable. However, the true test of such a strategy of economic development is the commitment to provide the necessary infrastructure, whether it be publicly or privately funded, and the discipline to avoid being too easily distracted by apparent opportunities outside that strategy. It is equally necessary that a positive investment climate be maintained and that business and the wider community can have confidence in the direction and continuity of Government policy. It is only with a strong economy that the people of Western Australia can hope to realise and sustain their aspirations in such diverse areas as education, environmental protection, health care and housing. May I conclude by thanking the members on both sides of the House for the courtesy and friendship they have shown to me since my election, and by recording my appreciation for the ready assistance and support of the parliamentary staff.

[Applause.]