

[Wednesday, 15 March 2000.]

**HON G.T. GIFFARD** (South Metropolitan) [7.31 pm]: I would like to start by saying how much of a privilege it is to be a member of the Legislative Council representing the Australian Labor Party and the people of the South Metropolitan Region. I look forward to working with the people on this side of the Chamber in helping to make a positive difference in the lives of ordinary Western Australians. I would also like to take the opportunity to acknowledge my predecessor, Hon John Halden, and wish him well in his new position of State Secretary of the Western Australian Branch of the Australian Labor Party. I am extremely grateful that John found the party's job too good to refuse. Thanks go to my friends, my family and especially to my wife Mandy who continues to be a source of support and encouragement.

When I joined the Labor Party in 1986, it was not my intention to ultimately become a member of this Parliament nor any other Parliament. I joined the Labor Party because I wanted then, and still want, to make the best contribution I can to help people improve their life opportunities and circumstances. I joined the Labor Party because I have for a very long time embraced the values of the Labor Party; the values of social justice, of egalitarianism and of striving to ensure that all of us have the opportunity of reaching our potential. Since 1986 I have had the honour of working for two Labor members of Parliament. Firstly, I spent two years working for the federal member for Fremantle, Hon John Dawkins. This was in a sense my formal introduction to many people in the party. It exposed me to a range of wonderfully committed people, some of whom I continue to hold as friends today, no more so than my good friend Mark Cuomo. Secondly, I spent two years working for the then Parliamentary Secretary of the Cabinet, Hon Bill Thomas. He still serves as a member of the lower House of this Parliament although he has announced that he will not stand again. I take this opportunity to congratulate Bill on his career. I wish him well in whatever he decides to do once he leaves this place.

In July 1992, I commenced working for what was then known as the Australian Builders Labourers Federation, now known as the Construction, Forestry, Mining and Energy Workers Union of Australia. I worked there for seven and a half years. I worked in the trade union movement and the CFMEU in particular because I saw it as an opportunity to make a genuine contribution to help improve working conditions for thousands of workers in Western Australia. I am proud of the contribution that I have made to the trade union movement in Western Australia. The past seven years in the trade union movement have not been all beer and skittles. Every day I went to work I confronted what the Court Liberal Government had done to workers. Individual work contracts, attacks on wages and conditions, the decline of our public infrastructure, selling off State assets and draconian restrictions on trade unions are some of the results of seven years of bad government.

Over the past seven years the Court Government has attempted to systematically and brutally destroy the basis of the industrial relations system in this State through the imposition of highly regressive workplace laws. The deregulation of the industrial relations system has resulted in wages and conditions being negotiated increasingly between the employer and employee with no external intervention in the bargaining process. Workplace agreements are insidious because they ignore the basic power relationship that exists between an employer and an individual employee. Workplace agreements are insidious because they disadvantage the most vulnerable members of society. Where people have been employed under workplace agreements they receive minimum or lower rates of pay. A 1998 study by the Commissioner of Workplace Agreements found that 29.2 per cent of people on workplace agreements received below award rates. Workers are worse off when they are forced to accept conditions that place them below the rates contained in minimum rates awards. The creeping emphasis on individual rather than collective bargaining has had serious implications for job security. It has led to job losses, workforce fragmentation and casualisation. Recent Australian Bureau of Statistics figures indicate that more than one-quarter of the work force is employed on a casual basis. Conservative politicians assert that the majority of people prefer casual employment to permanent forms of employment. Can we take this to mean that casual workers prefer the fact that they can be sacked with little notice, or that casual workers prefer not knowing whether they are on this week's roster or next week's? I do not think so.

Deregulation of the labour market has also greatly affected the status of women in this State. Over the 1990s the earnings of Western Australian women employed full time in comparison with their male counterparts and women nationally have fallen. Western Australian women earn 3.3 per cent less than the national average for women. In a recent submission on the adult minimum wage, the Western Australian Pay Equity Coalition stated that the increasing gender gap in Western Australia makes it imperative that remedies be put in place to address the problems of gender equity. It is the contention of the WA Pay Equity Coalition that based on available research, the deterioration in female relative pay in Western Australia is the product of labour market deregulation and pay decentralisation. I support the contention of the WA Pay Equity Coalition.

The rights and conditions of workers in this State have been eroded to an unprecedented extent. The Government's actions are all the more shameful, because there was simply no need for any of this to have occurred in the first place. The carnage that has been wrought in the name of reform results from the Government's obsession with ideological purity over the interests of good government. Members should

consider the attitude of the Court Government to increases in the minimum wage. It always trots out dogma that increases in the minimum wage will reduce employment opportunities. On that basis it seeks to suppress increases in the minimum wage. In truth, most of the beneficiaries of increases in the minimum wage are women, part time or casual workers, and migrant workers. In truth, increases in the minimum wage do not generally impact adversely on employment. In truth, increases in the minimum wage impact on industries where workers most need it. In truth, increases in the minimum wage are justifiable for reasons of social justice and the need to remove competitive advantages exploited by unscrupulous employers.

Early in the term of this Parliament, the Government forced through this Chamber legislation for which it had no mandate nor any moral right to impose on Western Australians. It was able to do what it did because of one of the quirks of our electoral system in which the Government was able to use the numbers it enjoyed as a result of the 1993 election to crunch through legislation it refused to put to the electorate in the 1996 election. The Government had promised with a lot of the legislation that it would not be introduced without the consent of the major stakeholders. However, after the election it showed its duplicity. I am speaking of the Labour Relations Amendment Act - the third wave. I have read what my colleague Hon Ljiljanna Ravlich said about this legislation when she made her first speech here on 27 May 1997. I concur entirely with the views she expressed. I repeat that the Labor Party will continue to work to remove the third wave from the statute books. It is anti-union, anti-worker legislation that should never have passed through this Chamber. The Court Government had no right to put the legislation before the Parliament, and it did so by stealth. As Hon Ljiljanna Ravlich said, "It is bad law."

The Court Government is not content to stop short at selling out the rights of workers to fair, just and decent working conditions. In fact, the Court Government appears equally committed to selling out from under all Western Australians their public utilities and government services. I am concerned at the fire sale mentality of recent years. Before we wilfully sell our public assets, we must examine the very question of public ownership. We must do so from a historical and a contemporary perspective in terms and concepts that are relevant today. I do not oppose all privatisations, but I have grave concerns about the basis on which this Government decides to privatise or contract out. A number of important considerations are involved and this Government shows a glittering indifference to those considerations. It should be remembered that the concept of public ownership of necessary infrastructure did not emerge in a vacuum; it was developed in the interests of efficiency and coordinated delivery of services and to guarantee equality of such services in the interests of fairness. However, what has long been an Australian tradition is fast becoming folklore. This country currently has one of the largest programs of privatisation or part privatisation among OECD countries. Although it has taken 100 years for the present system to emerge, it has taken this Government little more than seven years to destroy it. The Court Government has sold at least seven Western Australian assets, with another three on target to be sold over the course of the year. This is the fire sale mentality that concerns me and many other Western Australians.

There are no signs that the Government's policy in this respect will abate any time soon. Although the Court Government indicated late last year that it did not intend to privatise the Water Corporation, we would be foolish to accept its word on this. In 1996 when Hon Norman Moore was questioned in this Chamber about whether the Government intended to privatise AlintaGas, he replied that it had no plans to sell that entity. Yet three years on the Court Government again shows its duplicity as AlintaGas is being prepared for sale. It is not just that the Government makes up the rules of the game as it goes along, but that it is seemingly blind to the fact that privatisation often represents a sell-out of community values. The sale of public utilities is more than just about the sale of bricks and mortar; privatisation sells out the right of the members of the public to own something of their State, irrespective of their age, earning capacity, educational status or where they live. It also sells away the rights of future generations to draw benefit from the social dividend that joint ownership in community enterprises creates.

What the Government has failed to grasp is that public ownership engenders a sense of social belonging. The leader of my party and the soon to be Premier of Western Australia, Dr Geoff Gallop, has pointed out that in selling off public assets, this Government has managed to downgrade the status of the people of Western Australia from joint proprietors to little more than customers. This ill regard for community is unforgivable and stems from a socially regressive Government which believes that every man, woman, child and canine companion should fend for themselves. However, privatisation does not just undermine the sense of social belonging; it also sells out the economic basis of the State. The privatisation push is predicated on the erroneous belief that only the private sector is capable of running viable economic entities. Underlying this claim is the assumption that public utilities are costly, inefficient money guzzlers. If this is true, how is it that in 1999 Western Power managed to post a profit of \$141m, the Water Corporation \$262m, and AlintaGas over \$40m?

Privatisation ignores essential truths about private operators. Private corporations, unlike public utilities, are driven by the imperative to generate profits. As a result of this, they cut back on costs without any real concern for the provision of public service. They are also more likely to cut back on jobs. This can have and has had a

critical impact on the quality of service delivery, particularly for rural and regional Western Australians. Implicit in the idea of government owned and run utilities is the expectation that services will be supplied to all citizens at a price they can afford. Privatised utilities in contrast are not concerned with protecting the disadvantaged or achieving redistributive ends. Only democratically elected Governments are likely to take the necessary steps to ensure that everyone is given fair and equitable access to core infrastructure. Countries that have implemented privatisation programs often have little to celebrate. Although New Zealand is held up as the poster child of privatisation, it is a country facing enormous economic and social challenges. Despite having done everything right in the eyes of the economic rationalists, New Zealand is experiencing growth and GDP below the OECD average, high levels of unemployment, a huge current account deficit and growth in poverty and inequality. Similarly, evidence recently presented by Dr Stephen Gale from the New Zealand Institute of Research before one of our Legislative Assembly committees revealed that very few efficiency gains were attained by state enterprises in New Zealand once they were privatised.

Closer to home in Victoria, the Australian Gas User Group suggests that the Victorian gas sale has delivered only measly benefits to consumers. The Australian Industry Group has also been critical, saying it will lead to increases in gas prices, particularly to contestable customers.

The enthusiasm of government to privatise as much of this State as it can lay its hands on, is matched only by its eagerness to contract out critical government services. Outsourcing of public services has grown from \$1.06b in 1994-95 to \$3.09b in 1997-98. In this time the Court Government managed to outsource core areas such as health care facilities, catering services, prisons, road design, electricity generation and security.

The Government's record on contracting out is poor. In the Government's zeal to contract out services, it has ignored many of the perils that outsourcing carries. There are big costs associated with preparing and monitoring contracts. Contracting out can be expensive. An Industry Commission report estimated that contract expenditure in Western Australia conservatively totalled \$670m in 1994-95 alone. Contracting out also requires large numbers of senior bureaucrats to prepare and monitor contracts with private companies previously carried out by Governments. The total salary of senior staff members at Western Power and AlintaGas has increased by 1 800 per cent during the six years since 1993-94.

While senior bureaucrats have clearly benefited from contracting out initiatives, the same cannot be said for others employed in the Public Service. Since 1993, there has been a reduction in the number of full-time public servants. Approximately 10 000 public servants have lost their jobs. It has also been estimated that there has been a 10 per cent drop in permanent employment and an increased use of short-term contracts particularly among new employees. Those who have remained in the public sector have experienced an erosion of real wages and conditions. Similarly there is no evidence that any benefits from contracting out of government services is being put back into the community in the form of lower taxes and charges. Nor is there any proof that the private sector has shown itself to be particularly effective in the delivery of services previously undertaken by government agencies. The contracting out of public bus services resulted in prices of public transport fares increasing substantially. A survey report tabled last year in Parliament revealed overall customer satisfaction with private bus contractors to be as low as 18 per cent. Only last month many thousands of WA homes were overcharged with false metre readings. Rereading of 8 000 water metres in 10 suburbs found that more than half were incorrect. This hardly vindicates the Government's claim that outsourcing delivers efficiency and cost savings.

More important perhaps is that contracting out has important implications for democracy. When the supply of these critical services is handballed to the private sector, it raises serious concerns about accountability, responsibility and transparency in government. Private operators are less likely to involve the community in commercial decisions and to deny the public access to that information on the grounds that it is commercial in confidence information. This effect is compounded when the public does not have the same right to redress when the Government becomes a purchaser of services rather than a supplier. Traditional intermediaries such as the Ombudsman, who normally review administrative decisions or intercede on behalf of the public when problems arise, lose their jurisdiction to act.

Essentially there is little to support the claim that privatisation and outsourcing offer any substantial or enduring economic benefits for the State. It seems that this Government is impervious to the facts and blind to the evidence. We have now reached the point at which Western Australians are able to claim ownership of fewer public utilities and Governments bear the responsibility for carrying out fewer services in the public interest. This is not to suggest that profitability is not an important consideration or that we should tolerate inefficiencies in the public sector; nor does this mean that these goals or objectives should supersede the State's social and moral obligations to the men and women it claims to represent. To determine that the only way to reform these entities is to sell them off is superficial, inadequate and non-visionary. So where does this leave us? If privatisation and contracting out does not appear to deliver tangible economic benefits and if it comes at the expense of transparent and accountable government, equity and fairness and the long-term viability of the State,

why has this Government so fervently pursued this agenda? Put simply, the decision to privatise is about political and economic expediency.

So far the Court Government has managed to sell off over \$4b in State assets. That is nearly \$3 000 for every man, woman and child in this State. The Government is expected to raise an additional \$1.4b once the sales of Westrail Freight and AlintaGas are finalised. Privatisation will effectively net the Government somewhere in the vicinity of \$5b. The massive financial windfall enjoyed by the Government does not appear to be reflected in spending on essential services. The health budget has been slashed by \$30m. Chronically underfunded public hospitals are forced to make do with outdated and obsolete medical equipment and waiting lists continue to grow. There are currently 11 500 people waiting for elective surgery and of this number 2 083 are classified as either urgent or semi-urgent.

The education system is also under enormous stress. Public education in Western Australia is increasingly characterised by teacher shortages and low retention rates. Meanwhile, the police force is having to scavenge tyres in order to keep their vehicles on the road and is facing the likelihood of budget cutbacks which will result in fewer recruits and ultimately, fewer police patrolling our streets.

More critical is the fact that the budget is in deficit. The budget is over \$600m in the red. It would seem that despite having raised \$4b from the sale of assets, this Government has been unable to prevent a budget blowout. So where has the \$4b gone? The only reasonable conclusion to be drawn is that the sale of private utilities has been used to fund largely superfluous and unwanted capital works projects. Yet the Premier is the first to boast that his Government is spending record amounts on capital works projects around the State. This is hardly an achievement to be proud of when the State is \$600m in debt. The Court Government continues to throw money into these projects despite the pleas of the Chamber of Commerce and Industry and his own deputy who warned him last year against undertaking a massive public works program. This Government will ultimately be remembered by the people of this State for having traded profitable and viable public utilities for belltowers, convention centres, museum redevelopments and a \$400m tunnel. Let us not be mistaken: The Court Government's privatisation push is also about political expediency. The sale of public assets is about offloading critical aspects of the Government's job in the interests of removing risk. This Government honestly believes that its job description does not, or should not, include the running of public utilities. They contend that it is a task best left to entrepreneurs and big business. This not only sounds like a cop out but reveals the Government's incredible lack of understanding about the function of government. The role of the Government is to manage the affairs of the State including the provision of public services and utilities in the public interest. This is a Government eager to shirk its responsibilities and to allow market forces, rather than government policy, to determine social outcomes.

More importantly, the sale of public enterprises flies in the face of public opinion. Opinion polls indicate that privatisation is not supported by the people of this State. The public has had enough, but the wishes of the people appear to be of no consequence to the Government, and the Premier does not care for the findings of a recent report of the Standing Committee on Uniform Legislation and Intergovernmental Agreements. Despite the committee consisting of a majority of government members, the Premier rejected its recommendation that the Government develop a strategy to provide information and consultation before privatising any more public utilities. Sadly, the Court Government's position on this issue is symptomatic of its disregard for public opinion and ill regard for the political process. The Government's record is littered with numerous examples of its unwillingness to sit down and listen to the people of this State. Throughout the debacle surrounding the closure of Scarborough Senior High School, the Leighton Beach disaster and the Regional Forest Agreement, the Government has consistently ignored the public's legitimate fears, grievances and questions. The Court Government's gross mishandling of issues and projects of community importance has not only forced many Western Australians to take their protests onto the streets, but also has resulted in some of its own people proposing to stand candidates against it at the next state election.

What lessons has the Premier taken away from his experience in Government? If Leighton Beach is anything to go by, the answer is none. After years of massive and sustained protests spearheaded by the Leighton Action Group, the Government eventually conceded it handled the matter poorly. However, rather than take steps to rectify its mistakes, the Government balked. The Government has not only denied people meaningful representation on the new planning committee, but also it has delayed making a decision until the end of the year in the hope of avoiding it being a potentially embarrassing election issue. All evidence points to the fact that this is a small-minded Government peddling a small-minded, non-visionary agenda for this State. This Government is responsible for selling off people's enterprises, undermining the working conditions of Western Australian workers, creating a massive budget blow-out and allowing increasingly larger disparities to emerge between the haves and the have-nots.

Possibly the greatest charge that can be levelled against this Government is that it has failed in its one essential duty; that is, its duty to listen to the people of Western Australia. There are important lessons to be learnt from

the Court Government's failures over the past seven years. It is incumbent upon all of us fortunate to be sitting in this Chamber to be receptive to the needs of the people; to listen, respond and lead. Decision makers frequently confuse strong leadership with arrogant governance. Leaders must, at all times, be fully aware of the wishes of the people. It is not enough to make decisions and expect community compliance. It is vital to consult the public, to ask questions and involve communities in decision making to achieve outcomes that are in keeping with the public interest and in line with their expectations. When we fail to govern according to the public's wishes, we not only fail the people we claim to represent, but also we disrespect the political system.

The Court Government's handling of planning issues plainly illustrates this point. At the very least, it should be mandatory for the Government to be cognisant of what the people want before it acts. That is the difference between token consultation and meaningful dialogue with those most affected by the Government's actions. As legislators, we must recognise that the world is changing and we must change the way we do things. The community demands that government processes are more open and accountable and we must respond to that. At the same time, the level of information and resources that are available is far beyond what it has ever been. We must be mindful of that. Our political system is changing because the community is willing to challenge decisions made from on high and is better able to hold governments to account. We must govern in a way that respects that. I look forward to taking up the fight with the Government in what is, in all probability, an election year. I look forward to working with my colleagues in the Australian Labor Party, both in this Chamber and the party room, to defeat this Government. Most of all, I look forward to working alongside the people of this State to restore fairness, equity and moderation to Western Australia.