

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

REVENUE LAWS AMENDMENT (ASSESSMENT) BILL (NO. 2) 2001

Cognate Debate to be Resumed

MR KOBELKE (Nollamara - Leader of the House) [4.33 pm]: I move -

That debate be resumed on Order of the Day No 1.

MR BARNETT (Cottesloe - Leader of the Opposition) [4.34 pm]: I would like to debate the motion moved by the Leader of the House that the debate be resumed on order of the day No 1, the Revenue Laws Amendment (Assessment) Bill (No. 2) 2001. As a Parliament we should consider whether we should resume debate on that order. I will not delay the House -

Mr Ripper: Yes, you will.

Mr BARNETT: No, I will not. I will speak for only about three or four minutes. We just had a disgraceful situation in this Chamber. There was an understanding between myself and the Treasurer that we would deal today with these two revenue Bills. I have a difficulty with the way the Bills are structured, but I undertook that, although we would comment on the Bills, we would keep our speakers to a minimum, and we would deal with this legislation. Even though I and the Liberal Party oppose this legislation, we undertook to deal with it, recognising that it is a budgetary measure and related to the budget. It is now 4.30 pm. Why are we in this situation in which the Government wants to get this legislation through in the next hour and a half or so? The business of the House has been delayed by the actions of the Government. The Opposition brought on a motion relating to the performance of the Government in rural areas on which we had a debate. It was a vigorous debate at that; fair enough. The debate got heated; fair enough. The Premier then delayed this House quite significantly. He moved an amendment to the motion in which he quoted the Leader of the National Party - who is not in the Chamber at the moment. In fact, no National Party member was in the Chamber to debate the issues, yet the Premier moved an amendment, which by itself was absolutely mischievous -

Mr Pendal: And unparliamentary.

Mr BARNETT: It was unparliamentary, demeaning to himself as Premier and demeaning to this Parliament, and it demonstrates his lack of character. Now the Government has a problem because it wants us to cooperate in passing its taxation laws. It has wasted probably the best part of an hour because it moved an amendment quoting -

Withdrawal of Remarks

The ACTING SPEAKER: The member for South Perth just made the suggestion that the previous debate was unparliamentary, when the matter was ruled on by the Speaker. I ask him to withdraw that remark.

Mr PENDAL: I withdraw.

The ACTING SPEAKER: The Leader of the Opposition also made the same comment, which I ask him to withdraw. I heard him say, following the member for South Perth, that the debate was unparliamentary, which was after the Speaker had made the ruling that the debate could proceed on the amendment. I ask him to withdraw.

Point of Order

Mr DAY: The Leader of the Opposition has every right to express his opinion about whether a debate is unparliamentary. He is not canvassing the ruling of the Speaker or the Acting Speaker.

The ACTING SPEAKER: This is not a point of order. I am asking -

Mr DAY: I am sorry, it is my point of order and I submit it to you for consideration.

The ACTING SPEAKER: There is no point of order.

Withdrawal of Remarks Resumed

Mr BARNETT: For the sake of progressing this debate, I withdraw the remark.

Debate Resumed

Mr BARNETT: The conduct in this Parliament was unparliamentary. The amendment that was moved and the spirit of it were against all the traditions of a Westminster Parliament.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Dr Gallop: Which tradition?

Mr BARNETT: The Premier moved an amendment quoting another member of Parliament who is not even here -

Dr Gallop: To expose you in the debate on rural services.

Mr BARNETT: I do not mind if the Premier wants to debate my position on anything. That is fair game; it is fair game in the Parliament. However, what the Premier did -

Dr Gallop: It is common practice in every Parliament.

Mr BARNETT: It is fair game. The Premier can debate me. He calls me names every day; he can do that any day he wants to. He can call me grumpy chops and other names that I will not repeat, and he can do that any day he wants to. However, what was unparliamentary about that debate and the process - I am not reflecting on the ruling of the Speaker - was that, having moved his scurrilous, demeaning and inappropriate amendment, the Premier then gagged debate so that I did not have the opportunity in any way to respond to the allegations made by the Leader of the National Party. Those allegations were touted in here by the Premier; the Leader of the National Party and his colleagues were not to be seen for dust, and the Premier gagged the debate. That is what was unparliamentary. That is what reflected the Premier's lack of character and exposed him and the Labor Party for engaging in an absolutely disgraceful stunt. That is why we are debating whether we should proceed to debate the revenue tax laws. As I indicated before, I am perfectly happy to deal with that legislation today. However, I feel somewhat less inclined to cut short debate on those Bills. Why should I when the Government has wasted the time of this Parliament and put the Presiding Officers under undue pressure by moving a scurrilous amendment like this and then gagging it without any debate? Some of the members on the back bench who have not been here for long made all sorts of allegations about the use of the gag and the like. Yes; as Leader of the House for eight years, I did use the guillotine motion. If members take the time to read *Hansard*, they will find that I used the guillotine motion on the City of Perth legislation and the industrial relations legislation - the so-called first wave. However, members will also find that by that stage the debate had been going for some 17 hours; there were hours and hours of debate. Members will also find that when I used the guillotine motion on individual clauses, I allowed large amounts of debate and then I would put it to the vote. Never did I come into this Parliament and gag something without debate. I feel for your position, Mr Speaker, as the Presiding Officer of this Chamber, that you should be put in a position of a debate being gagged. A scurrilous, demeaning and disrespectful amendment was brought into this Parliament and gagged without debate. The amendment had no verification at all. It quoted the words of the Leader of the National Party - a good friend of mine - but where is he?

Several members interjected.

Mr BARNETT: I have known the member for Avon for 20 years - long before I came into this Parliament. I like the guy and regard him as a friend. He is reported to have made these remarks. Okay, he is playing a bit of politics in Merredin; good luck to him. I have no problem with that. Why did the Labor Party allow itself to be used in that way? Why did the Premier of Western Australia come in here and move such an ordinary and disrespectful amendment, in a stunt presumably to support the National Party candidate, and then gag the debate? I have never seen anything like that in my 10 years in this Parliament. We have had some heated debates, but I have never seen an Opposition or an individual being attacked in this way. This is not just about the Liberal Party or the Opposition. It is a personal motion; it is a personal attack on me. In the future, the Speaker might consider whether a member under personal attack should be denied the opportunity to speak, because that is what has happened in this Chamber. A member was under personal attack - it happened to be me. I can look after myself but I was denied that opportunity. I do not canvass your ruling, Mr Speaker; you had no choice. The problem is that the Premier and his mates moved to gag the debate. They denied me, as an individual and as the member for Cottesloe - forget the Liberal Party and my position as Leader of the Opposition - the opportunity to answer those accusations. I was denied that basic freedom by this Premier in this Parliament. That was a disgraceful outcome. That is why we are now considering whether to proceed with the taxation matter. This has been a dark day for this Parliament, the office of Speaker and the Premier. The public will now know the true character of the Premier of this State.

DR GALLOP (Victoria Park - Premier) [4.41 pm]: I will briefly take the time of this House to indicate that no conventions of this Parliament have been broken. This afternoon we have engaged in normal, vigorous debate, which is a part of our Westminster system. I will go through it carefully. The Opposition wanted to make a point that the Government of Western Australia was not serving rural and regional Western Australia. It used a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

lot of its time on that point. Government members then got up to speak. I responded comprehensively about the Government's position on rural and regional Western Australia. In the short time that is available in these types of debates, and as has often been the case in my 15 years in this Parliament, it is appropriate to amend a motion moved by the Opposition to illustrate a point. The point being illustrated was that the National Party, which had been in coalition with the Leader of the Opposition's party for eight years and had seen what his party represented in terms of rural and regional Western Australia, had made some strong points about that. Those points were made in colourful language, which is the sort of language used by the Leader of the Opposition on a daily basis.

Mr Barnett: What is an example?

Dr GALLOP: An example occurred on 8 May 1997 during debate on the Iron and Steel (Mid West) Agreement Bill. When the member for Armadale was speaking, the member for Cottesloe interjected and said that she was a joke. I have heard the Leader of the Opposition say that on many occasions in this Parliament.

Mr Barnett interjected.

The SPEAKER: Order, Leader of the Opposition!

Dr GALLOP: What this comes down to is the capacity of the Leader of the Opposition to respond to vigorous political comment made about him by the Leader of the National Party. It was not about parliamentary procedure or the gagging of debate. Amendments such as that have been moved in this Parliament on numerous occasions.

Mr Barnett: Where is the evidence?

Dr GALLOP: I have seen amendments on numerous occasions.

Several members interjected.

The SPEAKER: Order, members!

Dr GALLOP: This is about the capacity of the Leader of the Opposition to engage in willing debate.

Dr Constable: That's rubbish.

Dr GALLOP: It is about that. Whenever there is some willing debate in this Parliament, the Leader of the Opposition has a dummy spit. He is trying to cover that up by saying that this debate is about parliamentary procedure. The ruling by the Speaker was questioned. The argument for questioning the ruling was made by the Opposition. The Government did not believe that the ruling needed to be questioned and voted against it. The matter was dealt with and passed. This is not about parliamentary convention or the standard of debate in this Parliament, but about the position that the Liberal Party takes on regional and rural services versus the position taken by the Government. According to Liberal Party members, the Leader of the National Party had the temerity to expose the attitudes, philosophy and prejudice of the Leader of the Liberal Party, and they did not like it. Vigorous debate occurs in this Parliament. The words used by the Leader of the National Party were much milder than the words I have heard used by the Leader of the Opposition on a daily basis.

Several members interjected.

The SPEAKER: Order, members!

Dr GALLOP: This is about the ability of the Leader of the Opposition to engage in willing debate. If the Leader of the Opposition is not willing to engage in that sort of debate, that is fine.

Mr Board: You gagged the debate.

Dr GALLOP: We did not. The gag was on the Speaker's ruling, which members know. We have had a lot of willing argument this afternoon. The Opposition is obviously offended by the fact that the point of view of the National Party was canvassed in Parliament today. Fair enough, the Leader of the Opposition was offended. He cannot cop it, which is okay. We have seen that on many occasions. The Leader of the Opposition is willing to give, but will not take it when it comes in on the other side. The procedures of the Parliament have been used to expose the attitude of the Liberal Party to rural and regional Western Australia, which it did not like.

MR PENDAL (South Perth) [4.47 pm]: In the 21 years that I have spent in the two Houses of this Parliament, I have never seen a more disgraceful or unparliamentary set of behaviour. I want to explain some of that. The real issue today had two aspects. The first was the use of the guillotine. In my eight years as a member of this

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

House, I have never voted to guillotine a debate. I am happy to say that that was something I learnt early in the piece from the then member for Floreat, who is now the member for Churchlands. The application of the gag is the very antithesis of democracy, because it means that the Government will use its numbers to prevent other members from having their say. That in itself is the greatest abuse that could be visited upon this place. It has been visited upon this place today by a group of Labor members who to my knowledge voted alongside me over the past eight years to say that the use of the guillotine is wrong, wrong, wrong.

Mr Kobelke: This is not a guillotine.

Mr PENDAL: It does not matter whether it is called the guillotine or the gag, because it amounts to the same thing; it prevents other people from having their say. No matter how long they stay in this Parliament and the record they achieve elsewhere, government members and the Premier will rue the day on which they did something that they had not only not done for the past eight years, but also had vigorously voted against.

Point of Order

Mr KOBELKE: The motion before the Chair is the procedural matter that we now deal with order of the day No 1. In the debate so far, there has been a fair bit of canvassing of what went on before. It is appropriate that there be some of that; but if the member for South Perth and others wish to continue to go on about other matters, that is not in keeping with the motion before the House and would be an abuse of standing orders.

The SPEAKER: The member for South Perth has been in this Chamber and other Chambers long enough to know the rules for addressing motions. The member for South Perth has been speaking for less than a minute. I am sure that his knowledge of the standing orders will allow him to deal with the motion.

Debate Resumed

Mr PENDAL: The second issue that we are dealing with, apart from the application of the guillotine or the gag, is the reason that I am opposing the resumption of the debate because what is at stake is important. That second issue is the extent to which the Government can turn hundreds of years on its head simply by having the numbers in this place. I ask you, Mr Speaker, what your ruling would be were I to interject while you were on your feet and say, "You are a joke"? I know what you would do. You would not only sit me down but also ask me to withdraw and apologise.

Dr Gallop: That's not the case, it's used all the time.

Mr PENDAL: No, I am not talking about whether the Government is a joke. I am not talking about whether the Liberal Party is a joke. I am not talking about whether this or that policy is a joke. I am asking a rhetorical question about what would happen if I were to assert that the Speaker was a joke.

Dr Gallop: No, you haven't read the quote from the National Party. He is talking about the bush.

Mr PENDAL: I want the Premier to be quiet for a while; he has had his turn.

Mr Speaker, you would sit me down because I would be reflecting not only upon the Chair but also on a member of this Chamber. I must say for the record that I believe it is wrong for a member to come into this Chamber and try to legitimise otherwise unparliamentary words by saying that it is a quote from outside the Parliament. Only a few days ago, language was used by the Minister for Health in this place about what Mr Doug Moran said the Liberal Party could do and the two words he used. I must tell members that I find those words offensive and unparliamentary. The defence for using that language was the same defence in this motion: it was a direct quote from a newspaper.

Mr Speaker, do you really believe that we can legitimise in this place the worst sort of language from outside the Parliament by saying that it was a quote from outside?

Dr Gallop: Member -

Mr PENDAL: I do not want to hear from the Premier.

Dr Gallop: Will you take an interjection?

Mr PENDAL: No, I will not. My respect for the Premier, after his actions today in doing what he did, has gone way down to the bottom.

Dr Gallop: It is a National Party statement.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr Ripper: Have you ever heard of the term “pompous windbag”?

Dr Constable: That is what you were for eight years in opposition!

The SPEAKER: Members!

Mr PENDAL: In the time I have been in this place I have been insulted by experts, not by those silly comments coming from across the Chamber now.

I join with the Leader of the Opposition in asking why we should resume debate on what is an important issue. It is a black day in this place because of what has happened in the past couple of hours. However, the worst element of all is that members who have the numbers believe they have right on their side. Do they know that history is littered with regimes around the world that had might but not right on their side? We have not seen right today.

We should not resume debate on this Bill. We should leave it where it is, move away from this place today, ponder on the weekend and take a deep breath. Ultimately, the losers are not the members on the opposition side of the House or on the government side of the House. Ultimately, the real losers are the people of Western Australia because they have a Parliament that is capable of being abused by cleverly worded, smart alec motions that are intended to get around standing orders and legitimise the use of words that otherwise are deplorable. I oppose the motion for those reasons.

MR JOHNSON (Hillarys) [4.54 pm]: I support the comments of the Leader of the Opposition and the member for South Perth. It is always difficult to follow those two speakers because they are very eloquent and put an argument in a great way.

Mr McGowan: Sit down!

Mr JOHNSON: I do not intend to sit down; I intend to have my say. If the member wants to gag me, he can do it in the way he normally tries to do it.

Mr Speaker, it takes a great deal of thought and consternation for any member of the House to move dissension from a ruling of the Speaker, Deputy Speaker or Acting Speaker. It is a serious action to take and one that cannot be taken lightly. I agree with the comments of the Leader of the Opposition and the member for South Perth that we should not move to debate the Bill that the Government wants to go to now. I believe we should all go away, as the member for South Perth said, and reflect on what has happened today in the Chamber. It has been a very dark day in the House. I have been a member of this Parliament now for nine years and I have never before seen such a dirty, sneaky trick with such unparliamentary language in an amendment to a motion. The Leader of the House came up with a dirty trick. I am sure he is the architect of it but had it moved in the Premier's name. The Premier will live to regret that.

I return to the motion for dissent from the Acting Speaker's ruling. I believe we have lost democracy in the House today.

Mr McGowan: Are you canvassing his ruling?

Mr JOHNSON: The Speaker can move whatever -

Mr McGowan: You are saying that democracy has been lost. You are dissenting from his ruling.

Mr JOHNSON: The member for Rockingham should listen, sunshine, and he will hear the point that I am about to make.

The point I was about to make was that any member has the right to move dissension from a Speaker's ruling; the member for Rockingham knows that as well as I do. That is what happened today. However, after only two minutes of speech by the member for Darling Range in moving dissension from the Acting Speaker's ruling, we were gagged by the Leader of the House.

Mr Kobelke: You can't even tell the truth; or don't you understand procedures?

Mr JOHNSON: I understand procedures perfectly, my friend.

Mr Kobelke: You had one speaker to speak to the motion and we then put the gag; as you did all the time when you were in government.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr JOHNSON: The Leader of the House did not even speak against the motion, he simply put the gag. He should be ashamed of himself. For the past nine years when he was on the opposition side of the House, he had far more to say than any other member about standing orders, the gag and the guillotine. After what has happened today in this place and what he has done, I do not know how he can sleep at night.

Mr Carpenter: I won't have any trouble, if I can just get under my bed!

Mr JOHNSON: The member for Willagee may not have trouble sleeping. However, this matter will come back to haunt the Leader of the House. When we were in government, we never moved the guillotine after such a short space of time. When the Leader of the Opposition was Leader of the House, he allowed good and fair debate. We allowed 20 hours of debate on some matters and there was always an opportunity to move to suspend standing orders. We never tried to gag members opposite and we would never have amended their motions in the disgraceful way in which they have amended this motion today.

Mr Barnett: The ridiculous thing about this motion is that the Labor Party only had to vote against it to vote it down, yet it engaged in this nasty bit of trickery. One must ask why.

Mr JOHNSON: Exactly. Since the Leader of the House was appointed a minister and Leader of the House and moved over to the government side of the House, he thinks he will be really clever and cute and teach us guys on the opposition side a few things and make life difficult. The actions that we have experienced today have obviously been of his doing but the Premier carried them out. As I said, the Premier will rue the day he did that. He will probably have a few words to say to the Leader of the House about it. I did not believe that the Premier would think up that sort of dirty trick, but I would expect it of the Leader of the House because he is sneaky in many respects. When he was on the opposite side of the House he did many sneaky things. The Premier has lost a great deal of esteem today.

I am sure *The West Australian* and other media outlets will report the disgraceful behaviour in this place today by the Leader of this Government and the Leader of the House. As I said, I do not believe we should be moving to the Treasurer's Bills now. Because this is such a dark day in the history of the House, I think -

Mr McGowan: We should have a memorial service.

Mr JOHNSON: Yes, we should. We should all wear black armbands in the House because of the Leader of the House's actions. In the nine years I have had the privilege of being in the House, I have never seen an amendment with such disgraceful terms and phrases. It is absolutely disgraceful; it shows to the people of Western Australia the sort of people that comprise the Government. These are the sorts of tricks that take us back to the days of WA Inc. The member and the Premier were in the House in those days. The three musketeers on the front row were all there. They were ministers during the WA Inc years. Now they are back in government with 37 per cent of the vote and they are going to bring back the same dirty tricks as were used then, when all the decisions were made in front of a camera. They were never made in this House where they should have been made. Their decisions were not taken to Cabinet. They propped up their mates at Rothwells because they were big donors to their political campaigns. They got their grubby envelopes with thousands of dollars in them. That is the sort of thing we are going back to.

The SPEAKER: I am sure that the member for Hillarys will address the motion. I have allowed some leeway. I ask the member to address the motion before the House.

Mr JOHNSON: I appreciate the tolerance of the Speaker. I will take heed of what he said. I will not revisit earlier remarks. To move to another Bill today would be a step in the wrong direction. I ask the House to adjourn to 27 November.

MR MARSHALL (Dawesville) [5.01 pm]: Like the previous speakers, the members for South Perth and Hillarys and the Leader of the Opposition, I oppose the House proceeding with order of the day No 1. The House is a little shaky and rattled. There has been great pressure on the Speaker and the Acting Speakers today. Great antagonism has existed between each side of the House today. In my 12 years in this Parliament, I have never seen such raucous behaviour and poor decision making by both sides of the House. The House needs time to cool off. The Premier said that everything is constitutional and being done properly today. It depends on what one understands by the term "constitutional". In layman's language, people are judged on what is right or wrong. Today's events have been entirely wrong. I am ashamed to be a member of this Parliament today because of the behaviour of the Government. It has not listened. It has bulldozed things through and been dogmatic. At times during the day when the Speaker was not present - I admire the way the Speaker does his

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

job - some of the Acting Speakers were too young for the occasion. They were like apprentices. Today determination and strength were required.

The Premier said that the House had a robust and spirited debate. I say to some of the younger members who have never been involved in top-line sport -

Several members interjected.

The SPEAKER: Order, members!

Mr MARSHALL: I would like the member for Perth to listen to this. The Premier said that the House has had a robust and spirited debate. That is in the eye of the beholder. People who play sport know that one goes in hard and hits hard. The member for Rockingham does not understand that. If one cannot look one's opponent in the eye and shake hands at the end of the game knowing full well that one has given it one's all and played fair, then something is wrong. If one has not made a friend for life out of a top encounter that is spirited and robust, one has done something wrong. Some members of the Government will not be able to shake hands after this debate because they will be ashamed. They know they have pulled a swiftie. For that very reason, I am upset. The House debated a matter of public interest.

The SPEAKER: The member should address the current debate, which is whether the House moves on to order of the day No1.

Mr MARSHALL: Everyone is a bit shaky at the moment because they are not used to a battle of the intensity that we have had today. It would be unfair to proceed. The Bill would be debated without proper research and stability; members would not feel good about each other. This House is supposed to represent democracy and fair play. That will all be lost if we debate the Bill. Country members like to get away at five o'clock. The amendment to the matter of public interest cost the House an hour of debating time. It has cost country members some of their time. The amendment to the motion was rumourmongering; it was too personalised and was taken from a newspaper report. As we all know, newspapers are not always up to scratch. The amendment should not have been moved without members from the National Party or its leader being in the House. One National Party member was in the House for a short time today. He attended one vote, but missed the important one. He shot through. He must have been ashamed. Two wrongs do not make a right.

The week before the election, the Premier dropped by my office. I fed him a dummy to see what he would do with it. Within half an hour the Press were ringing me to feed off the dummy. Under pressure, the Premier would probably sell his soul. He did it again today. I am not happy about that at all. Because emotions are running high, the House should not proceed to order of the day No 1.

MR BOARD (Murdoch) [5.07 pm]: The House is debating whether it should proceed to the consideration in detail of the Revenue Laws Amendment (Assessment) Bill (No. 2). I understood that the Leader of the House and the Leader of the Opposition had agreed to proceed to the consideration in detail stage of the Bill, notwithstanding that the Opposition does not agree with the way in which the Bill has proceeded. The Opposition agreed to help the Government with this legislation. Since the Parliament resumed earlier this year, there has been great cooperation between the Government and the Opposition on the passage of legislation. The Opposition has not filibustered or delayed unnecessarily the passage of Bills. Members have not stood in the House for hour after hour into the early hours of the morning talking about irrelevant or repetitive issues. The Opposition has made its points when it had them. New members of the House would not recall the days when I sat on the opposition benches from 1993 to 1996 and the House sat hour after hour until five or six o'clock in the morning. That did not happen one night of the week; it happened every night of the week. Why did the House do that? It did that because the Leader of the House refused to guillotine or gag Bills and the other side of the House wanted to filibuster and spend long hours debating issues. My colleagues and I used to sit where the government members now sit. We always remembered that we represented our electorates - the 40 000 people who lived in each of our electorates. Members should remember that, when they occupy their seats, they do not do so as "the person" in the seat, but as the representative of the people who live in their electorates. Those people are entitled to have their views aired in this democratic place. Time after time, members approached the Leader of the House at four o'clock in the morning - after 20 hours of debate - asking to go home. He would always say no because the electors were entitled to have their points of view debated and the House should sit it out until such time as democracy had taken place.

What we have seen today is a disgrace and an abuse of Parliament. The Government applied the gag and not only has our side of the Parliament been denied a right to defend our leader under attack, but also members on

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

the government benches have been denied the right to add to the debate or argue against the motion moved by the Premier. Who knows what they were going to say. We were denied that right today, because of a sneaky, underhanded gag motion. Not only was it a gag but also it completely counteracted the motion put by the Opposition. It was sneaky in the way that it moved things around and denied us the opportunity to defend our leader and to speak on behalf of our constituents, particularly our country constituents, who are under attack as a result of the motion. Those people who have been supported and helped by this side of the House were denied the opportunity as a result of that gag motion.

Today is a sad day for Western Australia. It is a day on which the Leader of the House destroyed the goodwill that has been operating since this Parliament started, with the Opposition cooperating in progressing legislation and talking about the issues that mattered and not filibustering over ridiculous issues. That relationship has broken down today, because not only did the Government sneak in something that was underhand and that attacked the Leader of the Opposition, but also the Leader of the House denied us the right to defend our leader and to represent our constituents. The Leader of the House will regret this, as will the Premier and all government members. It is a sad day for our Parliament.

MR BIRNEY (Kalgoorlie) [5.12 pm]: I oppose this motion. What guarantee do we have that once we get into this debate, it will not be guillotined and put through? What guarantee do we have that the Leader of the House will not pull the same silly little stunt that he pulled about an hour ago? The Leader of the House has undermined the cornerstone of our democracy, which involves allowing elected members in this place to represent the people who put them here. If the Leader of the House wants to undermine the cornerstone of democracy, he can go ahead because the people of Western Australia will hold him accountable. I was put here to speak on behalf of the people of Kalgoorlie-Boulder and I damn well intend to do it. I do not care what this guy has to say about it. If the Government has a mind to do it, it can guillotine the debate every day that this Parliament sits. What guarantee do we have, if we go on with this debate today, that the Leader of the House will not pull that same grubby little stunt again? This is a dark day for Western Australian democracy.

Question put and passed.

Consideration in Detail

The SPEAKER: Perhaps the Treasurer can introduce his advisers.

Mr Barnett: Should we not put that to the vote?

The SPEAKER: It is at my discretion.

Point of Order

Mr BARNETT: Mr Speaker, could you refer me to the standing order that gives you that discretion?

The SPEAKER: Standing Order No 1 states that the practice of the House is determined by the Speaker.

Debate Resumed

The SPEAKER: I advise members there is a drafting error in proposed section 63AC in clause 27 of the Bill. Members will note that proposed subsections (4) and (5) should in fact be numbered (3) and (4) respectively. Accordingly, I ask the Clerks to make the necessary clerical correction.

[Quorum formed].

Clause 1: Short title -

Mr BARNETT: This Bill is important legislation. It is something that members on this side would like to discuss at great length and in great detail as we progress throughout this night to debate a piece of legislation relating to \$170 million of taxation impost on small business. This Parliament has a simple choice. There was a broad understanding that we would deal with this legislation today. The Opposition kept the number of speakers on the second reading to a minimum, and there was an understanding that we would deal with all of the clauses in an hour and a half to two hours. That would have been a proper thing to do. However, we have now had this little show of strength by the Government. Having embarrassed himself and this Parliament, the Premier will now have this charade of sitting through to the morning to demonstrate that it can force legislation through. Mr Speaker, I will tell you what will happen. We will call for a quorum every 15 minutes; we will debate; we will attempt to suspend standing orders; we will try to amend the legislation; we will debate the moving of commas from one word to another word; we will attempt to adjourn it; we will reconvene - and we will do that until

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

breakfast time. Is that a sensible way to progress? No; it is a ridiculous way of progressing. I place on the public record that I have indicated to the Treasurer that we will not delay the passage of this Bill if it is dealt with properly.

I have indicated to the Treasurer that if Parliament sat on Tuesday week, the consideration in detail stage would take about two hours. The Bill would not be delayed because the Opposition would not contrive to frustrate its passage. We would raise matters of importance and we would expect a response from the Government. However, that option is unacceptable to the Government. Members opposite must understand that there is no point going through the consideration in detail stage now because the upper House is about to rise. This legislation is not going anywhere. Even if we finished the consideration in detail stage, we would still have to get through a third reading debate. Can we deal with a third reading if the Opposition wants to make amendments?

Will the Treasurer be the first Treasurer in the State to guillotine a taxation measure? That has never happened. Will the Treasurer be recorded in the annals of the history of this Parliament as the Treasurer who guillotined a tax impost on small business? Will the Treasurer deny people the opportunity to do that? I know that the Treasurer does not want to do it; he is a decent bloke. I know he thinks that commonsense should prevail and that this House should adjourn. I do not mind if the Government wants to sit for a day next week, although there would be no point because the upper House will not be sitting. We would be happy to reconvene next Tuesday and have a sensible and logical debate on this Bill.

Several members interjected.

Mr BARNETT: We had agreed to deal with this legislation today, and that agreement was breached by the Government. This will be a very tedious night. There are so many things in this Bill that must be clarified. Members on this side of the House want to raise all sorts of issues related to their small business constituency. We will seek information from Treasury and we will move amendments and motions requiring Treasury officers to provide information to Parliament; I hope Treasury is open. However, what is the point when the Treasurer is not even sitting at the Table of the House? Will we have a sensible debate tonight, or will we have to put up with the Leader of the House playing a silly little game and trying to show us how terry tough he is? I gave an undertaking to the Leader of the House that we would deal with this legislation sensibly in two and a half hours during the day. We would have done that today. We would not have sought to delay it. We would have dealt with it in the normal way. Some opposition members will raise some issues that hopefully the Government will answer and address.

Mr DAY: I support the comments made by the Leader of the Opposition. In its usual weekly advice to the Opposition, the Government indicated that it wanted these Bills to pass through all stages in the Legislative Assembly this week. The Opposition agreed to cooperate with that request. Indeed, in discussions with the Leader of the House earlier this week, we discussed when the debate for these Bills might be brought on so there would be adequate time for the Opposition to make all the points it wanted to. At that stage, I acknowledged the good intentions of the Leader of the House to ensure there was adequate time for the Opposition to deal with these Bills as fully as was necessary based on a timetable that would ensure they were passed in this House this week.

When the debate was brought on this morning, the Leader of the Opposition and I expected it to conclude by five o'clock. We did not expect that there would be insufficient time for debate. What has happened to upset that timetable? The delay was caused by the Premier's stunt in which he was joined by members of the Government during the matter of public interest debate today. If an appropriate standard of behaviour had been followed and an amendment had been moved that was directly related to the motion originally moved by the Leader of the Opposition, or if the Government had simply voted against the Opposition's motion, we would not be in this situation. To a great extent, the members of the Government will pay the price for the Premier's and the Government's inappropriate standard of behaviour.

Mr Hyde: Is this payback?

Mr DAY: It is not payback. The Opposition is making the point that there must be appropriate standards of behaviour on both sides of this House, which we have not seen demonstrated by the Government today. I repeat that the Opposition fully expected that these Bills would pass through Parliament today. We did not intend for them not to pass. If the Government wants to sit through the night, we will deal with the Bills as fully as is

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

necessary. They could have been dealt with by five o'clock if the Government had behaved appropriately. It is disappointing that its behaviour has let down the Parliament.

There is no point debating the Bills further tonight because the Government's previous intention of transmitting them to the Legislative Council for its consideration cannot be fulfilled because that Chamber will rise shortly. As the Leader of the Opposition said, if the Government wants to reconvene for a day next week to deal with these matters briefly, we would agree to that. The Leader of the Opposition gave a commitment, which I fully endorse, that the Bills would be dealt with in a short time next Tuesday week if that is the Government's wish. We do not want to unreasonably delay this legislation, although there must be a full and thorough debate.

If the Government wants to tough it out in the way it has indicated, all the government backbenchers and ministers will need to be here throughout the night for no real purpose. All of those members on the back bench and those members who are new to Parliament should think about that. I suggest they have a private, quiet word to the Leader of the House and the Treasurer about the futility of their actions and about the futility of members being here all night. That would achieve nothing except for a little show of strength from the Government. The Government could have taken a reasonable approach earlier this afternoon. If the Government adjourned this debate, the Bills could be dealt with in a short time next Tuesday week or on another day next week. The Government would lose absolutely nothing by doing that. If members want to suffer and stay here all night, that is their choice.

Mr RIPPER: I will try to put this debate into context. My understanding of arrangements between the Government and the Opposition is that the Opposition was prepared to pass this Bill by the end of the day despite its opposition to some clauses. As occasionally happens in parliamentary debates, uproar occurred in the House as a result of an unrelated disagreement.

Mr Johnson: It was disgraceful behaviour.

Mr RIPPER: I will not canvass that interjection. When the Opposition agreed to pass the Bill by the close of business on Thursday, the Opposition presumably would have been planning the matter of public interest debate. That debate would not have finished earlier than 3.30 pm this afternoon and it is more than likely that it would have finished at about 3.40 pm. The Opposition in its planning must have understood that there would be less than an hour and a half in which to debate the detail of this legislation.

Mr Barnett: It might have gone through until 6.00 or 6.30 pm.

Mr RIPPER: The Opposition is saying by interjection that the debate might have taken another hour to an hour and a half. We would have spent three hours on the legislation.

Mr Barnett: Yes; if you wanted to get it through.

Mr RIPPER: We have had uproar in the House on an unrelated issue, which has taken up almost two hours of the time of the House. The Opposition had planned a two-and-a-half to three-hour debate on this Bill. That would take us through to 8.30 pm. Therefore, the Opposition can get the time it expected on this Bill, and the Government can get its legislation through. We have a heavy legislative program, and this is a budget Bill. We do not have control of the upper House, and we cannot predict precisely how it will handle particular pieces of legislation. This legislation prescribes for some clauses to come into operation on 1 January. As the Treasurer of the State, I have a budget to manage, and I want to take as few risks with the revenue legislation as possible. I am keen to send the legislation to the upper House so that it can properly consider it.

I have been the manager of opposition business, and I know all the tactics that are available to members opposite. I imagine that they learnt some of those tactics from watching what I did when I had the role now occupied by the member for Darling Range. I would be disappointed if the member for Darling Range did not use some of my tactics when they were required.

Mr Day: You are flattering yourself. We have been much more reasonable than you were.

Mr RIPPER: I know what an Opposition can do. An Opposition determined to frustrate legislation can use many tactics to delay debate for hours. If the Government wants to get legislation through, its only response is to move to gag the debate or use the suspension of standing orders to bring in the guillotine. That is the way it can be played. The Opposition can resist debate using every tactic under the book.

Point of Order

Extract from *Hansard*
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr BARNETT: I draw the Speaker's attention to the state of the press gallery. The press gallery is for accredited media. It is not for parliamentary or ministerial staff. I ask the Speaker to rule on the attendance in the press gallery.

Mr Ripper: I think that is a journalist up there.

The SPEAKER: The member's point is taken. I will have appropriate inquiries made.

Mr BARNETT: I seek further explanation. I have drawn your attention, Mr Speaker, to the presence of ministerial staff in the press gallery. It is a frequent occurrence. I seek some further clarification as to what action you intend to take. It is flagrant and takes place in front of everyone's eyes.

Mr Hyde: Your public relations people use the gallery every day.

The SPEAKER: I determine who should use the press gallery. If there are people in the gallery who do not have permission to be there, they will be asked to leave.

Debate Resumed

Mr RIPPER: Let us return to tintacks. The Opposition can use every tactic in the book. It can frustrate the Government to try to prevent legislation being passed. We have a number of alternatives. We can sit here until breakfast and legislate by exhaustion.

Mr Board: Like we did for you.

Mr RIPPER: We could use repeated gags or suspend standing orders and bring in the guillotine for the purposes of this legislation.

Several members interjected.

Mr RIPPER: I am outlining the situation that now confronts the House. What is the point of public policy? This is an argument relating to the Opposition's strong objection to a tactic the Government adopted in another debate in the House. Does the Opposition need to dig in for trench warfare on this legislation? Could we not let it have the two or three hours of debate it had planned for this legislation, and get on with it?

Mr McGOWAN: I am keen to hear more from the Treasurer.

Adjournment of Debate

Mr BARNETT: I move -

That the debate be adjourned.

Question put and a division taken with the following result -

Extract from *Hansard*
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ayes (15)

Mr Barnett	Mr Edwards	Mr Marshall	Ms Sue Walker
Mr Birney	Mrs Hodson-Thomas	Mr Masters	Dr Woollard
Mr Board	Mr Johnson	Mr Pandal	Mr Bradshaw (<i>Teller</i>)
Mr Day	Mr McNee	Mr Sweetman	

Noes (27)

Mr Andrews	Dr Gallop	Mr McGowan	Ms Radisich
Mr Bowler	Ms Guise	Ms McHale	Mr Ripper
Mr Brown	Mr Hyde	Mr McRae	Mrs Roberts
Mr Carpenter	Mr Kobelke	Mrs Martin	Mr Templeman
Mr Dean	Mr Kucera	Mr Murray	Mr Whitely
Mr D'Orazio	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Edwards	Mr McGinty	Mr Quigley	

Pairs

Mr House	Mr Logan
Mr Trenorden	Mr Marlborough

Question thus negatived.

Debate Resumed

Mr BOARD: What a disgrace the Treasurer's last input was on the title of this Bill! He stood up and made a threat to the Parliament. He said that the Bill could be dealt with in certain ways or the debate could be gagged again. The Treasurer has failed to recognise that he, the Premier and the Leader of the House have disgraced his side of Parliament today by denying the Opposition the opportunity to speak on an amendment it put forward. The reason the Opposition agreed to progress this Bill -

Points of Order

Mr RIPPER: The remarks of the member for Murdoch are not relevant to the clause under consideration.

The SPEAKER: It is somewhat difficult, after the last hour or so of debate, to move away from the debate that has occurred a couple of times. It is important in a debate of this type in consideration in detail that comments are restricted to the short title. The member for Murdoch's reference to what the Treasurer said was appropriate in the last instance, but it is time to debate the short title.

Mr BOARD: If my comments are irrelevant to the title of the Bill, how then can the Treasurer's comments be described? I was debating his comments on the title of the Bill.

The SPEAKER: That is exactly what I said. In relation to the comments on what the Treasurer said, I agree that your remarks are appropriate, but I think it is time we moved on. I will restrict the Treasurer, as I will restrict anyone else who speaks on this Bill from now on, to the clause under consideration.

Debate Resumed

Mr BOARD: The reason the House is dealing with the title of the Bill at this time is that the Opposition decided to cooperate with the Government on the passage of these Bills through this House tonight. The reason we are here now, and are likely to be here for a very long period tonight, is that the Government has broken that faith and has decided that if the Opposition does not progress the Bill in a very short time, it will gag debate again. That is a disgrace. The Opposition, in a spirit of cooperation, wants to discuss the title of the Bill quickly and progress this Bill through the consideration in detail stage in an open and frank way, notwithstanding the fact that the Opposition does not agree with many parts of it, particularly the way the Government decided that the second reading debate would be a cognate debate. We are dealing with the Bill tonight, after having had our faith and trust broken. While debating the title of the Bill, the Treasurer made another threat about gagging the debate. The Opposition is frustrated by the tactics of the Government and the way in which it is denying the Opposition the opportunity to openly discuss what has transpired today. The Opposition will not agree to

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

cooperate with the quick passage of this Bill, because today the good faith that has existed in this place since Parliament began this year has been thrown back in the faces of opposition members. All the opposition members can now do is to represent their constituencies in the best way possible.

Mr BARNETT: As I indicated when arguing against the cognate debate of this Bill, there is a serious structural flaw in the way this legislation has been presented to this House. This is the assessment Bill. We also have to debate the Revenue Laws Amendment (Taxation) Bill. The Revenue Laws Amendment (Assessment) Bill (No. 2) 2001 should have been called the "Payroll Tax Amendment (Assessment) Bill", and a separate piece of legislation should have been introduced entitled the "Land Tax Amendment (Assessment) Bill". In dealing with this title, members must be conscious that this is not an omnibus Bill; rather it is a Bill that confuses two important statutes on taxation. It is an absolute confusion of taxation measures relating to payroll tax and land tax. An element of stamp duty is also included in these provisions. In that sense, this title does not provide a good description of this legislation. Although the events of tonight may keep us here until breakfast, how better would this debate have proceeded had this legislation been structured properly? The House could then consider, for example, the payroll tax Bill and, in a logical, sequential way, concentrate on the merits or otherwise of payroll taxes. The House could then consider the implications of the changes, or lack of changes, to the threshold level and could consider each of the individual changes to the rate of payroll tax.

I am sure that the Treasurer and his officers will provide some detail on how this measure will impact on very small businesses, disaggregated by geographic area, which is very important. Members of this House are interested in how each of these measures will affect different industry sectors and how they will affect geographic areas of this State. The incidence of taxation is the prime concern of this Parliament. The Liberal Party opposes the tax impost, but it is also critically interested in the incidence issues. In the second reading debate, I raised the broad concept of elasticity of demand, which is a very academic concept. What is not academic, however, and is very factual, is the tax incidence and impact. I expect detailed information to be provided during this debate on the exact nature of the impact of these tax measures by employer category, relating to geographic location, whether city or country, industry sector, and corporate size, measured by numbers of employees. I expect the Treasurer to be able to comment on, if not provide information on, different measures of corporate size, as distinct from numbers of employees.

Mr Ripper: The Government will provide the Opposition with the same information that the previous Government supplied to the House in similar circumstances.

Mr BARNETT: The then Opposition never asked the questions. Opposition members then did not have the wit to ask the questions. The Opposition will be asking the question tonight to see whether the Treasurer has any wit, which I doubt.

The title of this Bill is not appropriate, because the structure of this legislation, whether or not it has been done by previous Treasurers, is not appropriate. An omnibus structure - a combined piece of legislation - can be appropriate in the case of fairly minor pieces of legislation, but in the Revenue Laws Amendment (Assessment) Bill (No. 2) 2001 are proposals relating to exemption levels on land tax, in the area of occupation of a place of residence; changes in the definition of payroll tax which have the effect of widening the net; measures and definitional aspect of the change in the rate of payroll tax; and measures relating to stamp duty. The Bill goes from payroll tax to land tax and stamp duty, and back to payroll tax, land tax and then back to stamp duty, and around it goes again. This is not the way to properly structure debate in this Parliament. I suspect that it will be very difficult for members of this House to remain focused on this debate as they go through each clause in significant detail. I know that you, Mr Speaker, would not want to see your constituents impacted on by these measures. These measures will have a significant impact on employers in the Speaker's electorate. Many of the larger employers are located in the Pilbara region, and the impact of changes to fringe benefits tax will affect not only those employers, but also many of the Speaker's constituents. They will inadvertently, and adversely, be affected by changes to the fringe benefits criteria. I would not be surprised if the Speaker chose to leave the Chair and join in the debate to represent his constituents; why not?

Mr BIRNEY: I move -

Page 2, line 3 - To delete all words after "the" and substitute the following -

Labor Party Tax Impost on Small Business Act 2001

I hope that the reason for my moving this amendment is fairly clear to members. I am sure it is. The reason is that I -

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr Ripper: It has been moved for reasons of pique, pride and damaged ego. It is what I call the “glass jaw” amendment. It could also be called the sook amendment. It is appropriate that you should move it because it highlights the deficiencies of your leader, and that is possibly to your advantage in the future.

The SPEAKER: Order, members!

Mr BIRNEY: Can I go on now or would the Treasurer like to take up another minute and a half?

Mr Ripper: No, carry on.

Mr BIRNEY: I thought the Treasurer was brighter than that. I moved this amendment because, once again, the Labor Party is cleverly trying to disguise the true nature of this matter.

Mr Ripper: It is called the Revenue Laws Amendment (Assessment) Bill (No. 2).

Mr BIRNEY: Although it may be called the Revenue Laws Amendment (Assessment) Bill (No. 2), that is not a true reflection of the contents of the Bill. The Bill refers to the grossed-up value of fringe benefits tax. It then applies a further impost on those businesses required to pay payroll tax. We are all aware that payroll tax is a significant burden for people in small business today. The Labor Party is about -

Mr McRae: It is nothing compared with the goods and services tax.

Mr Barnett: Get up and join in the debate. I would like to hear your argument.

Mr BIRNEY: I do not think the member for Riverton can join the debate because he does not understand much about anything.

Payroll tax is a significant impost on small business. This goes to the very heart of the Labor Party’s philosophy, which is against small business. We have seen that in the past with the HIH Insurance debate, for argument’s sake. When the Labor Party had a disaster on its hands, what did it do to plug the hole caused by the HIH collapse? It went straight to the small business owners and it racked up a tax impost on them. That is not unlike what is happening tonight.

Ms Quirk: It is a scrupulous oversight of the federal Government.

Several members interjected.

Mr BIRNEY: Does anybody else want to interject? We have plenty of time.

Tonight we are discussing legislation by which payroll tax will increase from 5.56 per cent to six per cent. If that is not an impost on small business, I do not know what is. Therefore, I have moved an amendment that seeks to change the title of the Bill.

Another problem with the Bill is that, once again, small business people who seek to hold property in a trust, for a variety of reasons, will be negatively impacted upon. I suspect that this Bill, if passed, will be somewhat of an impost on those people. My amendment proposes to change the name of the Bill to the Labor Party’s tax impost on small business Bill. I am not at all surprised that the Labor Party seeks to impose this tax on one section of the community - the small business owners - because we have seen the Labor Party’s actions in the past at federal and state levels. It has proved once and for all here tonight that it has no affiliation with the small business person whatsoever.

Mr BRADSHAW: I support the proposed amendment by the member for Kalgoorlie, because this Government has tall poppy syndrome. That was demonstrated with the premium property tax that it tried to introduce; when there was a bit of pressure, it wilted and went to water. Problems will be created by this Bill before us tonight. Major changes are being applied to the payroll tax. In addition to increasing that tax, the Bill will increase the land tax and stamp duty. This Government is broadening the base and trying to include subcontractors. This will have a major effect on the construction cost of buildings in Western Australia, whether they be houses, factories or whatever. The cost will certainly skyrocket.

Mr Barnett: It will be at least \$2 000 to \$3 000 on a typical first home owner house.

Mr BRADSHAW: That would probably be in the \$80 000 range. Most people start off with a low-priced or small house and, as they become better off, they go up the ladder. That is a significant cost. The problem with most people is that when they buy a house -

Points of Order

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr RIPPER: The member is speaking on a tax measure that is not covered by this package of Bills. Therefore, he may not be speaking to the subject of the debate, which is the title of this Bill.

Mr BARNETT: The member for Murray-Wellington was referring to measures that this Government will be introducing relating to so-called employee-like contractors. The point of relevance is that this legislation relates to the grossed-up value of fringe benefits. If employee-like contractors are brought in - they are also subject to the fringe benefits provision - they will be caught within the provisions of this legislation. It is quite appropriate for this matter to be raised because we cannot deal with any of these labour on-costs in isolation. I thank the member for his contribution and for drawing my attention to workers compensation. When workers compensation is brought in and compounded with these measures, it will also have an impact. It is entirely appropriate that the member consider the total labour on-cost and how this Bill will affect that by its tax impost measure.

Mr BOARD: The amendment moved by the member for Kalgoorlie is to change the name of the Bill to the Labor Party tax on small business impost Bill. The member for Murray-Wellington was developing a case for changing the name, and why the Labor Party is placing an impost on small business. It is our opinion that his comments were relevant to the amendment.

The SPEAKER: The member for Murray-Wellington is the only member who has referred to the question before the House. There is no point of order.

Debate Resumed

Mr BRADSHAW: The change to the name of the Bill is appropriate because it will result in major changes in Western Australia. It will certainly not be to the benefit of Western Australians in the long run. In the short to long-term it will be devastating for not only small businesses, but also the people in our State. This Government purports to look after the average citizen of Western Australia and here it is, putting in imposts that will make it more difficult for people to survive and make ends meet.

As I said before, one of the big problems for people who want to build or buy a house or land is borrowing enough money and then paying it off, let alone having the impost of stamp duty. Now the Government has proposed changes to the payroll tax. The proposed name change is appropriate. This Government has tall poppy syndrome, and it wants to bring everyone down. It does not realise that a lot of those businesses create employment. Increasing payroll tax and broadening the base is a tax on employment. This is an imposition on small business. The member for Kalgoorlie's proposal correctly defines the function of the Bill. The Government should reconsider the title of the Bill before this House, because this is more appropriate.

Point of Order

Mr DAY: It is now 6.00 pm. It is usual that the House adjourn at this time for a dinner break. I am not sure whether that is provided for in the standing orders or whether it is the usual practice. If we are to be here for an extended period, it is appropriate that an opportunity be provided for members to get some sustenance.

The SPEAKER: That point of order stopped members from going to dinner by about one minute. I advise members that a limited range of meals will be provided in the dining room. I will leave the Chair until the ringing of the bells.

Sitting suspended from 6.01 to 7.00 pm

Mr BRADSHAW: Before I continue my remarks, I draw the attention of the Deputy Speaker to the state of the Chamber.

The DEPUTY SPEAKER: A quorum is not present. Ring the bells.

Points of Order

Mr KOBELKE: Members are not permitted to leave the Chamber while the bells are rung to form a quorum.

Mr BARNETT: That is absolute nonsense. Members can come and go as they please.

The DEPUTY SPEAKER: My understanding is that Standing Order No 21(3) applies -

No member will leave the Chamber while the bells are ringing.

[Quorum present.]

Debate Resumed

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The DEPUTY SPEAKER: Order, members! I call to order the member for Murdoch and the Leader of the Opposition for the first time.

Mr BRADSHAW: I said before the dinner break that the amendment brought to the House by the member for Kalgoorlie is very appropriate. The measures contained in the Bill attack small business. The Bill will broaden the base of those caught by the payroll tax system. Years ago one of my constituents ran a concreting business. He used to make concrete products such as troughs. Someone mentioned cement shoes! He also had trucks that carted concrete.

The DEPUTY SPEAKER: I wish to clarify the situation regarding members being called to order. The member for Murdoch has been called to order for the first time and the Leader of the Opposition for the third time.

Mr BARNETT: Is it not extraordinary in a debate such as this that we hear a personal insult directed at me, as Leader of the Opposition, and I am called to order for the third time? It is extraordinary that that has happened within three minutes of 7.00 pm.

Several members interjected.

Mr BARNETT: It is extraordinary! We are debating the title of the Bill. I have raised an issue and I find myself called to order for the third time.

The DEPUTY SPEAKER: I will explain. The member for Murray-Wellington was on his feet. Before I proceeded to give the leader the call, I explained my earlier mistake. I was not reiterating or calling him to order. If I had, under the standing orders he would no longer be in the Chamber. I was correcting an earlier mistake. I was not calling him to order again.

Mr BARNETT: I -

Several members interjected.

The DEPUTY SPEAKER: I ask for some decorum in the Chamber. The Leader of the Opposition will continue.

Mr BARNETT: I was willing to take the interjection. I do not mind interjections. Do members opposite wish to make any more?

The amendment moved by the member for Kalgoorlie appropriately describes the intent and the content of this Bill. This is an impost on small businesses. It is born of a Labor Government that has no understanding of or empathy for people who take risks, work, employ and do things. It has no sense of identity with that group. We have seen that throughout almost every policy presented by this Government. We had the ill-fated premium property tax. What was that about? It was about a Labor Government wanting to attack the Second World War generation. Members opposite did not think it through. Who was the architect of that policy? It was the Premier. He gave it to the hapless Treasurer to introduce. He backflipped again and again, somersaulted and bellyflopped. We did not see that legislation introduced in this Parliament. Why was it abandoned? It was abandoned because the people of Western Australia understood what it was about. It was a tax born of envy and proposed by a Government that wanted to pay out on those it thought were wealthy and successful. It did not realise that it would adversely affect the Second World War generation - people who served this country.

The title of a Bill must be more than an amorphous collection of words that do not describe its intent. As the member for Kalgoorlie has pointed out, it should contain a reference to the intent of the Bill. Had it ever been introduced, the premium property tax legislation should have been called the "premium property envy Bill" or some other title that reflects the Labor Party's attitude. This Bill also reflects that attitude. It is not about making minor amendments to revenue laws; it is an assault on the business community. It has been introduced by a Labor Government that does not respect or support people in business. I am not a businessperson and do not purport to be. However, I know many businesspeople and I have worked with them closely. I know the sorts of risks that businesspeople take. I know the sense of uncertainty that they face in the market at present. Consumer demand in this country is uncertain. International demand is uncertain. We have had corporate collapses - Ansett Australia, HIH Insurance, One.Tel Ltd and they go on. That creates uncertainty. We had uncertainty in the international environment prior to 11 September, that tragic day. There are declining growth rates in the United States and the Japanese economy is in trouble. This State has a faltering level of domestic demand. There have been some aberrations caused by the phased-in introduction of the goods and services tax, which brought about a spurt of aggregate demand prior to the GST and a delayed effect after. Then we saw the

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

introduction of the first home owners assistance grant, and then a higher level of the grant, which caused a spurt of activity in the housing and construction industry. That has a wide multiplier effect. It has been difficult to read the way in which demand has gone in the Australian and Western Australian economies. That is why it is important that a Bill describe what is going on in legislation. This Bill should not be described as a revenue amendment Bill, but should describe the intent of the Labor Party. The intent of the Labor Party is to impose a penalty on business. That is clearly the intent of this legislation.

Mr PENDAL: I want to raise a couple of matters with the Treasurer about not only the impacts on the revenues in the current budget but also the forward estimates for the next several years to 2004-05. One of the concerns that I have - I would like a specific answer to this - is that instead of relying less on payroll tax as a part of the state-based income, the forward estimates suggest that we will rely more on the impost of payroll tax.

The DEPUTY SPEAKER: I draw the member's attention to the fact that we are dealing with an amendment to clause 1.

Mr PENDAL: I am aware that we are talking about deleting a word and substituting others.

The DEPUTY SPEAKER: I apologise; I am showing a little inexperience. The member for South Perth has just spoken and he may not speak again unless someone else speaks in between.

Mr BOARD: We are debating the amendment moved by the member for Kalgoorlie to rename the Bill "Labor Party Tax Impost on Small Business Act 2001". We are discussing whether this Bill should be renamed to adequately explain what is happening in the provisions of the Bill. This Government was elected in February by the will of the people in Western Australia. However, I do not think small business would have expected that within a few months of being elected, the Government would impose a payroll tax and a land tax assessment as part of what it calls the Revenue Laws Amendment (Assessment) Bill (No. 2). This Bill is an attack on small business. It continues an attack that the Labor Party at both the federal and state levels around Australia has made on small business for a large portion of the time that I have been in Parliament.

It has become well known in the short time that this Labor Government was elected that it is no friend of small business. It has moved in every way possible to penalise small business not only in trying to tax it but also in how it goes about its day-to-day business. In the workplace this Government has penalised business, and small business in particular, whether through unions, industrial relations, workplace agreements or negotiations for wages. We are arguing, as a result of the amendment moved by the member for Kalgoorlie, that the Government ought to come clean and rename this Bill to make sure that the people of Western Australia, particularly those in small business, know that this is an impost on small business. This Bill deals with land tax assessment and payroll tax assessment - we will argue about the cognate aspects being dealt with in the one Bill - and we will argue during the course of the evening that that is confusing. It would be better if the Bill were renamed in a way that indicates to the community, particularly small business, exactly what is happening.

The Labor Party came into government in February this year, and within the first six to nine months decided to introduce further taxes and imposts on the generation of income and jobs and the development of small business in Western Australia. In many ways the Government wants to penalise those people who have done something for the development of Western Australia. During the course of the evening we will develop the arguments in support of this amendment to the name of this Bill, until we are successful in making sure that the people of Western Australia understand this legislation.

Mr PENDAL: I have repaired my ways and I want to say why I think this is an impost of the kind outlined by the member for Kalgoorlie. I want to return to some of the budget documents and indicate the level of impost that is envisaged over the next four or five years in the forward estimates. For example, in the pre-goods and services tax adjustment period, payroll tax represented 22 per cent of Western Australia's state-based tax revenue. After we pass this measure - this is the first budget in which we are dealing with a post-GST adjustment - that 22 per cent will rise to 28.7 per cent. The impost will increase every year through the forward estimates to 2004-05, so that, instead of relying less on payroll tax, the impost will increase. Therefore, the point made by the member for Kalgoorlie is correct. I will provide members with the percentages, and then I will give the raw data from the budget documents. I would like to hear the Treasurer's comment. Incidentally, everyone has agreed that payroll tax is a poor form of income revenue for the State.

Mr Ripper: How would you compare it with stamp duty?

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr PENDAL: I want the minister to listen first and then answer. The impost in 1999-2000 was 22 per cent. The estimated actual for 2000-01 goes to 28.7 per cent. In the year following - that is the budget estimate we are dealing with at the moment - it goes to 32.7 per cent. Therefore, already it has gone from 28.7 per cent of the State's total tax take to 32.7 per cent. In 2002-03 it will go to 34.3 per cent - a rise of six per cent. In the 2003-04 forward estimates it goes to 34.5 per cent. It is estimated that in 2004-05 the total income from payroll tax as part of the state tax take will be 34.8 per cent.

If those forward estimates are followed, the impost will have gone from comprising 28.7 per cent of the State's tax base to comprising 34.8 per cent of the base during this Government's term in office. I am concerned that the forward estimates show the State's reliance on payroll tax increasing every year. I have sat in this place for years and listened to people argue about forward estimates and who makes them up - whether it is the Government or Treasury. It does not matter, as they are presented to this Parliament as government figures. I repeat that under the current proposals, the reliance of the state tax base on payroll tax will increase from 28.7 to 34.8 per cent. That does not sound as though we are decreasing our reliance on it.

The Treasurer will say, because he has said it by interjection, that he thinks payroll tax is better than stamp duties or other imposts. People argue that the state-based taxes are, generally speaking, the cruel and iniquitous taxes. That is not entirely true. I do not know one tax that the Commonwealth imposes that is decent, fair or full of equity. We should stop this fallacy of feeling sorry for ourselves because we must impose the difficult or unpopular taxes. No tax in history has been popular.

I return to my starting point. I ask the Treasurer to respond, otherwise I will be inclined to believe what the member for Kalgoorlie has said; that is, that payroll tax is an impost on which we are becoming increasingly reliant. We are relying on payroll tax to the extent that it comprises 28.7 per cent of our tax base, and the forward estimates suggest that within four years, that reliance will have increased to 34.5 per cent. Is that increasing or decreasing our reliance?

Mr MARSHALL: I support the amendment moved by the member for Kalgoorlie. This payroll tax increase is very dangerous. The subcontractors in my electorate see it as sinister. I know that the pre-election promises made by the Government were such that it now cannot meet its commitments. It is grasping at straws and endeavouring to find money to meet those commitments. I agree with the subcontractors that this tax is dangerously close to being sinister. I refer to the subcontractors in Mandurah, where building is progressing at a fast rate. The area has new subdivisions such as Erskine, Falcon, Florida, Port Bouvard - particularly the north -

The DEPUTY SPEAKER: The member will need to make some reference to the short title of the Bill, as did the member for South Perth.

Mr MARSHALL: I do not have it here.

Mr Board: It's the bloody impost.

Mr MARSHALL: We are discussing the Revenue Laws Amendment (Assessment) Bill (No. 2), and that inventive Labor Government tax.

Mr Board: It does not care, does it?

Mr MARSHALL: It does not care. I deal with many subcontractors in Mandurah, because that is the boom area in housing. Subcontractors also work in the boating industry, and there are just as many boats in the Mandurah-Peel area as there are buildings. These subcontractors include electricians, brickies, plumbers and the people who landscape gardens. They are all running scared. One of the reasons I think the Government has not considered why subcontractors in this area are running scared is that these tradesmen, the people supposedly looked after by the Labor Government, left school at 15. They chose to be not professionals but tradesmen. They went through their apprenticeships and gradually progressed to a stage at which they can work. Tradesmen are not always good with their bookkeeping. It would be a disgrace to impose on them such a tax when they are already contracted to a builder.

We are debating a Bill tonight that will have a great impact on the ordinary people of Western Australia, including contractors, yet we are rushing it through the Parliament. I say "ordinary people" because that is the terminology used by Kim Beazley in the last federal election. Those people work very diligently. The tradesmen I know in Mandurah start at six o'clock in the morning and knock off at 3.30 pm when it is too hot to continue labouring hard in the hot sun. They then go and have a drink at the pub where there is tremendous camaraderie among them. The imposition of another tax on them will be an absolute disgrace. The human

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

endeavours in the industry have not been given sufficient consideration. The late passage of this legislation is a warning to the Opposition to not allow the Government to rush through this type of legislation. Every one opposite is deadset on rushing it through. They think it is a prank to keep us here late at night. They are wrong because opposition members will work hard tonight to achieve legislation that will be fair for the subcontractors of this State.

Mr Ripper: That would be fine if the legislation dealt with subcontractors.

Mr MARSHALL: It means that the cost of housing will increase.

Mr Ripper: You are on the wrong Bill.

Mr MARSHALL: It means that first home buyers will see an increase of \$2 000 in the cost of their home. Land tax is yet another grasping way for the Government to raise money. It must understand that the people who pay land tax, who have family trusts and who have thoughtfully spread their wealth are also the employers of the workers of Western Australia. The imposition of payroll tax, land tax and a tax that will affect subcontractors will crucify the employers of the people of Western Australia.

The Treasurer should think about this legislation. The Government should grasp somewhere else for tax or it will lose no matter what it does. Its budget is over-committed. In this area it cannot win; it will lose the respect of everyone in Western Australia.

Mr BIRNEY: The short title of the Bill carries the name Revenue Laws Amendment (Assessment) Act (No. 2) 2001. My amendment reflects the true nature of the Bill; that is the "Labor Party Tax Imposit on Small Business Act." This goes right to the very heart of honesty. The Government must be honest with people who are operating in small businesses. When they pick up this Bill and see the name Revenue Laws Amendment (Assessment) Bill (No 2) they might think it means that we are decreasing taxation for them or that we are giving them some sort of tax break. Those small business people who pick up this Bill and look at it may well be excused for thinking there is no problem and that it will not affect them in any great way. If this Bill is passed tonight or tomorrow morning, as I suspect it may be, people in the small business world will be burdened by a further imposit. That is reflected in my amendment tonight.

I said earlier that this goes to the heart of the Labor Party philosophy. For whatever reason, Labor Party members appear to have a serious problem with the many people who have taken the initiative and put their entire wealth on the line by borrowing money to move into the small business world. For whatever reason, which I cannot work out, the Labor Party seems to resent them.

Several members interjected.

Mr Johnson: They are opposed to people who own small businesses. They do nothing for them. They are interested only in whether the workers are members of a union.

Mr BIRNEY: That is a very good point. I thank the member for Hillarys for enlightening me a little, because I think he may well have hit on the answer, which involves the unions. I am now starting to understand where this philosophical position comes from.

Mr Johnson: I have worked with some of these people for the past nine years, and I can tell members exactly where they are coming from. The Labor Party is controlled by the unions.

Mr BIRNEY: That makes a lot of sense, and in fact, I am told that 60 per cent of the Labor Party state executive is required to come from the union movement. I wonder whether the answer might lie right in front of us. The Labor Party supports union bosses. It does not support rank-and-file members of any union. It supports the hierarchy of those unions, which seek to flex their muscles on any occasion.

Not only the state Labor Party has a philosophical problem with small business people; the federal Labor Party also has this problem.

Mr Johnson: They would put a payroll tax on union members, but numbers of union members have fallen so dramatically they would not raise much.

Mr BIRNEY: Yes, it would hardly be worthwhile.

Perhaps members could cast their minds back to one of the very first things that Paul Keating did when he became Prime Minister, which was to increase company tax. Now, after only eight months of the State Labor Government in power, the company tax goes up again. A further imposit is placed on small business people, and

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

once again that is reflected in my amended title. Then Kim Beazley came out with the terrific rollback idea. The only thing that rolled back was Kim Beazley. In fact, he was rolled right out of Parliament as a result of this ridiculous idea of rollback. My time has now run out, but I look forward to having another go at this very shortly.

The DEPUTY SPEAKER: Order members! The question is that the words to be deleted be deleted, and I ask that members focus on the question at hand.

Mr McNEE: I have told this story in this place before, a long time ago, but I will just take one minute to say what I think. I am just a bit amazed by the Government. I have a neighbour who breeds little sheepdogs. He is very much the disciplinarian. I suppose he is a bit like the Premier. If the dogs had a vote he would take it away from them.

The DEPUTY SPEAKER: I warn the member that my latitude is just about to run out, so the member should please keep his remarks relevant to the clause.

Mr McNEE: This is relevant to the Bill, because the government members are yelping, and they have not been hit yet. They will be hit in a minute. This Bill should be called the "Labor Party Tax Impost on Small Business Act".

Mr Johnson: Keep mentioning that every now and then and you will be all right.

Mr McNEE: I will keep mentioning it, because members opposite must learn to understand just how small business gets along. I do not know whether they understand. I can remember the Premier saying during the election, when he was Leader of the Opposition, that there would be no new taxes. The title of his Bill should be amended to the "Labor Party Tax Impost on Small Business Act". When the Premier said there would be no new taxes, I thought that was fair enough. I had also experienced L-A-W law. I remember that, and I know where it went wrong. While we are talking about this Labor Party tax impost on small business, I must point out, just in case members have forgotten, that last Saturday the Labor Party had the worst election result in 70 years. However, sure enough, after a few months in government, out came the Western Australian Treasurer with his premium property tax. I had to ask myself whether that was a new tax. I figured it was.

Mr Birney: It is an impost.

Mr McNEE: It is a tax impost, of course. Every tax is an impost. Who likes paying tax?

Mr Whitely: I don't mind paying my tax.

Mr McNEE: That is good. I am pleased about that.

Mr Marshall: Who likes paying tax?

Mr McNEE: That bloke at the back does.

Mr Marshall: The member for dreamland?

Mr McNEE: Yes. The Government endeavoured to introduce this tax. However, a federal election was in the wings, and, of course, the federal Labor Party did not want a state Labor Party to impose a tax on small business. Therefore, I am sure that Kim rang Geoff and said, "Listen, get rid of that. We have discussed that before." I have looked around my electorate to see who will pay this payroll tax. Shearing contractors, machinery dealers and others will pay it. Guess who will pay at the end? It is me - the fellow who needs those services. I will pay it. Those people will simply add that on to their costs and pass it on to me.

One would think that any Government that was trying to create employment would be reluctant to increase payroll tax, because it is a tax on people providing jobs. I talked the other day with a fellow who has a number of machinery dealerships - it is a pretty big concern - and he said that he has simply put a blanket on employing anybody else; he will not do it.

Mr Dean: Probably because he is not selling any headers.

Mr McNEE: Would somebody tell the member that they are selling like hot cakes? People cannot buy a second-hand one, let alone a new one. Therefore, the member does not need to worry. As usual, the agricultural industry is feeding the Government's avaricious appetite for taxing it. I fully support the member for Kalgoorlie. Of course this Bill should be called the "Labor Party Impost on Small Business Act". It is ridiculous and badly thought out, and if the Government were taking this State in any direction, it certainly would not do things like this.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr JOHNSON: I will say a few words on the amendment put forward by my colleague, the member for Kalgoorlie. Quite frankly, this amendment proposing a new title for the Bill is appropriate, because it certainly is a Labor Party tax impost on small business; there is no question about that. The trouble with this House is that very few members on the opposite side have ever run a business. One or two of them have, but the majority have not. The majority of members opposite are just union members who have come through the union ranks. Therefore, they have not run a small business, so they do not know what imposts small business must carry.

Mr Dean interjected.

Mr JOHNSON: I have been in small business nearly all my life, my friend. What small business has the member run? He does not have a clue. This sort of tax impost on small business causes problems. Small business is not just a one-man band or a two-man band or a partnership. A small business could have 100 employees. That is not a big business by any means; that is still a small business.

To increase taxation at the rate this Government and the Treasurer want to do would be a massive impost on business. I have always said that payroll tax is a tax on jobs. I have never known another situation in which employers have been taxed to employ people. It is a ludicrous situation. Payroll tax would have been abolished if John Hewson had won the election in 1992 or 1993.

Mr Whitely interjected.

Mr JOHNSON: Yes, it was. If John Hewson had won government and introduced the goods and services tax, payroll tax would have been abolished.

Mr Whitely interjected.

Mr JOHNSON: Of course it was not. The arrangement was that the States would receive more money from the federal Government by way of the goods and services tax, which would have been imposed at that time. I was all in favour of that because -

Mr Kucera: I bet you started out as a barrow boy.

Mr JOHNSON: No, I started work as an office boy. I worked my way up. I started with nothing. I did not have two halfpennies to rub together. I worked jolly hard -

Mr Kucera: The member has a very good nose for business.

Mr JOHNSON: There is no need for that type of cheap, silly remark. I would not have expected that from the Minister for Health. I would never say whether members opposite had big ears or fat bellies because that would be derogatory. That type of remark is unbecoming of a member on the government benches. That was not an appropriate remark and the minister might want to apologise.

Several members interjected.

The DEPUTY SPEAKER: Order! One member should speak at a time - in this instance, the member for Hillarys.

Mr JOHNSON: I will refer to the amendment that relates to the title of the Bill.

Mr Ripper: If I were the member, I would take issue with the Leader of the Opposition's habit of interjecting when the member speaks. That is not very respectful.

Mr JOHNSON: I am more than happy for the Leader of the Opposition to interject because his interjections are usually extremely good. However, I cannot say the same about members of the Labor Party. I feel sorry for the Treasury officials here tonight who have to suffer this debacle that the Government -

Dr Gallop: That is your responsibility.

Mr JOHNSON: No, it is not. The Government is running the House, not us, and it is running it abysmally. It is because of the Government's decision that we are here. I am sure that the Treasury officials would rather be at home with their families but the Premier and the Leader of the House are keeping them here.

Several members interjected.

The DEPUTY SPEAKER: Order! I have asked for recognition to be given to the member who has the call. I ask for that once again, and I expect members to respect the standing orders of this Chamber.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr JOHNSON: I appreciate the protection from the Chair. As I was saying, the member for Kalgoorlie's amendment to the title is a much more appropriate title for this Bill because it reflects the true intention of the Government to put as much of an impost on small business as it possibly can. I do not know whether the Government realises the impact and harm that this increase in payroll tax will have on small businesses. Many jobs will be lost over this decision by the Government to increase the payroll tax.

Mr BIRNEY: I hope members do not mind if I say a few more words about my amendment. I am sure members will allow me that latitude.

Mr Barnett: It is getting so much support that you can hardly get a word in.

Mr BIRNEY: I have obviously hit a nerve. It appears that all members support my amendment. It is one of the first amendments that I have moved in the House, and I am pleased with the support I have received for it. Earlier, I talked about the tax impost on small business people, which my amendment reflects. I once again cast members' minds back to those dark days when Paul Keating and the federal Labor Party came to power.

Points of Order

Mr BARNETT: The Treasurer is asleep at the Table. It is difficult for us to convey points when the Treasurer is sleeping at the Table. I ask that he remain at least marginally alert.

Mr KOBELKE: Not only is this a frivolous waste of time, because it is not a point of order, but also it quite improperly reflects on the Treasurer, who is sitting there listening and reading the briefing notes. It is simply another stunt by the Leader of the Opposition, which brings discredit on himself and this Chamber.

The DEPUTY SPEAKER: There is no point of order. The Treasurer is clearly attending to his papers at the Table. Frankly, the decorum in the Chamber needs to improve.

Debate Resumed

Mr BIRNEY: From this angle the Treasurer certainly appeared to me to be asleep, but perhaps it is only the angle. I am a somewhat fragile character and if the Treasurer were asleep, I would feel somewhat insulted. However, I am very pleased that the Treasurer has come to life.

[Quorum formed.]

Mr BIRNEY: I was talking about not only the tax imposts of this State Government, but also the tax imposts that the previous federal Labor Government imposed on the small business people of Australia. We need only think about the time Paul Keating first came to power. I said earlier that one of his very first acts was to increase company tax. At that time, company tax increased to some 36 per cent for those hardworking, decent Australians who are of a mind to make a living from small business. What did the Liberal Party do when it came to power? The very first thing it did was indicate to those people in small business that it would reduce company tax to 34 per cent, to reduce the impost applied during the Paul Keating days. However, it did not stop there. We were not happy enough with that. What did we do then? The Liberal Government said that it would reduce company tax to 30 per cent. It appears that that policy has not gathered any support from the Treasurer, nor from the state Labor Party. What is it about now? It is about creating a further impost on small business people.

While I am on the subject of imposts, I will talk briefly about the rollback concept. Kim Beazley said that he would remove the goods and services tax from nappies and tampons. What he does not understand, in his blatant political grab for votes, is that he would have placed a further impost on Australians who choose to be in small business. I will tell members how. The member for Hillarys said that members opposite would not have much idea how to run a small business. The member for Ballajura is one person who might have some concept of running a small business. What happens at the end of the month? People must put in a GST return. It is very simple; there is no problem doing a GST return. People simply take one-eleventh of their turnover and that is the GST payable.

Mr McRae: One-eleventh?

Mr BIRNEY: That is right.

Mr McRae: I thought it was 10 per cent.

Mr BIRNEY: The member for Riverton just said 10 per cent. Would he take 10 per cent of his turnover?

Mr McRae: No.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr BIRNEY: That is what he just said. I rest my case. Members opposite have no idea how to run a small business. The member for Riverton has no idea and I suspect that is a good reflection of members opposite. A businessperson simply takes one-eleventh of his input from one-eleventh of his turnover, and that is his goods and services tax payment. However, under Kim Beazley, a businessperson would have first had to add up how many nappies and tampons he sold for the month before he could do his GST return. In my view, that would have been a further impost on the small business people of Australia.

Several members interjected.

Ms SUE WALKER: Did somebody interject? Does the member for Ballajura have something to say to me?

Mr D'Orazio: No.

Ms SUE WALKER: Oh good, because I will take interjections all night if I have to. Who wants to interject?

Mrs Roberts: If you haven't got a speech, that's what you have to do.

Ms SUE WALKER: I can speak a lot better than the member for Midland. I have heard what she has had to say today. She throws a lot of personal insults at members on this side of the House. She should learn to take some.

Mrs Roberts: She stands on her feet, has no speech prepared, and asks, "Does anyone want to interject so that I can find something to say?" She has no speech. She might as well sit down now.

Ms SUE WALKER: Does the member for Midland want to say anything else?

Mrs Roberts: You stood and exposed yourself. You asked your question because you have no speech to give.

The DEPUTY SPEAKER: Order, members!

Ms SUE WALKER: Thank you, Madam Deputy Speaker. I support the amendment moved by the member for Kalgoorlie that the Act referred to in the short title of the Bill be changed to the "Labor Party Tax Impost On Small Business Act 2001". All my family members are involved in small business. Three are in business in Nedlands, one in Albany and one in Narrogin. In fact, one of them is in the tourism industry. I raise the tourism industry because I attended a Tourism Council Australia (WA Branch) breakfast this morning, at which the Premier was guest speaker.

Mr Barnett: Did they pay you for it?

Ms SUE WALKER: No, he should not have been paid for it.

Mr Barnett: No, were you paid to go?

Ms SUE WALKER: No, I was an invited guest. They were pleased to see me; they were pleased to see someone who had a bit of life and energy.

Several members interjected.

The DEPUTY SPEAKER: Members, I draw your attention to the question at hand, which concerns clause 1. An amendment is before the House to delete certain words and substitute them with others.

Ms SUE WALKER: A lot of small business people were present at the breakfast this morning.

Mrs Roberts interjected.

The DEPUTY SPEAKER: Order, members!

Ms SUE WALKER: Those people would have been interested in what the Premier said. During his speech, the Premier agreed that a lot of people in that industry were hurting. I have received information on the land tax issue from small businesses in the south west. That is another tax that has been imposed. This Government now seeks through this Bill, which will amend the payroll tax system, to impose a further tax on an industry that is already suffering. That was not raised by the Premier in his speech at the Tourism Council breakfast this morning. The Premier said that he placed value on the tourism industry and that it was an excellent industry for the future. He said that the tourism industry created quality jobs and that it is a vigorous industry for Western Australia.

I received a letter from a tourism operator in the south west dated Monday, 5 November. The operator complained to members on this side of the House about the land tax imposed on commercial properties. He does not yet know about the payroll tax increase that the Government is about to hit those businesses with. The Premier talked about the value of jobs in the industry. The tourism operator said in his letter that businesses

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

must now pay between 50 per cent and 594 per cent more on land tax because of the increase imposed by the Government. The letter said that the likely job losses and business closures flowing from the combination of falling incomes and massive increases in land tax expenses would have a severe impact on the local economy. Some of the consequences of the staggering increases in land tax include businesses being forced to increase their prices to cover the additional land tax cost. I raise this because businesses will also have to raise their costs because of the payroll tax. This morning, Mr Laurie O'Meara, the President of the Tourism Council Australia (WA Branch), said that many people in small businesses do not realise how connected they are to the tourism industry, and he mentioned hotels. If the Premier recalls, Mr O'Meara gave the example of a person who delivers ice to hotels. If that service is subcontracted, the hotel must pay a small business operator. If there is a collection of subcontractors, they will be hit hard with the payroll tax. A person who wrote from the south said that, in the current economic climate, covering these additional tax costs will be very difficult for proprietors. In view of the fact that most accommodation proprietors have already released their 2001-02 room tariffs into the marketplace, the only option is for business to try to cut costs by sacking staff. That option is not desirable.

I have only a few seconds left, but I come back to this: the massive increases in land tax assessments have occurred as a result of recent valuations by the Valuer General.

Mr EDWARDS: I am very interested to hear what the member for Nedlands has to say.

Several members interjected.

Point of Order

Mr BARNETT: The member for Riverton interjected when out of his seat. I suggest you take appropriate action, Madam Deputy Speaker.

The DEPUTY SPEAKER: The member for Riverton knows that it is unparliamentary to be making comments from a place other than his seat.

Debate Resumed

Ms SUE WALKER: Thank you, Madam Deputy Speaker.

Several members interjected.

Ms SUE WALKER: A person who wrote to me said that the increased valuations applied by the Valuer General's office would be based on a small number of speculative real estate sales in the region over the past 12 months, and on significantly over-inflated valuations.

Several members interjected.

The DEPUTY SPEAKER: Members!

Points of Order

Mr KOBELKE: I would not normally rise to defend a member on the other side of the Chamber, but the Leader of the House is showing total disrespect for the member for Nedlands.

Mr Barnett: You're the Leader of the House! Hear, hear!

Several members interjected.

The DEPUTY SPEAKER: Order, members! I suggest that if people wish to keep interjecting in that fashion they go outside and get a cup of tea.

Mr KOBELKE: The Leader of the Opposition is interjecting on a member of his party, which is making it impossible for us to hear her. He may have total disrespect for his own members, and that may be why he has such difficulty as leader, but I hope that he will desist from such loud and continuous interjections, so at least we can hear his member when she is on her feet.

Mr BIRNEY: I did not hear exactly what the Leader of the Opposition said, but I think it was something to do with the member for Riverton's union background and that he was a bully and attempting to bully the member for Nedlands. I further note that the member for Riverton, certainly on occasions, is tempted to employ bullying tactics, particularly when female members of the Opposition are on their feet.

Several members interjected.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The DEPUTY SPEAKER: Order, members!

Mr KOBELKE: Point of order -

Mr Barnett: Sit down! The member for Kalgoorlie's got the call.

Several members interjected.

The DEPUTY SPEAKER: I am leaving the Chair until the ringing of the bells.

Sitting suspended from 7.59 to 8.01 pm

The DEPUTY SPEAKER: Members, I will say this: I consider all interjections to be disorderly. I am prepared to listen to points of order if they are given in the appropriate manner. What just happened in the Chamber I consider to be disorderly and totally out of hand. I ask members to respect this place and to behave in a more appropriate manner. The member for Nedlands had the call.

Ms SUE WALKER: Madam Deputy Speaker, I rose to support the member for Kalgoorlie who moved that all words after the word "the" be deleted and substituted with "Labor Party Tax Impost on Small Business Act 2001". I referred to some information I had to hand from small businesses in the tourism industry that are hurting as a result of land tax valuation increases by the Valuer General of between 50 per cent and 594 per cent. That industry will reel even more with the increase to payroll tax in this Bill. The Premier was particularly hypocritical this morning when he stood before members of the tourism industry and told them that he placed value on the industry, that he knew they were hurting and that they created quality jobs. He said that the Government had to break the psychological nexus between Western Australia and the other States to get business over to WA. I believe we must break the psychological nexus between the Labor Party and the tall poppy syndrome, because that is what this Bill is about. It is yet again about trying to break down people who have worked hard trying to earn a living, have built up their assets and have supplied jobs for other people in the economy of Western Australia.

I am sure the Premier would be interested in small businesses in the tourism industry down south because the Minister for Tourism never appears to be able to speak on the topic. The Labor Party said that while it was in opposition it campaigned strongly against the loss of popular coastal family holiday accommodation and championed the cause of those less able to afford expensive holidays. It said that the time has now come to act. We, as the Opposition, have been asked for support in helping to ease the land tax burden on businesses in the Busselton, Dunsborough and Margaret River regions. They have to cope with that tax, and they will now also have to cope with the tax that will be imposed as a result of this Bill. I raise this matter because I have an intimate knowledge of the workings of small business; all my family is involved in small business.

This morning, the Premier waxed lyrical to all the key players in the caravan industry, the backpacker industry and other areas of the tourism industry about the continuing problems for the operators in that industry and about how he would help them by bringing business to this State. The Premier also said today that he has been invited to visit the Brisbane City Council. I do not know how many people in the industry he will talk to there - whether it will be 20 or 30 - but he plans to go there to tell them to come over here. The tourism industry asked the Premier what he planned to do about the Labor Party promise to create tourism precincts in Northbridge and other areas around Perth. The Premier said he had not done a great deal of work on that yet. The Government has not done a great deal of work on that, but it has done a great deal of work to fleece people in small business yet again through land tax and payroll tax. The Government is now proposing to also tax people who put their home in a trust. People put their home in a trust for all sorts of reasons, particularly if they are professional people who have a liability to their clients. However, those people will now have to pay land tax on that property.

I support the amendment moved by the member for Kalgoorlie.

Mr EDWARDS: I also support the amendment that the title of the Bill be the "Labor Party Tax Impost on Small Business Act 2001". Madam Deputy Speaker, you may draw me back to the relevance of what we are discussing, but, as a new member in this place, I wish to comment on today's events. If any Western Australian electors had been sitting in the gallery this afternoon, they would have found what went on in this place deplorable. I believe every member of this place should be ashamed. I suspect many of us will walk out of here hanging our heads in shame. I find it very hard to express what I am trying to say. What has happened in this place today is shameful, and I feel very disgusted about it; and when I go back to my electorate and tell people

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

what has happened, I am sure that disgust will also be shown there. I feel ashamed and rather dirty about having taken part in this debate today. It was an unnecessary course of events that should not have happened; and I say that from the bottom of my heart.

Mr Barnett: Absolutely true!

Dr Gallop: Rubbish!

Mr EDWARDS: I find that difficult to take from the Premier, because there was a time when I had some respect for the Premier -

Dr Gallop: I was not talking to you.

Mr EDWARDS: I certainly do not want to get into a slanging match -

Dr Gallop: I was not talking to you.

Mr EDWARDS: I will accept that.

I have been in small business in this country for most of my life. I have always found that Australia, and Western Australia in particular, has been an extremely good place in which to run a small business. I came here with very little, but by working hard I managed to purchase a commercial cleaning business. One of the things that I was not aware of as a young man is something called payroll tax. I entered my business as a one-man band. I spent 13 and a half years in that business. In that 13 and a half years I built it up to a business that employed 50 people. I had to find a payroll between \$5 000 and \$7 000 a week, and that was a reasonable amount of money in the 1970s. I then had to find payroll tax on top of that. Having had that experience, I feel for people who have to pay payroll tax. I have always thought of it as a completely iniquitous tax; it has never mattered which Government was in office. If we are to encourage people to keep this State the great State that it is, we should not put an impost on people through payroll tax. There must be a better way of doing things. We are supposed to be the leaders of this State. We must find a better way of getting revenue. We should not tax employers for employing people. How daft and silly is that? Australia may be the only nation that does it. I am not sure; I am no expert. My business managed to survive, and the cost of the payroll tax was passed to my customers. How many members of the House have had to find between \$5 000 and \$7 000 a week for wages, plus payroll tax? I am not having a cheap shot at the Premier, but I do not think he has ever had to. Not too many members of the Government have had to do that. I say that with respect. Whatever course one takes in life, so be it. Payroll tax is an impost. The Government is hitting small business by increasing payroll tax by half a per cent. Land tax will also be increased. It places an impost on people who want to start a small business. They need to have the benefit of being able to borrow or take out a mortgage. I support the amendment.

Mr MARSHALL: In speaking to the amendment I must say that payroll tax will kill employment opportunities in my electorate. I represent Dawesville, which is a small part of the Peel region. It has one of the highest unemployment rates in the State. It is running at 8.3 per cent, as compared with the state average of 5.9 per cent. The youth unemployment rate is 39 per cent, the highest in Australia. If subcontractors are taxed at a high rate, how will young people ever get the chance of training for a trade? Construction in the Peel region makes a valuable contribution to the region's economic activities. The total value of construction approvals in 1999-2000 in the Dawesville-Mandurah area was \$217 million, which represents five per cent of the State's total. It represented a 46 per cent increase on the 1998-99 figure of \$148.7 million. This year things are getting better. The canal development at Port Mandurah is going crazy. The North Port and East Port developments around the Dawesville Channel are going crazy. Florida is a new subdivision that contains the newly built Ocean Road Primary School. Seascapes is going crazy as people want to live by the ocean. Subdivisions in Falcon are also selling out. Houses are popping up everywhere. New houses are being built throughout the Mandurah-Dawesville electorate. It takes my breath away at times. I visited North Port recently - it has an infestation of rabbits at the moment - while showing some visitors the magnificent growth in the area, and during that visit I saw about 200 new houses. I am fortunate to live in an environment in which things like that are happening. Payroll tax will certainly slip into the building industry and kill it. Building approvals have dominated the economy of Mandurah. The 1996 census confirmed that 2 162 people were employed in the building industry. Of course, as I said, that figure would have doubled. I repeat: the tradesmen and subcontractors in my electorate will be ripped off if this Bill is passed. The Government must think about the contractors and subcontractors, because they are the people who leave school at 15 years of age and go into a trade. They are not academic and they find it hard to understand how to do bookkeeping. We are often reminded about the impact of the goods

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

and services tax on small business people. The subcontractors have borne the brunt of that pain. This Government is also slipping them this unnecessary Bill, which will have a negative effect on production in my electorate.

The subcontractors I talk to are running scared. They describe this Government as the “Robin Hood Government of Western Australia”. It is robbing the rich to pay the poor. Brickies, plumbers and electricians are on good wages and they are seen to be rich. Those people usually vote Labor, but this Government intends to rip them off. I am on their side, and I agree that they will be ripped off.

The so-called rich people are the employers of Western Australia. They should not be seen as fair game. Champions endeavour to bring the rest of the side up to their level. As average performers, members opposite should not try to drag the rest of the State down to their level. That is intolerable. Many members opposite are involved in unions. They should know that the workers they represent get their jobs from employers. This tax is highway robbery. I had a game of darts with a couple of tradesmen at the tavern next door to my office last Friday night. They ran down this Government; they are not happy with it and they want it out, and this payroll tax is the reason. I ask members opposite to have some compassion for the workers of Western Australia. They are subcontractors, but that does not mean they have a lot of money. They are doing a good job. Those in the building industry in my electorate are champions, and this Government is killing them.

Mr BARNETT: This is an impost on small business. The member for Kalgoorlie’s suggested title for the Bill is appropriate. We could have come up with more adventurous titles, such as the “great lie Bill”. We can all remember the Premier’s statement in the leaders’ debate - there will be no increases in taxes and charges under a Labor Government. It would not have been a very good parliamentary move to call this Bill the “Labor great lie Bill”, but that is what it is about. This is a disgraceful piece of legislation - although not in the way it is drafted - that imposes an enormous impost on small business in this State. Many small business people would have voted for the Labor Party because they believed it would reform the business taxation system.

Members should look at this Bill. Are there no increases in taxes and charges? We will go through the provisions very carefully, but we must first deal with the title. No matter how long that takes, we will resolve it. The title is important because it conveys to the public the intent of the Bill. What is this Bill about? It is about removing a land tax exemption that applies to homes owned and occupied by small business people. How mean spirited is it to impose land tax on the family home of a small business person? Typically, small business people start their businesses using their family home as collateral. This Treasurer revealed his attitude in the second reading speech when he referred to tax evasion and avoidance. Not once in that speech did he give credit to small business people who risk their only significant asset to start a business. No acknowledgment is made of that. The Treasurer comes in with punitive tax evasion, tax avoidance-type legislation, and the throwaway line that for \$20 people can get out of it. What an insult to the literally tens of thousands of small business people in this State. It will increase the rates of land tax. Depending on the nature of the small business, people will often acquire property in the course of their business, and why not? In effect, that becomes part of their retirement or superannuation. That is a sound strategy. In that way they can involve that capital in their business. They can use that capital in their trading and gradually increase their equity in that capital in the form of the business premises. When they retire they can sell off the business and they will have something to take with them. That is a valid strategy. This Bill increases land tax rates from two per cent to 2.3 per cent. That does not sound like much, but it is a 15 per cent increase in the rate of land tax. If the business is better established and the owners have more property, the rate goes from two per cent to 2.5 per cent, which is a 25 per cent increase in land tax. That is on top of the fact that their family home has been affected. What do they find if they are a reasonably large to medium-size business and they pay payroll tax? If they provide fringe benefits, they will be grossed up for payroll tax purposes. Instead of being the after-tax measure, it will be the before-tax measure. The Government might say that is fine, and it wants to cash out all fringe benefits. Members opposite like to call me an economic rationalist, and I understand the economic rationalism of that. However, they should bear in mind, particularly in regional areas of this State - in the north and in the goldfields - that the major employers - the major mining companies - provide all sorts of benefits to employees to attract and retain quality staff in those areas. The Government should think of the poor small business person in that community who has to employ people and retain them in that place. Inevitably, to the best of his ability he must somehow match the general range of salaries plus fringe benefits - perks of the job, if you like - that might be in that regional area. He does not have the deep pockets of the BHPs or Rio Tintos of this world; yet he is out in regional areas trying to maintain his work force. Those people will be hurt by this legislation. The BHPs and Rio Tintos will be able to pay it; it is those small businesses trying to match employment conditions that will find it difficult.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr JOHNSON: I would like to hear the continuation of remarks by the Leader of the Opposition. I find them very interesting and salient to this amendment.

Mr BARNETT: I thank the member for the opportunity to continue, because this is the essence of this legislation.

If they get into that top rate of payroll tax they will have the impact of the grossing up of any fringe benefits, which they do not provide as some form of tax evasion but as a way to match the larger employers in their community and to provide an inducement and encouragement to people to live there. There have been changes in tax rules relating to housing, vehicles, help with school fees, medical assistance and a range of things that small business operators might feel they have to provide to retain employees, particularly in remote parts of this State. They will be the ones who will be hurt by this. The large employers do not like it, but at the end of the day they will write out the cheque and it will not change their operations all that much. However, the small businesses in areas like Karratha, Port Hedland and the Kimberley region will be affected. We have not heard from the member for Kimberley, the Speaker, the member for Burrup, the member for Eyre or from anyone from the Country Labor Alliance. We have not heard them make any points at all about the impact of this legislation on small businesses in regional areas. We have not heard a whisper from any of them.

Let us look at small business from another perspective. It is heavily concentrated in the service industry - retail, personal services and all sorts of things. The service industry is labour intensive. If there were two businesses with otherwise identical turnover, the business in the service industry would be far more likely to employ relatively more labour than another business that might be in manufacturing, finance, mining, fishing or whatever. This will impact disproportionately on small business and on those in the service industries. Members on the other side of the House might think, "What the hell." The service industry - whether retailing, household services, the hospitality sector or the entertainment sector - is not only labour intensive, but also it often employs people in their first job and gives them experience in the work force. Many people, whatever their final career, enter the work force through the service industry. These labour-intensive small business service industries will be hit by these provisions. This legislation is entirely inappropriate. As we are discussing the title of the Bill, it should be related to the impost factors.

I have not yet heard a speech from the majority party in this House. I have not heard a single member stand and give the Treasurer any support for this legislation. I have not heard any member opposite stand up for a small business in his constituency - not a single member. This is just like the times when we have debated other issues; no-one opposite stood up for the timber workers when there were changes in the forest industry and no-one stood up for the mining and energy industry workers of Collie when the minister made his comments about so-called structural changes to Western Power. The crunch in Parliament will be when members of the so-called Country Labor Alliance vote, and the Hansard reporter records their vote for history. That is when those who really stand up for their electorate and their constituents will be sorted out.

Mr Acting Speaker (Mr Andrews), there are rules in this House about decorum and the conduct of members. I will not draw them to your attention, but I hope that you, as Presiding Officer for the moment, will be conscious of the conduct of members in this House.

Small business will be affected by this legislation. Small business in country areas and in the service industry will be affected. That is why I am dismayed that not a single member opposite has stood up in support of his small business constituency. All government members will vote to impose this impost on regional business, small business and service industry businesses. Those people will be most affected and no members opposite, no matter what they said to their constituents at the time of the election, have had either the courage or the integrity to speak on this Bill.

Adjournment of Debate

Mr JOHNSON: I move -

That the debate be adjourned.

Question put and a division taken with the following result -

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ayes (15)

Mr Barnett	Mr Edwards	Mr Marshall	Ms Sue Walker
Mr Birney	Mrs Hodson-Thomas	Mr Masters	Dr Woollard
Mr Board	Mr Johnson	Mr Pendal	Mr Bradshaw (<i>Teller</i>)
Mr Day	Mr McNee	Mr Sweetman	

Noes (25)

Mr Brown	Mr Hyde	Ms McHale	Mr Ripper
Mr Carpenter	Mr Kobelke	Mr McRae	Mrs Roberts
Mr Dean	Mr Kucera	Mrs Martin	Mr Whitely
Mr D'Orazio	Mr Logan	Mr Murray	Ms Quirk (<i>Teller</i>)
Dr Edwards	Ms MacTiernan	Mr O'Gorman	
Dr Gallop	Mr McGinty	Mr Quigley	
Ms Guise	Mr McGowan	Ms Radisich	

Pairs

Mr House	Mr Hill
Mr Trenorden	Mr Marlborough

Question thus negatived.

Debate Resumed

Mr PENDAL: I posed a series of questions about an hour and a quarter ago. I hope those questions were not asked in vain. I take the opportunity to repeat the bulk of my remarks. We are dealing with an alteration to the title which would give greater expression to the view that we are dealing with an impost. In a sense, that goes without saying, because any taxation is an impost.

I reiterate the concern I expressed an hour and a quarter ago. It seems to be universally acknowledged that payroll tax is a burden we should not impose on people. Over the years, I have heard Governments of both persuasions tell the Parliament and the public that payroll tax will be moderated, altered, reduced, or even ultimately abolished. My concern is that the part of the budget papers upon which the reasoning for this Bill is based - "Fiscal Strategy and Financial Projections" - does not reflect an impost that will be reduced, but rather, an impost that will grow over the next three or four years. I remind the Treasurer in particular of that because I would like to hear why we are dealing with a tax measure that will increase the tax take to the State up to 2004-05. These are forward estimates and, therefore, imposts that I have not made up. They exist in the budget documents under the heading "Taxation Revenue". For 1999-2000, before the goods and services tax adjusted figures, the percentage of state payroll tax revenue was 22 per cent. In the Government's forward projections, that 22 per cent will rise to almost 35 per cent. For example, in 2001-02 we imposed total taxes of \$2.775 billion, of which payroll tax is said to comprise \$910 million. That is a 32.7 per cent increase on last year's 28 per cent.

It is a bit like the Demtel advertisements: there is more - the impost gets greater.

The ACTING SPEAKER (Mr Andrews): The member for South Perth may like to relate the impost to the amendment.

Mr PENDAL: I will, Mr Acting Speaker. One of the last words I said was "impost". The impost gets greater, not smaller. Having established that benchmark, the 2001-02 estimated actual payroll tax comprised 28.7 per cent of total state taxation. The estimated impost for the budget this financial year will rise to 32 per cent. The forward estimates tell us that in 2002-03, the impost will rise to 34.3 per cent. They also tell us that in 2003-04, the impost will rise again and the payroll tax will be 34.5 per cent of the total state tax take. The final forward estimate will be another impost. According to the budget papers, we will raise \$3.392 billion in 2004-05 from state taxation sources, of which payroll tax will comprise \$1.183 billion. It will have risen to 34.8 per cent from 22 per cent in the budget figures for the 1999-2000 year.

My question is the same as before. How are we dealing with a taxation measure that will become a greater impost in every one of the forward estimate years up to 2004-05?

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The ACTING SPEAKER: I tried to draw the attention of the member for South Perth to the amendment. A fair amount of latitude was given. I think I should have probably drawn it back a bit more.

Mr JOHNSON: Where are the Treasurer's advisers?

Mr Ripper: I will bring them back into the House when I consider it possible for them to be treated with courtesy.

Mr D'Orazio: That's a good question!

Mr JOHNSON: It was a good question, but not a good answer. I refer to the word "impost", which is reflected in the amendment. I do not blame the Treasurer for this situation because he has more sense. I blame the Leader of the House for imposing on Treasury staff and Assembly and Hansard staff the need to work these hours.

Point of Order

Mr CARPENTER: Mr Acting Speaker, you have given great latitude to previous speakers, who did not once address the amendment. The member for Hillarys is not addressing the amendment; he is addressing questions about why Treasury staff are not here. I ask you to require the member to address the amendment.

The ACTING SPEAKER (Mr Andrews): The member for Hillarys asked a question, and I believe it was answered, so I suggest that we continue.

Debate Resumed

Mr Carpenter: I will call the member for Hillarys to order every time he wanders off the point.

Mr JOHNSON: The member for Willagee can do so as much as he likes. I am in no hurry tonight, I promise.

The ACTING SPEAKER: Members, the member for Hillarys has the floor.

Mr JOHNSON: I hope the member for Willagee does get involved. The Opposition would love some contributions from members on that side of the House.

Points of Order

Mr CARPENTER: I raised a point of order on the lack of relevance to the amendment, and the member for Hillarys has continued with a complete lack of relevance. I ask that he confine his comments to the amendment.

Mr JOHNSON: The point of order the member for Willagee has raised is an absolute nonsense. He made an interjection to me, to which I responded. If a point of order is to be made, I should be making it about the conduct of the member, who wanted to get up and speak, and so I encouraged him to do so in this debate. I would love to hear what he has to say. The Acting Speaker must rule on the point of order, and suggest only that there was no point of order in what the member for Willagee said.

Mr BIRNEY: When the member for Willagee took his second point of order, the member for Hillarys had said about five words. It might have been six words. The member for Willagee puts the Acting Speaker in a very difficult circumstance, because he now must rule on a point of order, when he really was not sure what the member for Hillarys was about to say. There is no point of order here, given that we do not know what the member for Hillarys was about to say.

Mr BOARD: The member for Willagee raised a point of order, and the Opposition wishes to debate the point of order. The member for Willagee has an interesting point, that during this debate this evening some members, including the Treasurer, have strayed very far from the amendment under consideration, and have raised issues about what happened this afternoon. The Treasurer has put those issues on notice for this evening. The Opposition of course defends what its member was saying in the debate. The member for Willagee is out of order.

The ACTING SPEAKER: The member for Murdoch has made his point. It is a very simple situation. There is no point of order on the second point of order raised by the member for Willagee. The member for Hillarys has the floor. He opened with a question, which was answered, and interjections then followed. The member for Hillarys has the floor, and will address the amendment from now on.

Debate Resumed

Mr JOHNSON: I thank the Acting Speaker for the protection of the Chair, because I do need protecting occasionally.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The ACTING SPEAKER: If the member for Hillarys spoke through the Chair, it would be a good start.

Mr JOHNSON: I would much prefer to speak to you, Mr Acting Speaker, because you are a man of integrity, who sits in that Chair very fairly and in an unbiased way. I appreciate the way you conduct your duties.

The ACTING SPEAKER: That is the end of my career! Thank you very much.

Mr JOHNSON: Not at all!

The House has been debating the amendment of the member for Kalgoorlie for a long time. It is a great shame that the House should have to spend all this time just on an amendment to the title of the Bill.

Mr Ripper: That is contrary to the philosophy the member for Hillarys used to adopt on standing committees.

Mr JOHNSON: I find it anathema to do this, because I have a lot of time for the Treasurer, and he knows that. He is a man of integrity, and he did a good job when he was manager of opposition business. I moved, in good faith, that the debate be adjourned. I did that to give the Government an opportunity to reflect -

The ACTING SPEAKER: Member for Hillarys -

Mr JOHNSON: I am talking on the amendment. I will keep referring to it. I know the rules. In talking to the amendment, I thought it would be a sign of good faith to give the Government a chance to rethink, because it is far better for amendments to Bills, such as that which is before this House regarding the impost and the title of the Bill, to go through with the cooperation of both sides of the House. That has happened for many years. If there is cooperation, it will be done. The Opposition has already offered to pass this Bill in two hours on Tuesday week. However, no, the Leader of the House is digging his heels in -

Ms MacTiernan: What is your word worth? What was it worth today?

Dr Gallop: Alannah, don't interject.

Mr JOHNSON: She cannot help herself, Premier. It is a question of false pride. We are offering support. We have offered to pass this Bill in a constructive way. This amendment to which I am speaking at the moment and the whole Bill could be passed in two hours. We have already told the Government that. The Government should show concern for the staff of Parliament House, the Treasury officials and everybody else. Money would be saved if we went home now and debated this for two hours on Tuesday week. We are talking about Treasury imposts. I believe that at the moment the cost of running Parliament House is a Treasury impost, because for every hour that Parliament House runs, it costs a lot of money, Premier. I thought the Premier was into cost cutting. However, the Leader of the House is so dogmatic that he is not prepared to be a man of substance and to say, "Okay, I got it wrong today. We will take you in good faith. We will adjourn the debate and the House, if we have the understanding that we will come back on Tuesday week and deal with it in two hours." That is another offer. I am offering the Government another olive branch.

The ACTING SPEAKER: Member for Hillarys, speak to the amendment to the title.

Mr JOHNSON: Yes, the amendment to the title; and it is a very good amendment. We are talking about the amendment to the title and about the term "tax impost". I was elaborating a little on the term "tax impost". More taxes might have to be raised for every hour we sit in Parliament tonight, because it costs a lot of money when Parliament is sitting and the lights are on. I urge the Leader of the House to show some statesmanship and leadership, to stop being so dogmatic, to take us on good faith and to make a sensible decision. He will not get a better offer.

Mr BIRNEY: I rise to add once more to this debate, which of course is about the title of the Bill. I pick up on a comment made by the member for Hillarys. He said that we are four or five hours into this debate, and the only thing we have debated so far is my amendment. In fact, we have not even got to the substance of clause 1. We should ask ourselves why that is the case. We all know that the Leader of the House has made a blue here today. I was watching when the Leader of the House moved that gag motion. He did not consult the Premier, so I do not think we can necessarily hang this on the Premier's head. The Leader of the House jumped up automatically -

The ACTING SPEAKER: Member for Kalgoorlie -

Mr BIRNEY: - and that is why we are still dealing with the title of the Bill.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The ACTING SPEAKER: Member for Kalgoorlie, do not speak over the top of me. The member should deal with the amendment.

Mr BIRNEY: Sure. I am trying to draw the House's attention to the fact that we are still dealing with the title of the Bill. It is important for the House to understand that the only thing opposition members in this place have is the right to express the views of the people in their electorates. The Government wins the vote every time. When we go to the vote on the title of the Bill, the Government will win that vote. We know and accept that. We accept that the Labor Party won government in Western Australia and that it has the right to win all those votes. However, we cannot accept that the Leader of the House gagged an important debate on the matter of public interest. All the Opposition has to offer this place are the views of the people who elected it to Parliament. If the Labor Party is intent on silencing those people who elected us to Parliament, it will strike at the very cornerstone of democracy. Four or five hours later, we are still debating the title of the Bill. The Leader of the House has made a blue. As I said, he did not consult the Premier.

The ACTING SPEAKER (Mr Andrews): For the last time I ask the member to draw his remarks to the amendment.

Mr BIRNEY: This Bill should be called the Labor Party's tax impost on small business people. I will deal more specifically with the Bill and address that amendment.

Mr McRae: The member is struggling.

Mr BIRNEY: I will get to the member for Riverton in a minute. The Bill refers to increasing the value of the fringe benefits tax and then applying payroll tax to it. This is a greedy grab for money. Currently, the value of a fringe benefit that is afforded to an employee attracts a payroll tax. However, only the after-tax portion attracts payroll tax. Therefore, we are talking about adding payroll tax to only that portion that might be considered to be taxation. That is a greedy, mean grab for money. It is an impost on small business people; hence the amendment to the title. If an employer were to offer a house as a fringe benefit to his employee, the taxable value of that house would attract payroll tax. Although it would increase from only 5.56 per cent to 6 per cent, it would be a significant impost on companies -

Mr Carpenter: Speak to your amendment.

Mr BIRNEY: Would the minister like to move a point of order?

The ACTING SPEAKER: Order!

Mr BIRNEY: I will continue. That would be an impost on small business operators. Members should talk to small business owners in Western Australia, or indeed Australia, particularly those with 100 people on the payroll, and ask them what changes they would like to make to the taxation system. Their first decision would be to abolish payroll tax, yet this Government seeks to increase the payroll tax. That is out of step with what small business people want, and it will be a significant impost on their businesses. The reason small business people want to get rid of payroll tax is that it is a tax on jobs. It strikes at the heart of what the Liberal Party stands for; that is, providing an economic environment that allows every individual to better himself and gain employment. The Labor Party is about pulling the rug out from under people.

Mr BOARD: Members must ask why the Government has singled out small business in particular and business generally in this State for another impost. It is a cheap way of gaining government revenue by singling out a small part of the Western Australia community. That community drives the generation of jobs, provides income for this State, drives the tourism industry and, in many ways, drives what Western Australia represents. Why is the small business community such an easy target? It tries to generate income; yet, the Government adds impost after impost on the very sector that drives the Western Australian economy.

I have heard government ministers and members of this Parliament praise not only the business sector, but also the small business sector in Western Australia. Certainly we did so when we were in government. We recognise that there is a higher take-up of small business in Western Australia than in any other State of Australia. In fact, this is the home and the engine room of small business. We recognise that small business employs a very large proportion of the Western Australian community. We recognise that it might involve retired people going into small business for the first time, or energetic young people coming out of the system and using the Internet to drive business opportunities. There is a range of reasons that people generate their incomes themselves. They are the people generating business in this State.

Mr Barnett interjected.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The ACTING SPEAKER (Mr Andrews): Order, members!

Mr BOARD: I speak to the amendment moved by the member for Kalgoorlie because it is appropriate to name this Bill an impost on small business, as that is exactly what we are doing today. The Labor Party is proposing another impost on the business community of Western Australia, particularly the small business community.

Mr Barnett interjected.

The ACTING SPEAKER: The Leader of the Opposition!

Mr BOARD: Do the Minister for Small Business, the Minister for Local Government and Regional Development and the Premier recognise that Western Australia has an incredible take-up rate in small business? People in this State want to generate income because of its location, history, western rim -

Mr Barnett interjected.

The ACTING SPEAKER: Members, I call the House to order! It is as simple as that.

Mr BOARD: Western Australia takes great pride in its love of and support for business in this State. People have come here for generations to generate income through small business, whether it be from the very foundations of the State, through the gold rush, or the development of the north west and south west. We have been motivated by not only people who were born in this State, but also those who have come from other countries to generate small business. Why are we putting an impost on business? Why do we continue to develop more taxes that will stifle the growth of this State? The amendment moved by the member for Kalgoorlie to rename this Bill goes to the very heart of the Labor Party's endeavours.

Points of Order

Mr BARNETT: The member for Rockingham is interjecting while not in his place.

Mr BIRNEY: On the point or order -

Mr Barnett: Come on; let us run this Parliament, shall we?

The ACTING SPEAKER: The member for Kalgoorlie is behind the Leader of the Opposition waiting to speak to the point of order, and I was about to give him the call.

Mr BIRNEY: The member for Rockingham was indeed speaking while out of his seat. However, he is not the only member from that side of the House to have done it tonight. The member for Riverton has done it, and only five minutes ago the Minister for Planning and Infrastructure made a few comments, and she certainly was not in her seat.

The ACTING SPEAKER: The member for Kalgoorlie has made his point. The member for Rockingham has returned to his place and he knows the rules of the House.

Debate Resumed

Mr BOARD: I am speaking to the amendment to rename this Bill, which was moved by the member for Kalgoorlie. We are talking about whether it is a Labor Party impost, particularly on small business. I am directing my comments to the fact that this Government is putting further imposts on the very industry that drives this State; it has done so since this State was founded, and it continues to do so. However, because small business people are an easy target and they do not have a large proportion of the vote in Western Australia, they continue to be targeted with more taxes. This will become a great impost and will be to the detriment of development and employment in this State.

Ms SUE WALKER: I stand once again to support the amendment moved by the member for Kalgoorlie that all words after the word "the" in the short title be deleted and the words "Labor Party Tax Impost on Small Business Act 2001" be inserted. I also raise once again the issue of the tourism industry and small business and how this tax will be an enormous burden and impost on them. I refer to an article in the 11-17 October edition of the *Business Review Weekly*. I realise that magazine is probably foreign to the Government. According to the article, the Australian Tourism Commission estimated that there would be a drop of about 20 per cent in forecast earnings for the year ending 31 December 2001. The article quoted Australian Tourist Commission Managing Director Ken Boundy. It said -

Boundy says the tourism market has been deeply affected by recent events.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

“Thousands of businesses are in survival mode and many will go to the wall,” he says. “It is quite sobering to talk to people whose livelihood is on the line.”

This morning I had an opportunity to talk to people whose livelihoods were on the line, as did the Premier and the tourism minister. Further down, the article stated -

Boundy, whose role is to market Australia as a tourist destination internationally, is focusing on damage control.

The Australian Tourist Commission is focusing on damage control and this Government is focusing on how to damage those industries. It continued -

On September 4, he began a national roadshow that had been planned for some time to gain feedback from the tourism industry. On September 11, the terrorist attacks occurred in the US, followed by the demise of Ansett two days later. Boundy now spends much of his time responding to small-business owners worried about surviving the tourism slump.

That is why the new words for the short title suggested by the member for Kalgoorlie - “Labor Party Tax Impost on Small Business Act 2001” - are appropriate. It was apparent when the Premier went before the Tourism Council Australia (WA Branch) this morning that one must have an understanding of small business; small businesses are about creativity, energy, imagination, zest and marketing. Frankly, I did not see any of those qualities coming from the government representatives who were present at the breakfast today and, from what I observed, I do not think the industry did either. I can understand that because, as the Premier said today, he has been in this Chamber for 15 years, so he would have no idea about the energy and talent that is required to pursue small business. The Premier was asked this morning what he would do about the public liability insurance that is crippling the industry. He said it was a difficult issue and that it was beyond the capability of the State Government to do anything. The Premier said that the industry had been hit by the events of 11 September and the HIH Insurance collapse, and that problems associated with those events were filtering down through the system. Those industries are being hit by not only the increased land taxes imposed by the Valuer General’s valuations under this Government, but also the increase to payroll tax.

What is the suggestion to try to get small business back on its feet? We heard today that the Premier is going to Brisbane at the invitation of that city’s Lord Mayor. That is interesting. He is going there to drum up business for Western Australia. However, I refer members to today’s edition of *The Australian* and to what it said about the mayor, Brisbane and the tourism industry in relation to small business. The article, titled “City tries to tie down its transit-loungers”, said -

In a counter-attack against a push by Sydney to lure Brisbane and Melbourne singles and couples in their 20s and 30s, Lord Mayor Jim Soorley talked up the Queensland capital’s attributes at a lunch in a city hotel yesterday.

This is the man who has invited the Premier to Brisbane and whom the Premier tells us wants his people to come over here. The article continued -

Mr Soorley’s pitch was the opening shot in a campaign by the Brisbane City Council, the Queensland Government and city traders to promote Brisbane as a destination in its own right, -

Mr Barnett: He’s going over there to promote Brisbane! I knew there was something wrong about it.

Ms SUE WALKER: It continued -

rather than a gateway to more obvious attractions such as the Gold Coast, the Great Barrier Reef and the outback.

The Premier told us today that he is going over there to try to get people from that State to come over here. I will send a copy of this newspaper article to the Tourism Council together with a copy of my speech.

Mr EDWARDS: I would be interested to hear further pertinent information from the member for Nedlands.

Ms SUE WALKER: The amendment is important for changing the Bill, because the taxes will impose an enormous impost on small businesses in the tourism industry.

Mr Barnett: Perhaps the Premier will tell them that in Brisbane.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ms SUE WALKER: He probably will. I suggest that the Premier ring Kevin Meade, who said that they have a big job ahead of them because promoting Brisbane as a tourist destination has always been an uphill battle.

Mr Barnett: They have got the Premier to go and stay. That is one tourist they've got. He has got his snout in the trough - top rates, hire cars, a couple of staff, business class, a bit of an expense account, a few beers down the pub.

The ACTING SPEAKER (Mr McRae): Order! This has been a difficult number of hours.

Mr Barnett: It is early days.

The ACTING SPEAKER: Order! The Leader of the Opposition is really pushing it. I draw the attention of the House to the fact that occupants of the Chair over the past three hours have asked members to make sure that their comments relate to the amendment before the House. Members might need to be reminded that the Deputy Speaker left the Chamber because of the disorderly conduct of members, and, on resumption of the Chair, declared that all interruption of debate and interjections would be considered disorderly. I affirm both those decisions of the Deputy Speaker. I ask the member for Nedlands to address her comments to the amendment.

Ms SUE WALKER: Mr Acting Speaker -

Mr Barnett: I think intimidation in this Chamber should be looked at.

The ACTING SPEAKER: The Leader of the Opposition has been called to order three times and warned at least one other time. I will not call him to order at the moment, but if he continues to interrupt and disrupt my job to ensure proper debate, I shall have no option but to call him to order again. I do not want to do it. I do not think it would be proper for the conduct of this debate, but if that is what he wishes, he might continue.

Ms SUE WALKER: Getting back to the words "Labor Party Tax Impost on Small Business Act" which would be inserted into the title if the member for Kalgoorlie's amendment is accepted, the Premier said that he was trying to encourage small business investment in a failing tourism industry. He said this morning that he was travelling to Brisbane, because he was invited by the mayor, to break the psychological nexus of people visiting the eastern States and not coming to Western Australia. He will have a bit of a hard time in Brisbane, because while he is there the mayor will be trying to get him to get us over there. I will look at *Hansard* to see what he had to say in the House today about his trip to Brisbane, because I am quite sure he said that he was travelling there to promote Western Australia and to have people come here to support the tourism industry. In fact, the Premier will not get much support from the people in Brisbane when he goes there because its mayor is asking the people there to support Brisbane.

Mr Barnett: And he's being helped by the Western Australian Premier.

Ms SUE WALKER: That is right.

Mr Board: Maybe it's about how to stay popular when you are a Premier? Maybe Beattie has an idea.

Ms SUE WALKER: Yes. I will be reading *Hansard* tomorrow. We may still be debating this Bill next week - who knows? We could be debating it tonight and next week. I am sure I will look again at the Premier's statement. As the member for Nedlands, I support the amendment sought by the member for Kalgoorlie.

Mr BARNETT: The member for Nedlands raised a pertinent point. I am glad the Premier is going to Brisbane. I would have thought speaking about Western Australia and Brisbane was neither a top line nor high priority event for a Premier. I am glad he is going. How will he sell this State to footloose industries, such as in the financial services sector?

Mr Board: "Come here and pay more tax."

Mr BARNETT: That is right - when he is imposing a tax increase. What a difficult job he faces. How will he explain to the people in Brisbane that he wanted a premium property tax? We are talking about high-flyers. The Treasurer likes to use the jargon of the finance industry, and the Premier came into this place and talked about fund managers, the investment group and all that sort of stuff. They are into the chardonnay jargon. However, what a message it would be to people in Brisbane when they find out that the Treasurer is the guy who tried to bring in the premium property tax. One thing that drove people away from this State was the premium property tax. Even the hint of it discouraged people from setting up in this State. I have heard of examples of Asian businesspeople who thought of locating in Western Australia but had a major rethink simply because of the

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

threat of the premium property tax. They wanted to bring funds into this State, invest them and maintain their security. Yet, the Premier is going to a migration-based business seminar in Brisbane to promote Queensland and Brisbane as the Western Australian Premier who sought to bring in a premium property tax directed at the heart of so-called entrepreneurial people - high-paid executives, fund managers, investment analysts and merchant bankers. They are the ones who will be sensitive to this tax because they are highly paid and accumulate assets.

Will the Premier when he gets to Brisbane talk about the hapless attempt by his Treasurer to try to introduce the ill-fated premium property tax? Will he tell people in Brisbane about how he has taken away from small business any normal relief? The rest of the community does not have to pay land tax on their owner-occupied house, yet small businesses that come to Western Australia cannot use their houses as collateral for business finance without losing an exemption on owner-occupancy. Will the Premier make that clear in his Brisbane speech? Indeed, will the Premier give us a copy of his speech when he returns? Will he tell us who attended? Will he tell us how much his attendance cost the WA taxpayer? Will the Premier tell us any of those things? Will the Premier tell us? He will not tell us a thing.

How many speeches has the Premier given out of Western Australia or overseas in the past nine months - since he has been Premier?

Mr Kobelke: Speak to the amendment.

Mr BARNETT: It is important because this is about a taxation Bill and, as the member for Kalgoorlie properly pointed out by his amendment, this is about an impost. We have heard, as the Premier came into this place and boasted at question time, that he has received an invitation to Brisbane. This is high-flying stuff, is it not? This is fantastic - an invitation to Brisbane to promote the State. We now find out that he will actually be there to promote Brisbane and Queensland. We know he will be there, but we do not know what he will say.

Mr McGowan: It is so stupid to say that.

Mr BARNETT: Mr Acting Speaker (Mr McRae), I refer you to your previous warning on interjections.

The ACTING SPEAKER: The Leader of the Opposition invited responses from the Premier and, indeed, generally from members opposite. I would prefer the Leader of the Opposition to address his remarks to me, which will avoid the issue of whether members are interjecting disorderly.

Mr BARNETT: I can cope with interjections. I do not mind a few interjections. I am trying to ascertain why the Premier is going to Brisbane, and what he will say. Will he talk about these taxation measures? Will he be honest with the business community or the other people he addresses in Brisbane? When the Premier went to the annual talkfest of the supply and contracting sector of the oil and gas industry in Aberdeen, Scotland, did he tell them about the premium property tax?

Mr McGowan: Did you ever go to Brisbane as a minister?

Mr BARNETT: I once went to a ministerial conference in Brisbane. I travelled quite widely as a minister, and I promoted Western Australia to the best of my ability. However, I do not recall that I ever spoke about Western Australia in Brisbane. I think that would be a pretty low priority. I certainly spoke about Western Australia, particularly the mining industry, in many places. It is important that the Government promote this State and investment in this State. However, I find it difficult to know how the Government can do that when it has a policy that is based on imposing a premium property tax, removing the principal place of residence exemption for small business, and increasing payroll tax.

Mr RIPPER: We have now had a three-hour demonstration of the intellectual and rhetorical skills of the Opposition, such as they are. The Opposition's argument is that the short title of the Bill is wrong and should be amended. I quote from *Hansard* -

This Bill seeks to implement the taxation rate changes previously announced in the 1997-98 budget speech. The remaining budget taxation measures are contained in the counterpart to this Bill, the Revenue Laws Amendment (Assessment) Bill. Both Bills are accompanied by an explanatory memorandum to provide members with a greater level of detail in respect of the proposed amendments.

That was said by the mover of the motion that the Revenue Laws Amendment (Taxation) Bill be read a second time. Members opposite may find the title "Revenue Laws Amendment (Assessment) Bill" a bit familiar. It is

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

almost identical to the title of one of the Bills before us; the only difference is that the title of that Bill has the words “(No. 2)”. Who was the intellectual genius who moved that motion in this House? It was the former Leader of the House and now Leader of the Opposition! He supported then the same form of title that he now opposes. Therefore, we need to ask: why is it that for more than three hours, the Opposition has been debating the short title of this Bill? The reason is that the Opposition is prepared to use any tactic and take any time to delay the passage of this Bill. Of course, parliamentary procedures allow Oppositions to do that; and the reason is so that Oppositions can make a public policy point. However, we then need to ask: is this demonstration of obstinacy, abuse of parliamentary process, juvenile behaviour, emotional reaction and schoolyard behaviour about making a public policy point? The answer is: no, it is not about making a public policy point, because the Opposition is on the public record as saying it was prepared to put this legislation through in a two or three-hour debate.

Several members interjected.

The ACTING SPEAKER (Mr McRae): Order, members! The same rules that apply to members on the opposition side apply to members on the government side. Members must not interject unless the member who has the call directs a question or invites an interjection. When members who have the call speak to me - even when their voices are raised and there is rhetoric in their presentation - it is not an invitation to interject.

Mr RIPPER: The Opposition gave an undertaking. It was not a qualified undertaking. It was not conditional on the Government being nice to the Leader of the Opposition or not saying anything nasty about the Leader of the Opposition. It was an unqualified undertaking. Once again, the Leader of the Opposition - as he did when he was Leader of the House - has failed to honour his word. He has failed to honour his undertaking. This is not about public policy; this is about pride, ego and pique. This is about the glass jaw of the Leader of the Opposition.

Points of Order

Mr BIRNEY: The Treasurer is talking about pride and other interesting notions. He is not addressing his remarks to my amendment. I would like the Treasurer to address his remarks to my amendment, as I am interested to know his views on it.

Mr RIPPER: I am developing an answer. I seek an explanation as to why the Opposition would spend three hours on such a patently absurd set of arguments. In my argument, I am explaining what I think is its motivation.

The ACTING SPEAKER: There is no point of order.

Debate Resumed

Mr RIPPER: This is about the pride, ego and sensitivity of the Leader of the Opposition. He is a sook! He cannot take the robustness of parliamentary debate.

Point of Order

Mr BIRNEY: The Treasurer calling the Leader of the Opposition a sook is hardly a reference to my amendment. I implore the Acting Speaker to bring the Deputy Premier to order.

The ACTING SPEAKER: There is no point of order.

Debate Resumed

Mr RIPPER: The Leader of the Opposition is a man with a sensitive ego and a dangerous temper. This is what this abuse of process is all about. The Opposition told the Government to adjourn the House tonight, let the matter go and it would cooperate in pushing through the Bill in two or three hours on Tuesday week. What is the value of that undertaking? The Opposition has broken the original undertaking it gave the Government. It now says, “Do not worry about that, come back on Tuesday week. We will give you another undertaking.” The Leader of the Opposition has no credibility, nor does the Opposition he purports to lead.

Mr BARNETT: The words should be deleted. Members on this side of the House have presented cogent arguments for several hours about why we consider this Bill to prescribe an impost and why we consider it to be inappropriate policy. It is ludicrous that we are still here. The member for Greenough pointed out the ludicrous

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

situation in which we find ourselves. We have had two or three divisions tonight. It is very hard to be heard in this Chamber and it is hard to get things through at present.

This set of legislation, as I pointed out before, is not in the correct structure for Bills. The Opposition agreed to deal with the Bills cognately. The agreement was not just for the assessment and taxation Bills, it was also for a cognate debate on payroll tax and land tax. It was a generous agreement by the Opposition considering that it does not agree with the way in which the Bills are structured.

I remind members that the rule of this Parliament is that when legislation is introduced and first and second read, it lies on the Table of the House for three weeks. Under our standing orders, the first opportunity to debate this legislation was today. There has been no delay. The leader of opposition business conveyed to the Leader of the House that the Opposition did not agree with the Bill and would vote against it, but that it would be passed. I spoke for about 40 minutes during the second reading debate, and two or three other members made relatively brief contributions. We were happy to proceed to the consideration in detail stage. That may have taken about two hours. Sometimes when we predict the length of a debate, matters arise about definitions or other detail and debate is extended. Given that on Thursdays the parliamentary sitting day starts at 9.00 am and finishes at 5.00 pm, and that this was the only Bill to be debated, I expected that we would finish the debate. The debate may have gone on until 5.30 pm or 6.00 pm. I expected to complete the consideration in detail stage, after which the Opposition would have accommodated the Government by dealing with the third reading.

I never intended to make a long speech on the third reading; I would have made a few comments. It is not bad for legislation that is designed to bring in about \$140 million of additional taxation to be dealt with, from start to finish, in one day, especially when the cognate debate covers land tax and payroll tax. That was a generous concession on the part of the Opposition.

There was no hard-and-fast deal, undertaking or signed agreement. I said that this Bill could be dealt with today under standing orders and that the Opposition would not frustrate its passage. We said we would do that, and that is how today started. This process went off the rails when the Government engaged in a little stunt at question time and when the Premier demeaned this Parliament by moving an inappropriate amendment to a motion. The Parliament then degenerated into this situation. The Treasurer should not carry on; he knows that the wording of that amendment was unparliamentary. It is clearly unparliamentary to use a substantive motion to launch into personal abuse of a member of Parliament, whoever that member might be.

The ACTING SPEAKER (Mr McRae): We have been over this point three times. This has been the cause of some conflict. I would like the Leader of the Opposition to address himself to the amendment; he should not return to the issue that caused so much conflict earlier today.

Points of Order

Mr DAY: I accept what the Acting Speaker has said, and I would normally agree. However, in his contribution the Treasurer made extensive reference to the timing of the passage of this legislation; in fact, he devoted most of his time to that issue. The Leader of the Opposition was simply responding to that point.

Mr BOARD: It is very difficult to debate the amendment when the Treasurer talks in direct contravention of rulings previously handed down by the Chair. Members on this side are trying to address the issues that have been raised by the Treasurer. Unless it is a two-way debate, we are frustrated in being able to respond to the Treasurer's argument.

The ACTING SPEAKER: There is no point of order.

Debate Resumed

Mr BARNETT: The Treasurer made his comments. Indeed, we are spending a long time debating this amendment. We can argue the pros and cons of the amendment, because we are arguing the pros and cons of the legislation. This is the clause that allows a free-ranging debate on the Bill. That is what we are doing, and that is what we are here to do.

In response to the Treasurer, I again make the offer: why not adjourn now? We have moved to adjourn several times. Why not come back on Tuesday week or sit next week for a day if that is the desire of the House -

Dr Gallop: We could sit tomorrow.

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr BARNETT: In all probability we will be sitting tomorrow. Why do we not do that? Why not come back and deal with this in a sensible way, when debate in the consideration in detail stage will take a couple of hours? It is \$150-odd million worth of expenditure.

Question to be Put

Mr KOBELKE: I move -

That the question be now put.

Ayes (26)

Mr Andrews	Ms Guise	Mr McGowan	Mr Ripper
Mr Brown	Mr Hyde	Ms McHale	Mrs Roberts
Mr Carpenter	Mr Kobelke	Mrs Martin	Mr Templeman
Mr Dean	Mr Kucera	Mr Murray	Mr Whitely
Mr D'Orazio	Mr Logan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Edwards	Ms MacTiernan	Mr Quigley	
Dr Gallop	Mr McGinty	Ms Radisich	

Noes (15)

Mr Barnett	Mr Edwards	Mr Marshall	Ms Sue Walker
Mr Birney	Mrs Hodson-Thomas	Mr Masters	Dr Woollard
Mr Board	Mr Johnson	Mr Pandal	Mr Bradshaw (<i>Teller</i>)
Mr Day	Mr McNee	Mr Sweetman	

Pairs

Mr Marlborough	Mr House
Mr Watson	Mr Trenorden

Question thus passed.

The ACTING SPEAKER (Mr McRae): The question is that the words to be deleted be deleted.

Amendment put and a division taken with the following result -

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ayes (15)

Mr Barnett	Mr Edwards	Mr Marshall	Ms Sue Walker
Mr Birney	Mrs Hodson-Thomas	Mr Masters	Dr Woollard
Mr Board	Mr Johnson	Mr Pandal	Mr Bradshaw (<i>Teller</i>)
Mr Day	Mr McNee	Mr Sweetman	

Noes (26)

Mr Andrews	Ms Guise	Mr McGowan	Mr Ripper
Mr Brown	Mr Hyde	Ms McHale	Mrs Roberts
Mr Carpenter	Mr Kobelke	Mrs Martin	Mr Templeman
Mr Dean	Mr Kucera	Mr Murray	Mr Whitely
Mr D'Orazio	Mr Logan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Edwards	Ms MacTiernan	Mr Quigley	
Dr Gallop	Mr McGinty	Ms Radisich	

Pairs

Mr Trenorden	Mr Bowler
Mr House	Mr Watson

Amendment thus negatived.

The ACTING SPEAKER (Mr McRae:): The question is that clause 1 stand as printed.

Mr BARNETT: I would like to speak to clause 1, which is the title of the Bill. Now we have returned to the title of the Bill, there are a number of items we would like to relate to an amendment. I notice that the title of this Bill is the Revenue Laws Amendment (Assessment) Bill (No. 2) 2001. Following the conduct of the Labor Party in this Parliament, it is very unlikely that this Bill will pass this year. It would help the drafting, and it would help Crown Law and the Department of Treasury and Finance, if this Bill were more appropriately titled Revenue Laws Amendment (Assessment) Bill (No. 1) 2002. That would more properly represent when this Bill will come into force. I indicate that my amendment to the title will be to delete all words after "Bill" and to insert "(No. 1) 2002", so that the new title of the Bill will more properly reflect the passage of this legislation through the Parliament. It would then be the Revenue Laws Amendment (Assessment) Bill (No. 1) 2002. I formally move -

That all words after the word "the" be deleted and the following words be substituted -

Acting Speaker's Ruling

The ACTING SPEAKER: Leader of the Opposition, the House has already determined that no words are to be deleted. That has already been determined by the House. His only option at the moment is to add words after "2001".

Mr BARNETT: With respect, the determination that words be deleted was specific to the amendment moved by the member for Kalgoorlie. Mr Acting Speaker, you are creating a precedent by saying there can be only one amendment to a clause of a Bill. That is clearly not parliamentary practice. What you are saying implies that only one amendment can be moved to a clause.

The ACTING SPEAKER: Standing Order No 131(3) deals with the form of question -

When an amendment is to delete words and substitute other words, the Speaker will put the question, "That the words to be deleted, be deleted", which if resolved in the negative will dispose of the amendment, but if agreed to, another question will be put, "That the words to be inserted (or "added") be "inserted" or "added".

The Leader of the Opposition's only option in moving an amendment is to insert or add words.

Mr BARNETT: Further to your ruling -

The ACTING SPEAKER: I am on my feet.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Dr Gallop: Show respect.

Mr Barnett: The Acting Speaker had sat down.

The ACTING SPEAKER: After the matter of the form of question is resolved, Standing Order No 132 states -
No amendment will be proposed -

...

- (b) to any words which the Assembly has resolved will stand part of a question except to add other words to it.

My ruling is that I will not allow another motion to delete words.

Debate Resumed

Mr BARNETT: Mr Acting Speaker, I do not canvass your ruling, but are you aware of the precedents that ruling has created for the Parliament? You are saying that if the first amendment to any clause in any Bill is to delete words and replace them with other words, and the motion to delete is defeated, there can no further amendment to that clause. That is the implication of that decision.

Mr Kobelke: You don't understand the standing orders. We have been doing this for years.

Mr BARNETT: It is the clear implication of that decision. I will not move dissent, although I am tempted. I request that you, Mr Acting Speaker, confer with the Speaker, because you have created an environment in which there can be only one attempt to amend a clause, no matter how long or complex that clause might be. That original amendment was quite specific. I ask that you confer with the Speaker, and maybe the Clerk, and consider this very carefully. From my understanding of your interpretation, we now have a situation in this Parliament in which there can be only one opportunity to delete words to make an amendment. That is an enormous change to the scope of this Parliament. It will limit a government minister making necessary amendments to his own legislation. How often are government members required to make amendments?

Mr Acting Speaker, I respect your wisdom in that ruling, but you have created an extraordinary Westminster precedent. However, I will comply with the ruling.

I will move another amendment. It will not be to delete words, although I am somewhat surprised and bemused by that decision. The title of the Bill is the Revenue Laws Amendment (Assessment) Bill (No. 2) 2001. I move -

Page 2, line 4 - To add after "2001" the figure "-02"

The new title of the Bill would thus read "Revenue Laws Amendment (Assessment) Bill (No. 2) 2001-02". That suits my purpose, which is to make the point that this legislation is unlikely to pass through this Parliament in this calendar year. Indeed, I think it almost impossible that any legislation will pass through the Parliament in this calendar year. If this legislation is sent to the upper House, it will probably remain there until the next calendar year. This amendment will make this Bill at least relevant for the purposes of drafting and the parliamentary record. However, this may be a problem as a result of your ruling, Mr Acting Speaker (Mr McRae), because it will be necessary for the Government to reintroduce the Bill into this House to make the other necessary amendments that will flow from that. Some measures will apply from January 2002 but that will not be possible unless a retrospective clause is included in the Bill. The Treasurer may like to advise whether he intends to add retrospective clauses to the Bill, which this amendment proposes should be titled, "Revenue Laws Amendment (Assessment) Bill (No. 2) 2001-02". He must confront the situation.

Mr KOBELKE: I thought time was up before the Leader of the Opposition had finished speaking. Is an amendment before the House?

The ACTING SPEAKER: Yes. The Leader of the Opposition must sign the amendment and give it to the Acting Speaker.

Mr RIPPER: I am concerned that an amendment that puts a false date on legislation may not be in order. The reason for having a date on legislation is to indicate the year in which it was carried by the Parliament. The Leader of the Opposition is seeking to put the wrong date on the legislation. I wonder whether that is in order.

Points of Order

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr BOARD: The primary debate tonight has been the title of the Bill. The year 2001 is incorporated in the title of the Bill. It is a presumption of the Government in fact that the Bill will proceed through this Parliament and the upper House in the year 2001. The Opposition seeks to make the title of the Bill more relevant. This amendment will give more relevance to when the Bill is likely to be enacted in the State than the proposed title. The Leader of the Opposition's amendment is very relevant.

Mr BARNETT: The member for Murdoch is exactly right. It would be unusual for the title to be 2001-02. However, as this Bill will not gain passage through this Parliament this calendar year in my view, it would be a very simple matter for the Government to come back into this House and delete the 2001. It will have to change "(No. 2)" to "(No. 1)" because the Bill will be No 1 of 2002 rather than No 2 of 2001. Given your ruling on deletion, Mr Acting Speaker, it would be very difficult to do that. If the Parliament were prorogued in the meantime, the Government would be able to reintroduce new legislation. It will be interesting to see how the Treasurer will cope with it, given the Acting Speaker's ruling on deletion. Nonetheless, it is in order so we can proceed.

Mr BIRNEY: The amendment is entirely in order. We have just spent, I think, the last six hours dealing with one amendment. We have reached only clause 1. This Bill contains, at a quick glance, more than 63 clauses. Given that it has taken six hours to deal with one amendment, it is entirely appropriate that we add the 2002 into the title because it appears that we will be here until 2002.

The ACTING SPEAKER: There is no point of order.

Question to be Put

Mr KOBELKE: I move -

That the question be now put.

Question put and a division taken, with the following result -

Ayes (26)

Mr Andrews	Mrs Guise	Mr McGowan	Mr Ripper
Mr Brown	Mr Hyde	Ms McHale	Mrs Roberts
Mr Carpenter	Mr Kobelke	Mrs Martin	Mr Templeman
Mr Dean	Mr Kucera	Mr Murray	Mr Whitely
Mr D'Orazio	Mr Logan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Edwards	Ms MacTiernan	Mr Quigley	
Dr Gallop	Mr McGinty	Ms Radisich	

Noes (15)

Mr Barnett	Mr Edwards	Mr Marshall	Ms Sue Walker
Mr Birney	Mrs Hodson-Thomas	Mr Masters	Dr Woollard
Mr Board	Mr Johnson	Mr Pandal	Mr Bradshaw (<i>Teller</i>)
Mr Day	Mr McNee	Mr Sweetman	

Pairs

Mr Bowler	Mr Trenorden
Mr Hill	Mr House

Question thus passed.

Amendment put and a division taken with the following result -

Extract from *Hansard*
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ayes (15)

Mr Barnett	Mr Edwards	Mr Marshall	Ms Sue Walker
Mr Birney	Mrs Hodson-Thomas	Mr Masters	Dr Woollard
Mr Board	Mr Johnson	Mr Pendal	Mr Bradshaw (<i>Teller</i>)
Mr Day	Mr McNee	Mr Sweetman	

Noes (26)

Mr Andrews	Ms Guise	Mr McGowan	Mr Ripper
Mr Brown	Mr Hyde	Ms McHale	Mrs Roberts
Mr Carpenter	Mr Kobelke	Mrs Martin	Mr Templeman
Mr Dean	Mr Kucera	Mr Murray	Mr Whitely
Mr D'Orazio	Mr Logan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Edwards	Ms MacTiernan	Mr Quigley	
Dr Gallop	Mr McGinty	Ms Radisich	

Pairs

Mr Ainsworth	Mr Hill
Mr House	Mr Marlborough

Amendment thus negated.

Mr Johnson: Mr Acting Speaker -

Mr Kobelke: Mr Acting Speaker -

Mr Johnson: Mr Acting Speaker, I called your attention first before the Leader of the House.

The ACTING SPEAKER (Mr McRae): Members, when I put the question, somebody can seek the call. The House is still coming to order. I will wait for that to happen, and then I will put the question. The question is that clause 1 stand as printed.

Question to be Put

Mr KOBELKE: I move -

That the question be now put.

Several members interjected.

The ACTING SPEAKER: Order, members! I have just given the call, and I will put the question as soon as I can get some order in this place. The question is that the question be put.

Question put and a division taken with the following result -

Ayes (26)

Mr Andrews	Ms Guise	Mr McGowan	Mr Ripper
Mr Brown	Mr Hyde	Ms McHale	Mrs Roberts
Mr Carpenter	Mr Kobelke	Mrs Martin	Mr Templeman
Mr Dean	Mr Kucera	Mr Murray	Mr Whitely
Mr D'Orazio	Mr Logan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Edwards	Ms MacTiernan	Mr Quigley	
Dr Gallop	Mr McGinty	Ms Radisich	

Extract from *Hansard*
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Noes (15)

Mr Barnett	Mr Edwards	Mr Marshall	Ms Sue Walker
Mr Birney	Mrs Hodson-Thomas	Mr Masters	Dr Woollard
Mr Board	Mr Johnson	Mr Pandal	Mr Bradshaw (<i>Teller</i>)
Mr Day	Mr McNee	Mr Sweetman	

Pairs

Mr Bowler	Mr Ainsworth
Mr Marlborough	Mr House

Question thus passed.

The ACTING SPEAKER: Order! The member for Kalgoorlie. The House has just resolved that the question be put. The question is that clause 1 stand as printed.

Question put and a division taken with the following result -

Ayes (26)

Mr Andrews	Mr Hyde	Ms McHale	Mr Ripper
Mr Brown	Mr Kobelke	Mr McRae	Mrs Roberts
Mr Carpenter	Mr Kucera	Mrs Martin	Mr Templeman
Mr D'Orazio	Mr Logan	Mr Murray	Mr Whitely
Dr Edwards	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Gallop	Mr McGinty	Mr Quigley	
Ms Guise	Mr McGowan	Ms Radisich	

Noes (15)

Mr Barnett	Mr Edwards	Mr Marshall	Ms Sue Walker
Mr Birney	Mrs Hodson-Thomas	Mr Masters	Dr Woollard
Mr Board	Mr Johnson	Mr Pandal	Mr Bradshaw (<i>Teller</i>)
Mr Day	Mr McNee	Mr Sweetman	

Pairs

Mr Hill	Mr Ainsworth
Mr Marlborough	Mr House

Clause thus passed.

Adjournment of Debate

Mr BIRNEY: I move -

That the debate be adjourned.

Points of Order

Mr KOBELKE: That question has been put twice already. I ask you, Mr Acting Speaker (Mr Dean), to consider the standing order that states that the same question should not be put a second time in the session. Given that it has been the clearly stated intention of the House on two divisions in this very debate that we do not adjourn, I ask you to consider that the Opposition is putting the same question, which will again be defeated. On that basis, it is a waste of the time of the House and should not be put.

Mr BARNETT: I am not sure whether the Leader of the House was speaking to a point of order or just speaking against the motion by the member for Kalgoorlie that the debate be adjourned. How can the adjournment motion be the same if it is put at different times of the day? It is a motion that has time as its essence. We moved to adjourn the debate at about 6.00 pm. We made the offer and I make it again: we are happy to adjourn and come back and deal with this Bill in a sensible way. That undertaking has stood and stands throughout this night. We

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

did move to adjourn this House.

Mr Ripper: Is it conditional on our being nice to you? Do we have to be nice to you?

Mr BARNETT: No. I do not expect the Treasurer to be nice to us. Why would he be nice to me? This is a motion about adjourning the debate and it has been moved at 10.05 pm.

The ACTING SPEAKER (Mr Dean): Will the Leader of the Opposition resume his seat while I deliberate? I know the content of the point of order. Standing Order No 108 says that the same motion cannot be moved twice within 15 minutes, so it allows that motion to be moved. The question is that the debate be adjourned.

Mr BARNETT: I would like to speak to that motion, because it is important that we do now adjourn.

The ACTING SPEAKER: The Leader of the Opposition cannot speak to the motion; it is a procedural motion. The question is that the debate be adjourned.

Question put and a division taken with the following result -

Ayes (15)

Mr Barnett	Mr Edwards	Mr Marshall	Ms Sue Walker
Mr Birney	Mrs Hodson-Thomas	Mr Masters	Dr Woollard
Mr Board	Mr Johnson	Mr Pandal	Mr Bradshaw (<i>Teller</i>)
Mr Day	Mr McNee	Mr Sweetman	

Noes (26)

Mr Andrews	Mr Hyde	Ms McHale	Mr Ripper
Mr Brown	Mr Kobelke	Mr McRae	Mrs Roberts
Mr Carpenter	Mr Kucera	Mrs Martin	Mr Templeman
Mr D'Orazio	Mr Logan	Mr Murray	Mr Whitely
Dr Edwards	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Gallop	Mr McGinty	Mr Quigley	
Ms Guise	Mr McGowan	Ms Radisich	

Pairs

Mr House	Mr Marlborough
Mr Ainsworth	Mr Hill

Question thus negated.

Debate Resumed

The ACTING SPEAKER (Mr Dean): I call the Treasurer.

Mr RIPPER: I will wait until the Chamber quietens down a bit.

Points of Order

Mr BOARD: I take a point of order, Mr Acting Speaker.

The ACTING SPEAKER: The Treasurer has the call. I fail to see that there is a point of order; nothing has been discussed.

Mr BOARD: You were about to give the call to the Treasurer.

The ACTING SPEAKER: I have given it to him three times.

Mr BOARD: The point is that the previous Acting Speaker made a resolution not to give the call to any member on his feet until all members had resumed their seats. You gave the Treasurer the call prior to members resuming their seats, which counteracts the former resolution from the Chair.

Mr BIRNEY: The comments of the member for Murdoch are entirely in order. If members are seated at the back of the Chamber during a division, once the division is resolved one way or the other it takes some time for those members to get from the very back of the Chamber to their seats. In the interest of fairness, you should put the question again, given that all members are now back in their seats.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The ACTING SPEAKER: I get the gist of the argument. I will wait until all members are back in their seats before I give the call.

Debate Resumed

Several members interjected.

The ACTING SPEAKER: Order, Leader of the Opposition!

Mr RIPPER: For occupational health and safety reasons, I have kept my advisers out of the House. Now that we are at last moving onto the substantive clauses, I seek leave to bring my advisers into the House.

[Leave granted.]

Mr BARNETT: The Treasurer has made a good point.

The ACTING SPEAKER: Is the Leader of the Opposition calling a point of order?

Mr BARNETT: I am commenting further on the Treasurer's request for his advisers to enter the House.

The ACTING SPEAKER: No motion is before the Chair. Whether strangers are allowed onto the floor of the House is a decision for the Chair. I have allowed the strangers to come onto the floor of the House and if the Treasurer names his advisers, they will no longer be strangers to me.

Point of Order

Mr BARNETT: The Treasurer quite appropriately raised the matter of occupational health and safety in the workplace. I seek a ruling from Mr Acting Speaker on behalf of the staff of this Chamber, bar staff and other attendants of Parliament House. This Chamber has sat for more than 12 hours today. I ask that you, Mr Acting Speaker, in good spirit, as a Labor politician, consider the welfare of the workers in this Parliament.

The ACTING SPEAKER (Mr Dean): There is no point of order.

Debate Resumed

Mr JOHNSON: In accordance with Standing Order No 171, I move -

That this Bill be referred to the Economics and Industry Standing Committee.

I intend to speak to that motion.

The ACTING SPEAKER: The member may speak to it. Will the member put the motion in writing?

Mr JOHNSON: The standing order makes no mention of having to put the motion in writing. It says that a member may move a motion without notice at any time.

The ACTING SPEAKER: It must be in writing and signed.

Mr JOHNSON: I shall be happy to comply with that. I have moved it verbally, and I now pass a copy of it to the attendant. I have moved the motion for many reasons. It has been said quite clearly in this House tonight that the Opposition has many concerns about these cognate Bills. We are certainly very concerned about the impact the measures will have on small business. We believe that by sending this legislation to a standing committee, the committee will have the opportunity to take public submissions, perhaps call an inquiry, and take all sorts of relevant actions.

It is of the utmost importance that the public have some input into this Bill. Premier Geoff Gallop has said many times that the Government wants to be open and accountable; that it wants to hear what people say; and that it wants to include people in everything it does in the Parliament. This is a fantastic opportunity for the Government to do that. By the Government sending the Bill to the Economics and Industry Standing Committee, the public will have the opportunity to make submissions. The standing committee can talk to business people in Western Australia about these Bills, because the Government certainly has not. Owners of small and medium-size businesses are not aware of the massive impost that these taxes will have on their revenue expenses.

I know for a fact that many business people in Western Australia are hurting for all sorts of reasons. The events of 11 September, the collapse of Ansett Australia and the uncertainty in the marketplace had an effect on business people not only in Western Australia but also throughout Australia and, I suggest, the world. The

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Australian dollar has been at an all-time low in recent months. Many business people have to import goods that they re-sell on a wholesale, distribution or retail basis. These people are affected in many ways economically. It is my view, and probably the Opposition's view, that the increase in payroll tax will add an extra impost onto small business. We are also increasing land tax on various properties. There is no question that we are disadvantaging business people.

People in businesses of all sizes constantly appear to be a soft touch for Labor Governments to hit when they want to raise some money. Indeed, this Government targeted individuals with the introduction of its premium property tax. It had to back down on that tax and show a bit of commonsense. It is a pity that it cannot show a bit of commonsense, leadership and standing on this Bill and save the public thousands of dollars. That is the cost to the taxpayers tonight because the Government is sitting in the House when the Opposition had agreed to assist the Government with the passage of this Bill in a couple of hours.

Mr Kobelke: Today. The agreement was that the Bill would be passed this afternoon. If that agreement is not worth anything, your other undertakings aren't worth anything.

Mr JOHNSON: We have given the Government an undertaking.

Mr Kobelke: Yes, you gave us an agreement that it would go through this afternoon.

Mr JOHNSON: It would have done if the Leader of the House had not carried out his dirty tricks in a personal attack on the Leader of the Opposition and if he had not allowed the use of unparliamentary language in his amendment, which was to amend the motion related to a matter of public interest moved by the Opposition. In the nine years in my time in the House I cannot remember ever seeing such a deplorable amendment to a motion.

Mr Barnett: I am staggered that it was accepted. I do not canvass the ruling but I am surprised that the wording was accepted.

Mr JOHNSON: I feel exactly the same as the Leader of the Opposition.

Point of Order

Mr KOBELKE: Mr Acting Speaker (Mr Dean), I ask you to consider whether the member is contravening Standing Order No 94.

The ACTING SPEAKER: Yes, the standing order relates to relevance and the member for Hillarys is wandering away from the question. I ask him to confine his summary to the reason that he wants the Bill referred to a standing committee.

Debate Resumed

Mr JOHNSON: I am more than happy to do that, Mr Acting Speaker, and I will obey your ruling. I was trying to develop the argument that the Bill should go to a standing committee. Obviously, the Leader of the House is a bit touchy and a bit tired tonight.

Mr Kobelke: Not at all.

Mr JOHNSON: Yes, he is. I know when he is a bit ratty and a little sensitive about comments made by opposition members. The Opposition believes that sending the Bill to a standing committee would allow a bipartisan approach to be taken to the Bill, and that the public of Western Australia would be safeguarded as they would also have input into the Bill. It is important that business people have some input into the Bill because it affects business people. This Government has said that it is for small business people, yet it is increasing the taxes they must pay by putting these imposts on them. Frankly, a lot of good could come out of sending this Bill to a standing committee. I have not said in my motion when it should go to a standing committee nor how long the standing committee should take to deliberate on the Bill. That is because, obviously, as an Opposition we want to be reasonable, as we always have been, and want the Bill to progress as quickly as possible. We want to assist the passage of the Bill through this House and, obviously, we hope it will go through the upper House at a reasonable speed. If it takes too long for the Bill to go through this House, it will be next year before it goes to the other House, and that may create problems with regard to taxation. If the Treasurer is not prepared to accept this fair proposal and the word of the Opposition that we will endeavour to get this Bill through in a couple of hours on Tuesday week -

Point of Order

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ms SUE WALKER: Mr Acting Speaker, I draw your attention to the state of the House.

The ACTING SPEAKER (Mr Dean): There is a quorum.

Debate Resumed

Mr JOHNSON: I could not see members behind their newspapers, so I was not sure whether enough members were here. It is not a problem. I am sure some members will wander out shortly and someone will have to call another quorum in about 15 minutes.

Point of Order

Mr KOBELKE: Mr Acting Speaker, I again draw your attention to Standing Order No 94.

The ACTING SPEAKER: Yes, one of relevance. I do not wish to ask the member for Hillarys to stand down, but please be relevant.

Debate Resumed

Mr JOHNSON: I will certainly be relevant.

Ms MacTiernan: That would be the first time in your life!

Mr JOHNSON: The minister is being very unkind. I say nice things about the minister most of the time.

Mr O’Gorman interjected.

Mr JOHNSON: The minister interjected. I am just responding to the interjection, because I like to be fair.

If this Bill went to a standing committee, that standing committee could take submissions from not only the general public of Western Australia but also small and medium-size businesses, and large businesses, which will be the most affected by this impost. It could also take submissions from further afield, because not all the brains are in Western Australia.

Mr Barnett: Brisbane!

Mr JOHNSON: Yes. We could ask the standing committee to ask the Premier, when he goes on his jaunt to Brisbane, to get a bit of information about what Queensland is doing.

Mr Barnett: Queensland has low rates of payroll tax, so it would be important to go to Brisbane.

Mr JOHNSON: It has much lower rates. That information would have a significant impact on the standing committee.

Mr Barnett: The committee could travel to Brisbane.

Mr JOHNSON: Yes. The committee could travel to Brisbane with him.

Mr Barnett: Do you think it could get a group discount?

Mr JOHNSON: I do not think the committee would want to travel with him, actually. It might meet him over there, but it would not want to travel there with him. The committee could travel to other parts of Australia, and perhaps even other parts of the world, so that it could find world best practice for taxing business. Some members are smiling as I am saying this, but there is a lot of substance in a standing committee of this Parliament’s finding world best practice to assist small business people on taxation, rather than clobber them over a head with a 50-pound mallet, which is what will happen with the impost on small business that is proposed in these Bills. The standing committee could do its work quickly -

Mr Barnett: Or slowly.

Mr JOHNSON: Or slowly.

Mr Barnett: Or fairly quickly or fairly slowly.

Mr JOHNSON: The committee could look at all sorts of options.

Mr Barnett: Either here or in Brisbane. I think Brisbane is important.

Mr JOHNSON: Yes. Brisbane is probably quite nice at this time of the year. I think the Queensland Parliament is sitting at the moment; I am not quite sure whether that Parliament has a recess period at the same time as this

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Parliament. The committee could discuss issues with members of Parliament in Brisbane and find out what are their views. They could have input to the committee. It is a vital point.

Mr Barnett: Alternatively, they could shanghai some poor unsuspecting small business person.

Mr JOHNSON: Exactly. The Leader of the Opposition has raised a valid point. In all honesty, we could use the committee as a warning to all business people about coming to Western Australia while it is still under a Labor Government. The Labor Government is hell-bent on taxing small business people to the hilt.

Mr Birney: What about the premium property tax?

Mr JOHNSON: They are not intent on taxing just small business people. That was another tax they said they would not introduce but they introduced it anyway. My comments must remain relevant because I do not want members of the Government to accuse me of not relating my remarks to the motion before the House.

As I said, the committee's deliberations could take a short time or a long time. A reasonable time for a standing committee to consider the important issues before the House would be about three months. Allowance must be made for the Christmas holidays. I would not want the standing committee to sit during the Christmas holidays because it would mean incorporating members of staff of Parliament House. Unlike the Government, I have grave concerns about the staff of Parliament House being able to see their families over Christmas. I am concerned that they have to work tonight. It will cost the taxpayers of this State about \$15 000 to pay for staff overtime tonight. It is taxpayers' money that is being wasted. By referring the Bill to a standing committee we will save taxpayers money tonight and the staff can go home. Referral to a standing committee will allow the Opposition to work with the Government. The Opposition is not here to pamper the Government, but it is willing to cooperate. A standing committee would result in a more bipartisan approach.

The Leader of the House is desperately looking for a standing order to stop me from talking. He is struggling, as I am ensuring that my remarks remain relevant to the motion. He will have to listen to me a bit longer.

I have been on a number of standing committees over the past nine years. My experience is that there is always a much more cooperative approach on a standing committee than is found on the floor of this House. There is much more goodwill on a standing committee. Work is done in a more bipartisan way. On no standing committee on which I have served has a member of the Opposition or the Government or an Independent used a standing order to frustrate the standing committee. I am not aware of that ever happening. A lot of commonsense would come from the standing committee. Both sides would show a lot of goodwill. That has certainly been lacking today on the part of the Government. We have seen no goodwill from it; we have seen nothing but dirty tricks and frustration. A standing committee does not behave like that. A standing committee could advertise in the newspapers of Western Australia, or even on television and radio, to explain its terms of reference and that it is looking for submissions on these very important issues.

Mr O'Gorman: The member is worried about the cost of running Parliament tonight. What about the cost of establishing a standing committee?

Mr JOHNSON: I will take that interjection as I am worried about costs tonight.

Mr O'Gorman: It will cost thousands of dollars.

Mr JOHNSON: No; I am simply saying what a standing committee can do. I am trying to convince the Government and the Premier to display leadership and to take over from the Leader of the House. The Premier should display some statesmanship. He should make a decision to adjourn the debate and resume it on Tuesday week. We are looking for leadership. It is about time he took over -

Ms MacTiernan: We want to stay here all night listening to your words of wisdom. They are mother's milk. Your debating techniques are profound.

Mr JOHNSON: I do not think I have ever been rude to a member of this House, particularly a female member, and I do not intend to do so tonight. I could say a few things, but I will not. I accept the minister's comments as honest and meaningful. Apparently there is something about my voice that attracts her.

The ACTING SPEAKER (Mr Dean): I draw the member's attention to Standing Order No 94 and relevance.

Mr JOHNSON: I appreciate that and I will be relevant. I was responding to an interjection from my colleague and friend the member for Armadale. I wanted to respond to the member for Joondalup, because he raised the cost of a standing committee compared with the cost of this sitting tonight. If we were to agree to debate the Bill

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

on Tuesday week, we could all go home and no further unnecessary costs would be incurred, either for a standing committee or for sitting here until 4.00 am or 5.00 am.

Mr Barnett: Or tomorrow.

Mr JOHNSON: We could sit tomorrow or one day next week. Every hour that this House is sitting must cost \$2 000 or \$3 000.

Mr Whitely: Are you rejoicing in wasting taxpayers' money?

Mr JOHNSON: No, I am very annoyed that members opposite have allowed the Leader of the House to waste that money. It would be much better if this Bill were referred to a standing committee. I have moved this motion because it is the only way out of the dilemma this Government has got itself into. This is entirely the Government's fault. The Opposition is happy for the Bill not to be referred to a standing committee; members on this side are happy to hold out the olive branch and come back on Tuesday week to conclude this debate in two hours. That would be much more cost-effective. That offer is being made in a spirit of goodwill. If the Government is not prepared to accept that offer, and if the Premier is not prepared to display some leadership, we must pursue other avenues.

At the end of the day, members opposite will defeat this motion because they have the numbers. I could go on speaking for a long time by repeatedly referring to the committee's time frame.

Point of Order

Mr KOBELKE: The member has just alluded to what he is doing; that is, he is contravening Standing Order No 97.

The ACTING SPEAKER: I was about to draw the member's attention to repetitious and irrelevant debate. I have not kept a record of the number of times he has referred to different topics, but I will shortly.

Debate Resumed

Mr JOHNSON: I will not canvass that ruling; I respect it. I will try not to respond to interjections, because that causes me to go off track.

Standing committees of this House achieve a great deal. In the nine years that I have been here they have done tremendous work and produced some wonderful recommendations. The standing committee could also do that. It could consider different taxation formulas. It could consider something that might be even better than the payroll tax that is before the House at the moment. That standing committee would have the authority and the power to do that. That standing committee could call in some taxation experts. That is no disrespect to our Treasury officials, for whom I have a lot of respect; and I am sorry that they and the other staff in Parliament House have to stay here for such late hours. That standing committee could call in some taxation experts from not only Western Australia, but also other States in Australia, which may have much better payroll tax or other systems of taxation than the system that is before the House at this moment. This is a cognate debate, so we are talking about land tax as well. Better land tax systems may operate in other parts of Australia. There may be better formulas that are different from those in Western Australia. As I have said before, Western Australia has not cornered the market in brains. We have a lot of good people here, but that does not mean we cannot get better ideas and formulas for taxation from other parts of Australia, even from other parts of the world. We could call for people who specialise in payroll tax or a tax on jobs, because that is the proposal we are considering. That standing committee could examine the significance of the payroll tax system to jobs in Western Australia. I know that every employer who has to pay payroll tax loathes it. They see it as an unnecessary impost and a taxation that costs jobs. They would like to employ more people. That standing committee could examine the different options and whether more people would be employed if the payroll tax were lowered rather than increased. That is a significant thought, and I would like to elaborate on that.

The Government and the Opposition are united in that; we would like to see more job opportunities and an increase in employment. That standing committee could take that into account when it considers these Bills. It could appraise these Bills constructively. That standing committee might even decide that we should abolish payroll tax. Perhaps there is a much fairer taxation system that would not deter employers from taking on employees. Let us make no mistake about this; payroll tax is a tax on jobs. I do not know of any other country

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

that puts a tax on employers to employ people. When I emigrated to this country and I first learnt about payroll tax, I could not believe it.

Ms MacTiernan: What did you think of the poll tax? Did you like that?

Mr JOHNSON: I would love to answer that interjection, but the Acting Speaker (Mr Dean) might pull me up, and the Leader of the House might be rather cross with the minister. The minister has made me lose my train of thought. I always get flustered when she interjects.

Ms MacTiernan: Your capacity for repartee is stunning.

Mr JOHNSON: Was that a compliment?

Ms MacTiernan: The member could take it as such if he totally lacks any concept of irony.

Mr JOHNSON: My colleague the member for Murdoch made a good interjection, and it is relevant to the standing committee to which I suggest we refer these Bills. He asked why the Government would tax the people who generate employment. That is absolutely right. That is a very good point. Surely this standing committee could consider that question and ask, "Why would we? Why would this Government do that? Why would the Treasurer want to tax the people even more heavily when they are trying to create employment - they are trying to give people jobs?"

Mr Birney: Would the member take an interjection?

Mr JOHNSON: I would love to take a quick interjection.

Mr Birney: I know the member is running short of time. You would be aware that the Labor Party introduced the fringe benefits tax. I find it quite interesting that the Labor Party is now seeking to increase that grossed-up fringe benefits tax and then apply payroll tax after that extra grossed-up value. It is reminiscent of the past. I think it is pertinent to remind the House that the Labor Party introduced the fringe benefits tax.

Mr JOHNSON: I am so pleased that the member for Kalgoorlie made that interjection, because it is so relevant. This is something that the standing committee could consider.

Mr McRae interjected.

Mr JOHNSON: You will get a few more, my friend.

I am absolutely over the moon that my colleague the member for Kalgoorlie made that interjection, because it made me think more of the certain things that this standing committee could spend its time on. It could spend its time examining the fringe benefits tax and the implications the payroll tax has on the employer and whether it actually does deter the employer from employing more people. The employers I talk to would love the payroll tax to be abolished because they would love to take on more staff. They believe that if they take on more staff, they can generate more work, make a little bit more profit and create more employment, but they cannot afford to. The standing committee could consider that.

Mr Birney: Would you take another interjection?

Mr JOHNSON: I would love to.

Mr Birney: I do apologise, because I know you are running short of time.

The ACTING SPEAKER (Mr Dean): I remind the member for Kalgoorlie that all interjections are unparliamentary.

Mr JOHNSON: Mr Acting Speaker, we normally allow a few, particularly if the person on his feet is happy to take them.

The ACTING SPEAKER: Not in an hour-long speech, I suggest.

Mr JOHNSON: If I do not take the interjection I will just keep talking. I think it would help the debate, if I may say so, because this is a very serious issue.

Mr McRae interjected.

Mr JOHNSON: Of course I am not; I would not dream of doing that. I take what the Acting Speaker says to me as sacrosanct. I will take notice of what the Acting Speaker says. I would never ever canvass a Speaker's ruling,

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

even if I did not agree with it. I would never canvass the Acting Speaker's ruling; he is a very good Acting Speaker.

Mr Birney: Member for Hillarys, I was wondering whether employers might be hesitant to give fringe benefits to employees given that they will now have to pay payroll tax?

Mr JOHNSON: That is another good interjection. The member for Kalgoorlie has brought another good point to this House tonight by way of interjection. A lot of good points are coming from this side of the House. I have not heard many comments from the other side of the House, except some rude interjections, and I am not referring to my good friend and colleague the member for Armadale. I am very pleased she paid me a compliment earlier. I am referring to other members on the other side who have made rather rude comments. This standing committee -

Points of Order

Mr KOBELKE: Mr Acting Speaker, I think this is the third time I have asked you to consider whether Standing Order No 94 has been transgressed, because I think it has. I ask you to consider it.

Mr JOHNSON: As the Leader of the House got up to his feet, I was already mentioning the standing committee in relation to the motion that I had moved. I accept that we have digressed once or twice by way of interjection, but not a great deal, and I assure you, Mr Acting Speaker, I have no intention of digressing any more.

Mr BIRNEY: I concur with the comments of the member for Hillarys. Mr Acting Speaker, you may not have heard his final comments, because the Leader of the House was speaking at the time. I advise the House that the final comments of the member for Hillarys involved the motion that he has moved.

The ACTING SPEAKER (Mr Dean): I suggest there is a point of order. My concentration was waning, but the last words I heard referred to the rudeness of government members. I do not see the relevance that has to a referral to a standing committee. I ask the member to be relevant. I would hate to call him to order again.

Debate Resumed

Mr JOHNSON: I take on board everything you have said, Mr Acting Speaker. I will continue my remarks, and I will be relevant to the motion I put to this House that these Bills be referred to a committee. We are talking about cognate Bills. I have spoken on only the Revenue Laws Amendment (Taxation) Bill. I think I am right in saying that as this is a cognate debate, both Bills will be referred to the standing committee. I seek your ruling.

The ACTING SPEAKER: Member, you should be careful about which Bill you refer to. You are seeking to refer the Revenue Laws Amendment (Assessment) Bill (No. 2), not the Revenue Laws Amendment (Taxation) Bill (No. 2).

Mr JOHNSON: I have moved to send only the assessment Bill to a committee. I may well at some stage tonight, or in the morning, move a motion to refer the other Bill to a standing committee. I thought I could save the Parliament some time by including both Bills in the one motion. As it is not possible, I will not do that. We are talking about this Bill - the Revenue Laws Amendment (Taxation) Bill (No. 2) 2001. If this Bill is sent to a standing committee, that committee could consider implications other than the ones I have mentioned so far. I do not think I have said enough about the implications for fringe benefits.

Mr Birney: Payroll tax will apply to the taxable part of fringe benefits.

Mr JOHNSON: That is right. The payroll tax will now apply to the taxable part of fringe benefits. I do not think employees will be happy about that. I think they will be very unhappy. The standing committee to which I have moved this Bill be sent could ask for submissions from people not only in relation to payroll tax and the implications thereof, job opportunities that will be lost, and the unemployment that an increase in this tax will cause; but also from employers. Why should it not seek such submissions? Why should this standing committee talk to only employers? It should not. It should talk also to employees, because their jobs are at stake. I think that when those employees find out that they will be paying more tax, they will not be very happy with the Treasurer or the Premier.

Mr Birney: They will lose their fringe benefits, because the employers won't provide them.

Mr JOHNSON: Exactly, the employers will not want to give employees fringe benefits. They will miss out. I do not think members opposite would like to miss out on something they have been used to receiving or they have been looking forward to. Do they not think it is important that the Standing Committee on Economics and

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Industry should talk to those people? My colleague comes from Croydon; he is a borough boy. He was an employee at a factory around the corner from me. He knows about these things.

Point of Order

Mr KOBELKE: Mr Acting Speaker (Mr Dean), I refer to Standing Order No 94.

The ACTING SPEAKER: It is an issue of relevance. The Bill has nothing to do with Croydon or London.

Debate Resumed

Mr JOHNSON: I meant no disrespect, Mr Acting Speaker; I have absolute respect for you. I am sure certain members opposite will agree that if employees are likely to be affected by this Bill, they have a right to be heard. What is the best forum for that? It is a standing committee. They cannot come to the Bar of the House and make submissions and let members of this House know what their feelings are about this Bill. However, they can attend a standing committee. Standing committees provide a wonderful opportunity for members of the public to make submissions.

I am trying to think of other reasons that it would be beneficial to refer the Bill to the standing committee. One is that members of the public would have access to not only the members of Parliament on both sides of the House but also they would have indirect access to our specialists, such as Treasury officials, who would be called before the committee to give advice.

Mr Birney: I wonder whether the standing committee would be able to examine the wider problems among the business community. There are a few problems in the business community now.

Mr JOHNSON: I thank the member for Kalgoorlie. I briefly touched on that in the first five minutes of my speech. It is worth expanding on.

Ms MacTiernan: No coaching from the sidelines.

Mr Birney: I was making a suggestion.

Mr JOHNSON: I am not sure whether the member for Kalgoorlie is on that standing committee.

Mr Birney: : No, I am not.

Mr JOHNSON: He should be; he is a businessman who knows what he is talking about. If the committee were to examine this Bill, people with the business expertise of the member for Kalgoorlie would be able to see the wider issues that business people must tolerate in carrying out their businesses. This Bill is an impost on them, and there are other imposts.

Ms MacTiernan: This is the party that gave us the goods and services tax. You have a cheek.

Mr JOHNSON: I would love to respond to my very good friend the member for Armadale. She does not realise that she has reminded me of something that I can include in my speech. I thank her from the bottom of my heart. She mentioned the GST, which is a tax that business people who have a certain amount of turnover a year must implement. The standing committee would have the power to expand its investigations and consider what other issues affect business people. If they have other issues, they will be affected more by this impost. My good friend the member for Armadale referred to the GST, but she did not mention other areas that the standing committee could examine in detail. It could also examine those businesses that, until the goods and services tax came in at 10 per cent, had to charge 22, 30 or 32 per cent. Businesses had to work under that impost of ridiculous taxation amounts. The goods and services tax encompasses more businesses, but it is only 10 per cent. The standing committee can consider all those things.

I am delighted to see you back in the Chamber, Mr Speaker.

The SPEAKER: I am delighted to be here.

Mr JOHNSON: I am always pleased to see you here.

I am just taking a drink of water. Is that acceptable to members?

Mr Kucera: Can you not talk and swallow water at the same time?

Mr JOHNSON: I am very good at many things, but I cannot do that.

Mr Kucera: You should be able to talk under water with a mouth full of marbles.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr JOHNSON: I do not know where the Minister for Health gets his market barrow boy image from.

Mr Kucera: You are giving it to me.

Ms MacTiernan: We really enjoy your Arthur Daley impersonations - or are they impersonations?

Mr JOHNSON: That is because I used to watch too much television.

The SPEAKER: The member for Hillarys!

Mr JOHNSON: I will certainly be relevant. I do get sidetracked sometimes, when the Minister for Health and my good friend the member for Armadale start interjecting. I will be relevant right now.

This Bill going to a standing committee will not only allow members of the public and business people to have some input, it will also give members of Parliament such an opportunity. At the moment none of the members opposite has had any input whatsoever, other than to try and stifle the debate from this side. Sending the Bill to a standing committee would have an enormous benefit for the members of Parliament. It would give the government back bench the opportunity to have some input into this Bill. That is very relevant.

Ms Sue Walker: It is essential.

Mr JOHNSON: It is essential. That was a good interjection from the member for Nedlands. It is essential, because members of Parliament are considering a Bill which involves \$120 million - \$120 million - \$120 million - I said the figure three times because I want members opposite to know how much money is involved. One hundred and twenty million dollars is more than members would even dream of ever handling. Tonight, they are handling that sort of money without any input whatsoever. If the Bill goes to a standing committee, as I have moved, I would encourage the member for Riverton to be on that committee.

Mr McRae: I already chair the committee.

Mr JOHNSON: In that case, I would encourage the member for Riverton even more to be on the committee, because I think that standing committee, under his chairmanship, would play an enormous role.

Mr Birney: Do you think the standing committee would end up being partisan? The Government has the numbers.

Mr JOHNSON: That would certainly be relevant to this motion to send this bill to a standing committee. I wish to elaborate on what I have said - not repeat, but elaborate - because when we are talking about \$120 million, I want members of the government back bench to understand the implications of this Bill on small business people. This can be done only if this Bill goes to a standing committee. It can happen that way only because none of the members on the government side will say to the small business people in their electorates, "Tonight we have tucked you up for \$120 million, mate. We have increased payroll tax and various other taxes." They would not dream of saying that to the small business people in their electorates. However, if this Bill went to a standing committee, they could let the small business people in their constituencies know what is going on in this place. They could let them know that the standing committee is examining this Bill, which I have suggested should be referred to that committee. I did not know that the member for Riverton is the chairman of this committee. However, that makes no difference. I am delighted that he is the chairman of this committee, because I think he would do a good job. The chairman of this standing committee would be responsible for examining this Bill in more detail.

Mr Logan: And the deputy chairman.

Mr JOHNSON: Is the member for Cockburn the deputy chair?

Mr McRae: No, the member for Darling Range is the deputy chairperson.

Mr JOHNSON: It is obviously important to have a good chairman of this standing committee. Obviously, it has a good chairman. The member for Riverton is an excellent chairman. He has been in business, so I have a bit of faith in his carriage of this Bill through that standing committee. I am not sure who are the other members of that committee, apart from the member for Darling Range.

Mr McRae: The member for Vasse.

Mr JOHNSON: I have a lot of time for the member for Vasse. He has a lot of commonsense.

Mr McRae: The member for Eyre.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr JOHNSON: Absolutely; I have a lot of time for the member for Eyre. He was a businessman for many years. He would know the implications of this Bill. As a member of that committee, he would have enormous input. If I am raising my voice, I apologise, but I feel absolutely passionate about this Bill and about this committee. It is not one on which I have sat.

Mr Birney: What about its chairman?

Mr JOHNSON: I do not feel passionate about him. I am sure he will be relieved to know that.

Mr McRae: The other member of the committee is the member for Collie.

Mr JOHNSON: Has the member for Collie ever been in business?

Mr Logan: Australia is playing Uruguay in the next round of the World Cup.

Mr JOHNSON: Good on them! I will not take any more interjections unless they are sensible ones, because I have only a little bit of time left.

Mr McRae: Get an extension.

Mr JOHNSON: I could seek an extension, but I do not think I would get it. I do not think members opposite would be charitable enough to agree to an extension of the speech I am giving tonight on the motion that this Bill be referred to the standing committee. Therefore, I must be concise in what I say because I have limited time.

A member interjected.

Mr JOHNSON: I am only a tenth into it. Maybe I will be able to develop more of my argument when I move the motion that the other Bill be referred to a standing committee. That will give me an option to speak on that Bill. We are talking about the Bill in front of us that I have suggested should be referred to the Economics and Industry Standing Committee.

Mr McRae: I did not know that you were such a straight man.

Mr JOHNSON: I promise the member that I am straight! I am an undernourished heterosexual! I will now make comments relevant to the motion I moved tonight, because it is a very important motion.

Mr Barnett: It is possibly the most important motion that has been moved tonight. It stands above the other motions that have been moved tonight.

Mr JOHNSON: I would not like to say that myself; however, it is a significant motion.

Mr Barnett: It is important.

Mr JOHNSON: It is an extremely significant motion.

Mr Barnett: It is a really, really significant motion!

Mr JOHNSON: I will not take any more interjections because I do not want to get into trouble. I want this Bill to go before the committee. When will it go before the committee? If the House agreed tonight that this Bill should go to a committee, I assume we would all go home because there would be no point staying here. I am getting some very good vibes from the Leader of the House. I think that I am winning the argument. He is coming around to my way of thinking and he looks more reasonable.

Mr Barnett: The Bill would be sent to a standing committee.

Mr JOHNSON: Yes, it would. That committee is very important. Honestly, I do not know what that standing committee is currently considering, and we will not know until it reports to the House. However, I cannot think of anything more important for it to consider than this Bill. I know that the Opposition will agree with this motion. By way of interjection, I invite some indication from the Leader of the House about whether he is inclined to allow this Bill go to the standing committee.

Mr Kobelke: No.

Mr JOHNSON: I thought I had won over Leader of the House. I know that I have won over the member for Armadale, I am sure that she is coming around to my way of thinking. One or two other members are keen to refer this Bill to a standing committee. I was under the impression that even the chairman of the committee seemed happy with this motion.

Mr Barnett: He was excited about it.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr JOHNSON: He might not have been excited, but I got the impression that he accepted that it was a good idea. The Leader of the House has made it clear that he is against referring the Bill to the standing committee, which is sad. Tonight he has led me to believe that he would be receptive to this significant motion. I thought that his attitude had become more reasonable and that he would accept this motion. Now I am absolutely devastated that he is not prepared to allow this Bill to be referred to that committee.

The Speaker has been in this House for many years. Indeed, he has been here for longer than I have. I respect the Speaker. I feel very privileged to sit in my chair because that is where the Speaker, who is a good friend of mine, used to sit. I have a lot of respect for him and I hope that he does not mind me making those compliments.

Mr Ripper: This is a desperate attempt to persuade the Speaker not to rule you out of order for irrelevance.

Mr JOHNSON: No, not at all. The Speaker is a very reasonable person. He knows the importance of standing committees; I have had the privilege of serving on a standing committee with the Speaker of this House.

Ms MacTiernan: Is it mushroom season?

Mr Board: I have done that on the Public Accounts Committee.

Mr JOHNSON: I am not taking interjections.

Mr Board: Please take this interjection.

Mr JOHNSON: No. I am pointing out the relevance and the importance of this Bill going to a standing committee. In doing so, I remind the House of the time the Speaker and I were on a standing committee and the very significant input that both the Speaker, when he was proudly occupying this seat, and I, when I occupied one of the seats opposite, made to that committee. The work that that committee did was enormous. The standing committee to which I have moved that this Bill be referred can do tremendous work.

Mr Templeman: Steve Martin in *The Lonely Guy*.

Mr JOHNSON: What?

Ms Radisich: I can just see Daryl Hannah.

Mr JOHNSON: I have been called worse things than that. I have very limited time left now, and I cannot take any more interjections.

Mr Ripper: It is about time you got to the core of your argument.

Mr JOHNSON: I seek the protection of the Chair against any more interjections. I wonder what *Hansard* will say. This is a very serious issue, and some members may well laugh.

Mr Day: And some may cry.

Mr JOHNSON: I did ask for your protection, Mr Speaker, and that includes from people laughing at me.

The SPEAKER: I do not think laughter is disorderly.

Mr JOHNSON: It is not. That is okay; members can laugh. I have only three minutes left! I have so much more to say, and so little time in which to say it. The Bill should be sent to this standing committee tonight, because I do not think we should delay one second longer.

Mr D'Orazio: Three minutes.

Mr JOHNSON: Time flies when we are debating something as important as this. I have only two minutes now! I will have to start to wrap up now.

Mr Day: You will summarise your argument.

Mr JOHNSON: Yes. In summary, I was always told that if a person sells an argument, that person prefaces what he is going to say, sells his argument and then summarises his argument. I do not know whether I can do it in two minutes; that is not a lot of time in which to say all the things that I want to say on this motion. So many things are left to say. So many things have not yet been said. I have only two minutes left in which to speak on this motion, and I only hope that another member will provide some input into this important motion. If this motion to send this Bill to the standing committee chaired by the member for Riverton and with its membership drawn from my colleagues in this House is agreed to tonight, that will be our finest hour in the debate, because something good will come out of something bad. The Leader of the House should take that on board. He should change his personality and listen to reason, do the right thing and convince his colleagues to agree to this motion.

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Question to be Put

Mr KOBELKE: I move -

That the question be now put.

Question put and a division taken with the following result -

Ayes (27)

Mr Andrews	Ms Guise	Mr McGowan	Ms Radisich
Mr Brown	Mr Hyde	Ms McHale	Mr Ripper
Mr Carpenter	Mr Kobelke	Mr McRae	Mrs Roberts
Mr Dean	Mr Kucera	Mrs Martin	Mr Templeman
Mr D'Orazio	Mr Logan	Mr Murray	Mr Whitely
Dr Edwards	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Gallop	Mr McGinty	Mr Quigley	

Noes (13)

Mr Barnett	Mr Edwards	Mr Marshall	Mr Bradshaw (<i>Teller</i>)
Mr Birney	Mrs Hodson-Thomas	Mr Masters	
Mr Board	Mr Johnson	Ms Sue Walker	
Mr Day	Mr McNee	Dr Woollard	

Pairs

Mr Watson	Mr Ainsworth
Mr Hill	Mr House

Question put and passed.

The SPEAKER: The question is that the motion be agreed to. Those of that opinion say aye; against no. The ayes have it.

Mr Johnson: So the Bills go to a standing committee. That is great!

The SPEAKER: I want to clarify the question. The question I put was the motion moved by the member for Hillarys. The question is that the motion put by the member for Hillarys be agreed to. Those of that opinion say aye; against no. I think the noes have it.

Points of Order

Mr BIRNEY: I heard you put the question very clearly, Mr Speaker, as did my colleagues. You announced, Mr Speaker, that the ayes have it. Nobody called for a division. I ask, Mr Speaker, that you adhere to your original ruling.

Mr BARNETT: The account given by the member for Kalgoorlie is absolutely accurate. The motion was moved by the member for Hillarys. The vote was put. I called aye. A couple of members on the backbench called aye - they should be careful of that. Mr Speaker, you clearly ruled in favour of the ayes, and no-one called for a division. That is the end of it.

Mr BROWN: Members know that they should not canvass your ruling, Mr Speaker. You have ruled, and that is it. Grumpies on the other side are in the minority. They know the rules, and no intimidation of the Speaker should be allowed. The Leader of the Opposition is a disgrace. I have seen some unbelievable conduct tonight.

Several members interjected.

The SPEAKER: Order!

Mr BROWN: They know the rules. They may not like them, but you have ruled Mr Speaker. Now is the time to sit them down and shut them up.

The SPEAKER: After the initial question, I thought there was some confusion so I put the question again. My ruling stands.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Debate Resumed

Clause 2: Commencement -

Mr BIRNEY: I move -

Page 2, line 6 - To delete all words after “the” and substitute “1 July 2010”.

The intent of my amendment is to delay the commencement of the proposed Act until 2010. That is for a very good reason. I believe this Bill needs ample time to be considered. I also believe time is needed for the Bill to be considered by a standing committee. If we delayed the commencement of the legislation until 2010, the standing committee would have ample time to consider the Bill. I am sure that a standing committee would be able to examine a number of issues in the Bill. One issue is the way in which the Government could raise money from other measures other than the ones referred to in the Bill.

A thought came to me that the standing committee could decide that it is a good idea to increase the land tax base in another fashion, rather than target small business people. Perhaps the standing committee would recommend that the Government impose a land tax on anybody that has, for example, land with an unimproved value of \$1 million, which is a way of filling the budget hole. Of course, the committee might call it a premium property tax, or something to that effect. It might even advise the Government that it would be politically wise for it to do that because, were it to apply a premium property tax to anybody who had an unimproved land value in excess of \$1 million, the people affected would be mostly those in the electorates of the members for Nedlands and Cottesloe. I am sure advice would come back from the committee to the Government that the only effect of its imposing a premium property tax would be to increase the votes of the members for Nedlands and Cottesloe - two very good members - with no political fallout to the Government. However, the Government has already been down that path and has already tried to impose that tax. I am sure the Government thought it was clever, because that is all it believed would happen. It did not believe there would be any collateral damage or that it would have a political problem by shoring up two safe Liberal seats and drawing some \$10 million from the people in those electorates.

However the Government did not count on the views of ordinary Western Australians, even those who would not be lumbered with the premium property tax, who found the concept of taxing the family home abhorrent. It did not believe that the people in the Nedlands and Cottesloe areas would start up a movement against the premium property tax. Those people were pretty smart and I must give credit to their campaign against the Government's premium property tax. They came up with a degree of money and campaigned in marginal Labor electorates instead of campaigning in Nedlands or Cottesloe. That scared the hell out of the Government, did it not, Mr Speaker? In fact, the Government did a backflip of mammoth proportions. Government members were a little cocky and perhaps thought they were political masters. I can picture them now sitting around in a room with the Premier and perhaps the Treasurer saying, “This is a great one. We're gonna raise 10 million bucks and it's not gonna cost us a seat. It won't cost us anything.” Of course, that was not the reality. When the Government told the people that it would tax the family home, it got a blood nose and a black eye. The Government is trying to do that in this legislation also.

Mr EDWARDS: I am interested to hear where the member for Kalgoorlie is taking his argument and request that he can speak again.

Mr BIRNEY: I do not want to say too much more. If this legislation were to come into effect in 2010, which is the intent of the motion, the standing committee would be given ample time to examine the clauses in the Bill. One matter it would examine is the fact that the Labor Party is seeking to impose a land tax on the family home. That sounds familiar, does it not?

Ms Sue Walker: Yes, it does.

Mr BIRNEY: In fact, it has shades of premium property tax written all over it. Make no mistake: this mob is about taxing the family home. The explanatory memorandum discusses removing the tax exemption for a principal place of residence that is held in a trust, and states that those people are doing it for tax minimisation purposes. We should explore that concept. Is the Government calling those people tax cheats? I assume the explanatory memorandum has the Treasurer's fingerprints on it. It states clearly that those people are doing that for tax minimisation purposes. I submit to members that those hardworking and decent small business people who hold their principal place of residence in a trust are not tax cheats, and anyone who says otherwise has got it wrong. It states also that people who seek to hold their principal place of residence in a trust are doing that to

Extract from *Hansard*
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

avoid action from creditors. There are a number of very legitimate reasons that a property is held in a family trust. It is just that: a family trust. A number of companies and organisations are owned by an entire family, and perhaps also their extended family, and the purpose of a trust in that case is to distribute the profits from the activities of that company equally to those family members.

Ms Sue Walker: It is a lawful activity.

Mr BIRNEY: That is right. It is a completely lawful activity. When the Treasurer trots into this Parliament and in his explanatory memorandum states that people who seek to hold their principal place of residence in a trust are doing it for tax minimisation purposes, it sounds to me as though he is calling those people tax cheats. When the Treasurer states that the only reason people seek to hold their principal place of residence in a trust is to avoid action from creditors, he is wrong and the Labor Party is wrong.

As I said by way of interjection to the member for Hillarys, that standing committee could, were it given time, explore other avenues for revenue raising to plug this hole. While I am on that subject, is it correct that the Labor Party said its premium property tax would raise \$10 million a year?

Mr Ripper: About \$10 million a year.

Mr BIRNEY: I refer the House to the explanatory memorandum introduced by the Treasurer. The amount of money the Government will raise by removing the tax exemption for a principal place of residence that is owned by a trust is expected to be \$10.7 million. That is a familiar figure, because \$10 million was the amount of money the Government had hoped to raise from the premium property tax, about which the Government got a blood nose. The Treasurer said that 900 people would be affected by that tax. However, 1 400 people will be affected by this rubbish. I urge the Treasurer to take that on board.

Question to be Put

Mr RIPPER: I move -

That the question be now put.

Question put and a division taken with the following result -

Ayes (27)

Mr Andrews	Ms Guise	Mr McGowan	Ms Radisich
Mr Brown	Mr Hyde	Ms McHale	Mr Ripper
Mr Carpenter	Mr Kobelke	Mr McRae	Mrs Roberts
Mr Dean	Mr Kucera	Mrs Martin	Mr Templeman
Mr D'Orazio	Mr Logan	Mr Murray	Mr Whitely
Dr Edwards	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Gallop	Mr McGinty	Mr Quigley	

Noes (13)

Mr Barnett	Mr Edwards	Mr Marshall	Mr Bradshaw (<i>Teller</i>)
Mr Birney	Mrs Hodson-Thomas	Mr Masters	
Mr Board	Mr Johnson	Mr Waldron	
Mr Day	Mr McNee	Ms Sue Walker	

Pairs

Mr Marlborough	Mr House
Mr Bowler	Mr Ainsworth

Question thus passed.

Amendment put and a division taken with the following result -

Extract from *Hansard*
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ayes (12)

Mr Barnett	Mr Day	Mr Johnson	Mr Masters
Mr Birney	Mr Edwards	Mr McNee	Dr Woollard
Mr Board	Mrs Hodson-Thomas	Mr Marshall	Mr Bradshaw (<i>Teller</i>)

Noes (27)

Mr Andrews	Ms Guise	Mr McGowan	Ms Radisich
Mr Brown	Mr Hyde	Ms McHale	Mr Ripper
Mr Carpenter	Mr Kobelke	Mr McRae	Mrs Roberts
Mr Dean	Mr Kucera	Mrs Martin	Mr Templeman
Mr D'Orazio	Mr Logan	Mr Murray	Mr Whitely
Dr Edwards	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Gallop	Mr McGinty	Mr Quigley	

Pairs

Mr Ainsworth	Mr Marlborough
Mr House	Mr Hill

Amendment thus negated.

Mr Barnett: Liberal members of Parliament will be driving for three hours without sleep because of the conduct of this Government tonight.

Dr Gallop: That is your choice!

Mr Barnett: Mr Speaker, you are responsible for the welfare of parliamentarians!

The SPEAKER: Order! The Leader of the Opposition will take his seat; he does not have the call. He does not want to be called to order again. The question is that clause 2 -

Point of Order

Mr BIRNEY: I seek the guidance of the Chair about the length of time that members can speak during the consideration in detail stage. I am a new member, so I may have it wrong. I understand that a member does not have to be sat down until the zero on the clock has stopped flashing. At the end of my last contribution, the zero was clearly flashing, and I had not completed my comments. Mr Speaker, you then gave the call to the Treasurer while I was still on my feet. Was that in order?

The SPEAKER: That is a point of clarification rather than a point of order. When the zero is flashing, the member on his feet has no time left.

Mr RIPPER: I move that the question be now put.

Mr Barnett: There is no question before the House.

Dr Gallop: The question has been put with regard to clause 2.

Mr Barnett: No, it has not.

The SPEAKER: I am about to put the question.

Mr Ripper: The question is that clause 2 be put.

Mr BARNETT: It was not put; there is no question before the House. Are we dealing with an amendment, a clause, a deletion, an addition, a subtraction or a multiplication. I have no idea what is going on.

Mr Ripper: There is nothing new about that.

The SPEAKER: We are dealing with clause 2.

Debate Resumed

Mr Barnett: Let us try to get some order here, Mr Speaker.

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The SPEAKER: We are dealing with clause 2 of the Bill. I will put the question again for those who did not hear it. The question is that clause 2 stand as printed.

Question to be Put

Mr RIPPER: I move -

That the question be now put.

Mr Board: Gag! Gag! Gag!

Mr Barnett: There has been no debate on the clauses of the Bill.

The SPEAKER: The question is that the question be now put.

Question put and a division taken with the following result -

Ayes (27)

Mr Andrews	Ms Guise	Mr McGowan	Ms Radisich
Mr Brown	Mr Hyde	Ms McHale	Mr Ripper
Mr Carpenter	Mr Kobelke	Mr McRae	Mrs Roberts
Mr Dean	Mr Kucera	Mrs Martin	Mr Templeman
Mr D'Orazio	Mr Logan	Mr Murray	Mr Whitely
Dr Edwards	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Gallop	Mr McGinty	Mr Quigley	

Noes (13)

Mr Barnett	Mr Edwards	Mr Marshall	Mr Bradshaw (<i>Teller</i>)
Mr Birney	Mrs Hodson-Thomas	Mr Masters	
Mr Board	Mr Johnson	Ms Sue Walker	
Mr Day	Mr McNee	Dr Woollard	

Pairs

Mr Bowler	Mr Ainsworth
Mr Hill	Mr House

Question thus passed.

Clause put and passed.

Clause 3: The Act amended -

Point of Order

Mr BARNETT: Mr Speaker, you referred to section 3. I assume you were referring to part 2 clause 3?

The SPEAKER: Yes.

Mr BARNETT: Thank you. It is important that we know where we are up to in the Bill.

Debate Resumed

Mr BIRNEY: I have long held a view on land tax and it is opportune for me to put that view to the Parliament tonight. In my opinion land tax is an anti-investment tax. The last time I looked into land tax it was the case that the more property a person owned, the higher the land tax rate. People who own a principal place of residence and another investment property are required to pay land tax on that investment property.

If someone can afford to own another property, or perhaps even two or three properties, for whatever reason, the rate of that land tax actually increases. I am not sure of the logic. I suspect it was introduced under a Labor Government, although I am not too sure about that. However, the philosophy seeks to penalise individuals for owning more than one property. I have a fundamental problem with that.

Mr McGinty: Look! There's a stalker.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The SPEAKER: Order, members!

Several members interjected.

The SPEAKER: Order, members!

Mr McGinty interjected.

Mr BIRNEY: Mr Speaker, I seek your protection from the Attorney General. He has a very loud, booming voice and members cannot hear me over the top of him.

Several members interjected.

The SPEAKER: Order, members!

Mr BIRNEY: Thank you, Mr Speaker. The Leader of the Opposition is obviously stretching his legs. I intend to do the same thing as soon as I have finished making my speech, because it is approaching midnight, and I intend going for a little stroll. I might even go for a stroll with the Leader of the Opposition. We really need to get the blood pumping in this debate and I intend going for a walk.

I return my comments to the issue of land tax. Before I was rudely interrupted, I was saying -

Several members interjected.

The SPEAKER: Members! The member for Kalgoorlie.

Mr Barnett: You have no control, Mr Speaker.

The SPEAKER: You would not want me to call you to order again, Leader of the Opposition.

Mr BIRNEY: Before I was interrupted by members opposite I was making a point. I know a few frivolous points have been made here tonight, but the point I seek to make is quite important and I hope members opposite will take it on board. If people own more than one property in this State today they are penalised with a land tax; if they own multiple properties the rate of land tax increases. This is a real anti-investment sort of tax. It is not unlike a payroll tax because payroll tax is an anti-employment tax. Bearing in mind today's society and its economic priorities, apart from interest rates and things of that nature, it could be assumed that the priorities are the creation of jobs and an economic environment that is suitable for investment. The Land Tax Act actually has a detrimental effect upon those who seek to invest their money in property. I hope the Treasurer takes that on board. He does not look particularly interested, which is unfortunate, because I am trying to make an important point.

Mr BARNETT: I now feel refreshed. This is an important part of the legislation. Part 2 is the section subjecting the owner-occupier of a small business and residence to taxation. This provision was introduced by the Labor Party in 1989 and removed by the Liberal Government around 1993-94 by the then finance minister, Hon Max Evans, for a very good reason - because in Australia it is important that people can live in their homes and not be subject to a tax on those family homes. The approach of this Government is to label that as tax avoidance or tax evasion and to cast a slur on decent, hardworking Australians in small business who, for whatever reason, have put their family home into the company or the trust structure. They do that generally because they need to raise finance against it, and the financial institutions require it to be included within the assets of the company. Mr Speaker, I am trying to address my comments to you, because I know that you care about small businesses. The reason the family home is put into these companies has nothing to do with tax avoidance. How much tax does the Government seriously think the vast majority of small businesses have an opportunity to avoid? A company must have large revenues and be paying large amounts of tax for avoidance to be a serious issue. The Government is talking about small businesses - small retailers, manufacturers and tradespeople, such as brickies and plasterers. Those people are running a business, and might need to buy a truck or other equipment. They comprise the vast bulk of small businesses in this State. They may employ one or two people. That is a typical small business. They are not tax avoiders or evaders. The only assets these people can take into their businesses are their skills, qualifications, enthusiasm, ambition and aspiration. They cannot take money because they do not have any. However, they might have a family home. Invariably, they will not have full equity in that house. Australians typically own 30 or 40 per cent of their home. The home is the one bit of collateral that small business operators can put into their small business to buy the ute, truck, mixing plant or whatever it might be. Why should they not be able to do that? The view of the Government, as reflected by the words in the second reading speech, is that these people want it both ways. The implication is

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

that they are double-dipping; they are either tax avoiders or evaders or double-dipping. We in the Liberal Party say that Australians should be encouraged into home ownership, and that the family home should not be subject to taxation. That is why people rallied against the premium property tax. It affected only a small number of people. Eight hundred people in this State own a house on land worth more than \$1 million, but the community rallied against the tax because the principle of home ownership is one of the foundations of Australian society. In the case of the premium property tax, the Government was targeting people who, whether they had a high or low income, had a valuable property. In this case, the Government is targeting small businesses. There is no recognition of whether the small business operators are wealthy or have mid to low incomes, or whether their houses are of a luxury, moderate or modest standard. There is no equity consideration. This is simply a blanket ruling that an operator's house will be assessed for land tax purposes. However, the grouping provisions will also come into force. If the small business owns something else, such as a shop or factory unit, that will be loaded onto the assessment. The assets are not assessed separately; they are grouped together. This will push operators into higher tax brackets. That is why this tax is so wrong.

Why does the Labor Party want to knock small businesses? Why does it not do the decent thing and give them a hand? Why does it not give them some encouragement and help? Why does it do such a miserly thing as tax the family homes of people who had the guts and endeavour to put their homes at risk to raise some money to get their small businesses under way? The Government wants to take that away from them. For what reason? If there is one thing I hope the Government does with this legislation, it is drop this provision. I hate the increase in land tax. I hate the increase in payroll tax. I hate the grossing-up of fringe benefit. However, the one thing I implore the Government to reconsider is the removal of the family home exemption from land tax for small businesses that include the family home in their company or trust structure simply to finance their business. Why hit and kick them? Why not give them a hand?

Mr MARSHALL: Tonight is almost like history repeating itself. A year ago I stood, as part of the then government team, and challenged the then Opposition about what it knew about budgeting and the financial requirements necessary to run a State. At the time, I put my foot in it a little bit. I asked the then opposition members to look around them to see who among them had ever run a business. I look around now. The member for Ballajura is the only government member I can see who has run a business. Government members may be highly professional and skilled people in the academic world; but few have ever run a business. During that speech 12 months ago, I said that I was concerned that those members probably could not read a balance sheet, had never had the feel of counting money, did not know the business world, or did not understand the structures necessary to make an economy work. I made a mistake. The now Minister for State Development pulled me into line.

I made the mistake of saying that when we want to invest in shares we usually look for a financial adviser who is wearing the proper "uniform". If we want a top sportsman we look for someone who is wearing a good quality tracksuit. The worst sportsmen wear average tracksuits. The champions have the best equipment. A good tradesman will have a great set of overalls. I made the mistake of saying that if we want financial advice we seek someone who drives a BMW, because a person who works on the Terrace would drive a BMW to gain the confidence of investors. I made the throw-away remark that members opposite would not own even the keys to a BMW. That got me into trouble. The member for Bassendean said that he knew many good people who did not own a BMW. He was right, of course, but he missed the point. I was trying to prove a point about presenting a successful image in the finance world.

Clause 3 is to amend the Land Tax Assessment Act. Why are we taxing householders and small business people such as the local deli owner, the fruit shop owner and the bloke with a small factory unit? They will be taxed because of statements made a year ago. The Government did not understand the budgetary requirements; it has over-budgeted its election promises. It made generous promises about what it could do and on taking office found that it could not meet those promises. The first sign of that was the Government's intention to impose a premium property tax. The Treasurer told us what a good idea it was and how everything would go well. However, it was too close to a federal election and he had to back down because of the enormous weight of public opinion. It would have affected people who had worked all their lives to own the Australian dream - their house - just because they happened to build on a private block of land by the river. Most of those property owners are average people, who enjoy the birds and the scenery but in their old age would have found it very difficult to pay that premium property tax. Fortunately, the Government caved in and scrapped the idea.

We could almost see government members trying to work out which part of society the Treasurer could hit next to bail us out of our financial woes. What could the Government target to squeeze out some more funds? When

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

a product is not selling, a good businessman will dump it quickly and get another product to build up his turnover. However, Governments cannot hit the people who count for extra revenue.

It has been suggested that we should not talk about family trusts. However, they are a legal means of preparing for our family's future, of spreading assets and of paying less tax but investing what is not paid in tax. Deciding where to invest money for a family's future is always a gamble, especially in today's financial market. A share investment fund is dangerous at the moment. The good critics say that in the next couple of weeks the share market will crash. If we want to buy property or land to secure our future we will be taxed for our initiative.

Although this Government follows a socialist philosophy, to govern properly it must cater for everyone, including the people who have a bit of money to invest, not just the people who do not have any.

Mr BOARD: Why has the Government singled out people who have used their properties to invest in their family trust as a way of gaining revenue. It makes us wonder whether the Government understands the rationale behind the formation of family trusts. The reality is that most people with a small or family-oriented business, with people in their own family involved in trusts, have no option but to use trusts. The other option is a proprietary limited company, which means registering a company, employing family members, paying tax and then deducting tax from the income of children as a result of some part-time operation. Many small business people, whether they be shopkeepers, small wholesale operations, small manufacturing companies or people trading across the Internet, form trusts so they can pay dividends to those who put their labour into the trust. More often than not, these people are family members, who receive a family dividend, which is a recognised way of legitimising that input. They are not trying to avoid tax, and they do not try to hide the income. They tell the tax commissioner that their family members have worked in developing this business, and were paid a dividend under the trust. Those people often had to raise money to establish that business. Like many small businesses, they mortgaged their houses. Many members underestimate the effort to which small business people go to generate income. They hock their cars, houses, and anything else they can, to generate money to go into their business. As a result of that, they employ people. There is nothing wrong with trusts, and being able to have a family home associated with the trust. For some reason, as a result of that misdemeanour - being involved in a trust and not other forms of taxation, which is completely legitimate in the taxation system - they will be singled out for additional land tax, and bound to additional tax. That is an impost on them, and on people who want to invest and raise money through a legitimate process for the development of their businesses, and to expand that business, using their family to do so. If they had mortgaged that family home for another purpose, they would not be subject to this tax. Why single out this purpose for this impost? Because those people are easy targets. For some reason, an aura exists about trusts and those somehow hidden ways of avoiding tax; there is a misunderstanding of what is involved in family trusts. I do not make excuses for any of those people. I am sure some people should be exposed for tax avoidance and penalised. I do not support tax avoidance in any way, but to penalise people for a legitimate use of their home to support their family trust by making them pay an extra impost is undemocratic and singles out people who are driving the economy in Western Australia.

Mr EDWARDS: I quote from the Government's reasons for putting this measure in place -

This measure will result in a broader land tax base, and recognises that such structures are often in existence for tax minimisation purposes, or to ensure that the property is protected from claims by creditors against individual family members. While it is considered that people should be free to place their family homes in such structures and gain the associated benefits, the Government believes that they should not also expect to enjoy the same land tax treatment provided to natural persons who directly own and occupy their home, and as a result, forgo those other benefits.

Mr Ripper: That is my speech!

Mr EDWARDS: I am sorry, it applies to what I wish to say. It continues -

Put simply, the Government does not believe that state taxation laws should be structured to allow shareholders of private companies and trustees of trusts to enjoy the best of both worlds.

I say why not. This relates still to land tax. I go back to people trying to start their own businesses. If they are trying to start a small business, they immediately have an imposition on them, because there is a tax through the trust that they may have in place. I know how hard it is to start a business. I did that many years ago. Today, it must be a jolly sight harder, and it will be a darn sight harder with this tax as well. In some of the rural towns in my electorate, small businesses are trying to survive. They range from welding shops, agriculture dealerships, supermarkets and bakeries to tyre dealers. They range across the broad spectrum of small business. I know of a couple of young people who have tried to start up businesses in those small country towns, and they have

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

struggled to survive. This sort of legislation gives no initiative or encouragement to those people to try to start their own businesses. I agree with a couple of previous speakers that we should try to encourage them, not discourage them. The current economy in country and rural Western Australia is not good. This tax is a negative tax, which does nothing to help those people. I said that I wanted to make a brief comment. That is my brief comment.

Mr RIPPER: The first point to be made about this measure is that no-one has to have their house in a family trust or corporate structure. People have choices. People can choose to have their house in a family trust or corporate structure if they wish, or they can choose to have their house in a direct ownership structure. If they have their house in a direct ownership structure, they will have the principal place of residence land tax exemption. If they have their house in an indirect ownership structure and they are worried about this land tax measure of the Government's, they can shift to a direct ownership structure, and in most cases there will be about a \$20 stamp duty fee for doing that, provided there is no change in the beneficial ownership.

Most of the people involved in these arrangements, however, will not make that choice, because there are other advantages - both taxation and commercial - in remaining in the indirect ownership structure. I will deal with the commercial advantages, for example. Having the family home in a trust or corporate structure might well protect that asset from creditors in certain circumstances. That is a commercial advantage that people will take from a family trust or corporate structure for the ownership of the family home. If people want to have that commercial advantage, that is fine, but they should not also enjoy the advantage of a land tax exemption.

The second set of reasons that people have their family homes in trusts or corporate structures is for tax purposes. It is the case that people can obtain tax benefits from family trust arrangements. For example, tax avoidance can occur when the trustee of a trust resides in a trust property and obtains a principal place of residence land tax exemption, while at the same time the beneficiaries of the trust, who are the ultimate beneficial owners of the property, obtain principal place of residence exemptions for other properties that they own and occupy as natural persons. In other words, beneficiaries can effectively enjoy a principal place of residence land tax exemption on two properties, and that is, of course, against the spirit of the land tax regime. A person is supposed to be able to enjoy the exemption on one property, not on two.

There are potential income tax benefits for people who have properties in these arrangements; for example, when a person is both the trustee and a beneficiary of a trust, he may pay rent to the trust, thereby allowing the trust to gain negative gearing benefits while at the same time being eligible for a principal place of residence land tax exemption. There are potentially commercial and tax advantages from these arrangements. I have given members two examples whereby people may obtain tax benefits from these arrangements.

Mr Board: How many people do you honestly think will take advantage of that against those who have a legitimate reason for putting their home into a trust?

Mr RIPPER: I do not know.

Mr Board: You do not know; therefore, by your own admission, you are throwing the baby out with the bath water.

Mr RIPPER: I do not have access to either the personal tax records of people who pay state tax or to their income tax records. It is not possible for me to provide the member with either the circumstances or those figures. However, I can point to these potential advantages. People cannot have their cake and eat it too. They cannot get the potential advantages and get the land tax exemption that applies to people without those advantages. It has been said that this measure is an attack on small businesses.

As I said in the second reading speech, if people want to borrow against their house, it does not have to be done by a family trust structure or a corporate structure. People can borrow against the house regardless of the structure that it is in. If people think that this measure will be an imposition, they have the capacity to shift the house from an indirect to a direct ownership structure. In most cases, that would only incur nominal stamp duty of \$20. Most of the 1 400 trusts or companies affected by this legislation will keep their family trust corporate arrangements because there are too many other benefits.

Clause put and a division taken with the following result -

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ayes (26)

Mr Andrews	Mr Hyde	Ms McHale	Mr Ripper
Mr Brown	Mr Kobelke	Mr McRae	Mrs Roberts
Mr Carpenter	Mr Kucera	Mrs Martin	Mr Templeman
Mr Dean	Mr Logan	Mr Murray	Mr Whitely
Mr D'Orazio	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Edwards	Mr McGinty	Mr Quigley	
Dr Gallop	Mr McGowan	Ms Radisich	

Noes (9)

Mr Barnett	Mrs Hodson-Thomas	Ms Sue Walker
Mr Birney	Mr Johnson	Dr Woollard
Mr Board	Mr Masters	Mr Bradshaw (<i>Teller</i>)

Clause thus passed.

Clause 4: Application of amendments -

Mr BARNETT: Clause 4 relates to the day on which these land tax assessment changes will come into application; that is, 1 July 2002. That may sound to members opposite to be plenty of time. However, they must bear in mind that we are talking about small businesses. Many of them, particularly in the trades-related industries, will probably not be aware of these changes. Indeed, many of them will have not only their family home but also their superannuation assets included within their company or trust structure. They will be in for a rude surprise on 1 July 2002 when they suddenly find that a land tax assessment applies, and it will be grouped with any other land they may hold within their business. I think they will find that very hard indeed. The Treasurer flippantly says that there are only 1 400 or so. He makes the absolutely extraordinary claim that for \$20, those people can get out of it.

Mr Ripper: In stamp duty.

Mr BARNETT: How naive can one be?. I cannot believe the level of ignorance that that reflects. The Treasurer believes that for a mere \$20, people can change their company structure and their trust structure, move their superannuation assets, relocate their house and perhaps even re-finance their business. This man pretends that he is the Treasurer of the State. If we were talking about \$20, I do not think we would be having an argument. How much will it cost? I do not know. It might be \$1 000, \$2 000 or \$5 000, but it will cost thousands of dollars. However, what does the Treasurer say to these small business people? He tells them that they can get out of it for just \$20. How wrong can he be? What I find remarkable is not only the dismissive attitude and the arrogance, but also that the Treasurer, on his own or Treasury's advice, could assume that these small business people can change their structure for \$20. That is an extraordinary -

Ms MacTiernan: He is saying that you can take your house out of the structure.

Mr BARNETT: For \$20. Superannuation will probably be included in the company or trust. Taking it out is related to stamp duty; and in some circumstances, it may be exposed to capital gains tax; there may even be some GST implications, depending on the assets within the company structure. Indeed, if people have other debts, how will the stamp duty relate to that? How will that be valued? This will not be a \$20 transaction for small business; it will be at least \$1 000 and probably several thousand dollars. Yet the Treasurer is saying that for \$20, it is neither here nor there.

I cannot believe that Treasury would have given the Treasurer that advice. If it did, I would be extremely disappointed with Treasury. Is Treasury so out of touch with the commercial realities that are facing small businesses that it told the Treasurer that this would be a \$20 impost? It is not a \$20 impost at all; it is an enormous impost and one that will be a real blow to small business people when their assessments arrive in the next financial year for their place of residence. They assumed that when they put up their house to start the small business, they were placing their house at risk, but they never assumed that they would be subject to land tax.

Ms MacTiernan: Can you explain why it would make it more attractive to a bank for a person who wanted to mortgage his home to have that home in the trust structure? That defies all logic.

Mr BARNETT: There might be all sorts of reasons.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ms MacTiernan: Your whole line of argument from that side of the House is that somehow or other it improves the capacity to obtain finance for a small business. Now you explain it to me, because it is absolute nonsense.

Mr BARNETT: They may have their house or their superannuation assets in there. They can do all of that and why should they not? Why do members think they do it? The financiers require it. Why is the Government so against them?

Ms MacTiernan: If you were putting up your house for security, why would it be more attractive to the bank for that house to be in a trust, because it would be less attractive?

Mr BARNETT: It would relate to company assets, such as superannuation assets or whatever other assets a company might have.

Ms MacTiernan: That doesn't make sense. You are talking nonsense.

Mr BARNETT: That is the case. I am not talking nonsense.

Mr BOARD: I cannot believe the interjections the Minister for Planning and Infrastructure has made. She has absolutely no idea about the interest a bank would have in a family trust that owned a property or about the obligation a trust would have, by way of a mortgage, to a bank. The minister has no idea about transfer fees, stamp duty, or the costs involved in the transfer of ownership from one entity to another.

The Treasurer has no idea what he is doing. He spoke about a \$20 impost. Do members know what the impost would be on the transfer of ownership of a property from a trust to another entity, whether to an individual, a proprietary limited company or anything else? It is a far greater amount than that. A cost is also involved in the payout of a mortgage. Costs are associated with the transfer. People whose homes are currently associated with trusts and mortgaged to businesses will face thousands of dollars in costs. Those people will have to redevelop the loans associated with those properties.

For the Minister for Planning and Infrastructure, as a minister of the Crown, to make the interjections she has made today shows that she is completely out of touch with what is taking place in the marketplace. She does not know what is happening with properties, the costs involved in getting loans, or the cost of transferring ownership and loans within the marketplace. If she had any idea what she was saying, she would not make those silly interjections.

The Treasurer said that the cost would be \$20. That is an absolute joke. People are working out how they can afford to deal with the changes that will take place in this legislation today. People are not avoiding tax; they have just used their properties as a way to gain resources. Those properties were put in family trusts and mortgaged through those trusts. Those people are not avoiding tax. They will now be locked into a situation in which they will have to either pay additional land tax or find another system to get out of doing that. That is what the Government has done. The tragedy is that the Government does not know what it is doing.

Ms MacTIERNAN: This Government has sought, on a number of occasions, an explanation from the business gurus on the other side of the House about why a bank would find it more attractive to provide finance to a trust than to a property owned by an individual or group. That lies at the heart of the Opposition's proposition, which is that these people put their homes -

Mr Board: It is not about options; they are locked in and the costs are changing.

Ms MacTIERNAN: Hold on. I will go back to the first issue.

Mr Board: No, these people have mortgages. The costs are changing.

Ms MacTIERNAN: The member for Murdoch is changing his story. He is now saying that one does not need to do it, but having done it, one is stuck.

Mr Board interjected.

Ms MacTIERNAN: I will go onto that argument. The member's first argument, which has now been shown to be totally scurrilous, was that honest, hardworking businesspeople put their homes in family trusts to get finance from that investment. That is complete nonsense. It would be far less attractive to a bank for a property to be mortgaged through a trust.

Mr Board interjected.

Mr Johnson interjected.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ms MacTIERNAN: Can I get a word in here? The member would not take an interjection when he was speaking and I sought an explanation from him about his argument.

The second aspect is the transfer. The member said that because a conveyance from the trust company to the individual is a transfer, it would attract a substantial stamp duty fee. That is the member's argument.

Mr Board: It is all the other costs, such as those associated with bank fees.

Ms MacTIERNAN: The member did mention stamp duty costs.

Mr Board: I said all the other costs.

Ms MacTIERNAN: So it is not stamp duty costs. When the member mentioned the stamp duty for transferring -

Mr Board: Stamp duty is a component.

The DEPUTY SPEAKER: Order!

Ms MacTIERNAN: It is interesting that when I start challenging some of the statements that the opposition members made, they now argue that they never made those statements.

Mr Board: Have you ever changed a mortgage? Do you know how much it costs?

Ms MacTIERNAN: The statement the member made was that the conveyance of a property out of a trust would attract stamp duty. As has been explained to the member, provided that the same people who are the beneficial owners under the trust become the beneficial owners under the new arrangements, a nominal rate of stamp duty will be payable.

Several members interjected.

The DEPUTY SPEAKER: Order!

Ms MacTIERNAN: When I pin down the principal arguments, members opposite admit that people do not need to put their properties -

Mr Barnett: Have you ever paid land tax?

Ms MacTIERNAN: Yes, I have. I pay land tax every year.

Mr Barnett: Do you pay it currently?

Ms MacTIERNAN: I do.

Mr Barnett: How much land tax do you pay?

Ms MacTIERNAN: Is the Leader of the Opposition's family home in a trust?

Mr Barnett: No.

Ms MacTIERNAN: Does that apply to any other members on the Opposition frontbench?

Mr Barnett: I do not know. Mine certainly is not.

Ms MacTIERNAN: The Leader of the Opposition has not found it necessary to do that.

Mr Johnson: Do you know what the banks would charge for transferring a property from a family trust to an individual name?

Ms MacTIERNAN: The member is the business expert, so he can tell us.

Mr Johnson: I know what the answer is.

The DEPUTY SPEAKER: Order!

Ms MacTIERNAN: Until 1994, there was an exclusion on gaining the benefit of land tax exemption for the family home if the family home was held in the name of a trust. We are simply restoring that equitable position.

Several members interjected.

The DEPUTY SPEAKER: Order! When the Deputy Speaker is standing, it is inappropriate to continue speaking. I ask members to recognise the Chair. I advise at this point that although it is appropriate for a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

member to accept an interjection, it is totally unacceptable from the Chair's point of view for there to be any more conversation going on. I ask you to consider at this time of day at least the Hansard staff.

Mr RIPPER: I have some advice on the stamp duty costs of unwinding a discretionary trust, unwinding a unit trust, unwinding a bare trust, and unwinding a company structure. I will table that advice so members can see the background to my statement that the stamp duty implications of transferring from indirect to direct ownership structures are not onerous.

[See paper No 913.]

Mr Johnson: We are talking about bank charges. They are onerous.

Mr RIPPER: I understand that the Opposition has now shifted to alternative arguments.

Mr BARNETT: As the member for Murdoch has said, there are a whole lot of costs. For whatever reason, if someone has his place of residence in a trust or company structure -

Ms MacTiernan: You have not explained why they do it, have you?

Mr BARNETT: There can be a whole lot of reasons. Does it matter?

Mr Ripper: Give some reasons.

Mr BARNETT: Okay. One can be related to superannuation assets. It could be to protect those superannuation assets from other liabilities. There can be all sorts of reasons. Very few are for tax avoidance or evasion.

Mr Ripper: People protecting assets from creditors?

Mr BARNETT: That can be a reason. There can be a reason for protecting assets. One reason may be to protect employee benefits. Employee superannuation may be included within a trust or company structure in some way. What is wrong with that? Employees may even have a shareholding. There is nothing wrong with that.

Ms MacTiernan: We are not outlawing it. We are simply saying they choose to do it that way.

Mr BARNETT: Madam Deputy Speaker, it is ridiculous for members to talk about the cost as \$20 and then to produce a bit of paper that indicates that is the stamp duty cost. As the member for Murdoch said, a great deal of costs are associated with trusts and company structures. There may be myriad reasons that a trust or company structure was set up. It may be a historic accident that has grown and evolved. The cost of changing that -

Ms MacTiernan: A historic accident that your house is in a trust? Come on!

Mr BARNETT: We have a particularly unpleasant planning and infrastructure minister. There could be all sorts of reasons that it is there. Madam Deputy Speaker, I am getting interjections from the Minister for Health who is not in his proper seat.

The DEPUTY SPEAKER: I remind the minister that it is inappropriate to make a comment from another seat.

Mr Kucera: Madam Deputy Speaker, I shall resume my seat. I remind the Leader of the Opposition not to be insulting.

Mr BARNETT: I am not insulting. I am glad the two ministers are back together.

Mr Kucera: You are insulting!

The DEPUTY SPEAKER: Members! The Leader of the Opposition.

Mr BARNETT: Madam Deputy Speaker, are you going to put up with this?

The DEPUTY SPEAKER: I have just reminded members that there is a protocol in the House and I have given the Leader of the Opposition the call again.

Mr BARNETT: Thank you.

Ms MacTiernan: Were you a prefect at school?

Mr BARNETT: Madam Deputy Speaker, are you going to continue?

The DEPUTY SPEAKER: Members! Would members on the right side of the House please contain themselves to appropriate interjections. The Leader of the Opposition.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr BARNETT: There might be all sorts of reason and there may be one of history that for whatever reason the company or trust structure was in place. Members opposite implied that these provisions are long standing. They were not long standing at all. In 1989, the Labor Government of the day removed the provision for a place of residence to be exempt from land tax. It was reinstated by Hon Max Evans in 1993.

Ms MacTiernan: 1994 actually.

Mr BARNETT: I stand corrected - 1994. Here we go again - the provision for exemption is now to be removed. It has never been longstanding. It was in place for three to four years and is now being reinstated. As I understand land tax, there will be grouping provisions. Small businesses that have their family homes in company or trust structures may have other assets such as business premises and the like. Under the grouping arrangements, as I understand them, they will not only pay land tax on their family homes but many will also pay higher rates of land tax on other business assets that they have.

Ms MacTiernan: It's called swings and roundabouts.

Mr BARNETT: This provision is not restricted simply to the impact on a family home. It is in principle wrong.

Ms MacTiernan: It is not in principle wrong.

Mr BARNETT: We can argue until breakfast, I suppose. However, if this must be a point of defining difference between the Liberal Party and the Labor Party, I am proud to say that the Liberal Party does not support the imposition of land tax on people's places of residence.

Mr Ripper: But it does support the goods and services tax, water rates and local government rates.

Mr BARNETT: I can say right now - and we have not discussed it in our party room - that I am confident that I would have the support of my Liberal colleagues that when a Liberal Government is returned to power, we will again redress this issue and again give small business the encouragement and support that it will not be required to pay land tax on a place of residence. Whether it be at the next election or the election after that, the small business community will know that we will stand true to our principle that we will not support taxing the principle place of residence of Australian families. That is a basic principle of the Liberal Party; we will not do it. We will not tolerate avoidance and smart alec ways of trying to get around and manipulate tax. However, for legitimate businesses -

Mr Kucera: What did you do with the doctors?

Mr BARNETT: The doctors?

[Member's time expired.]

Clause put and passed.

Clause 5 put and passed.

Clause 6: Schedule amended -

Mr BARNETT: This is the key clause, because it will remove from at least 1 400 small businesses in this State the tax exemption on the family home. Those 1 400 families will now be subject to land tax on their principal place of residence. If the husband, as is most commonly the case, is running the business, it will cause distress to his wife, and perhaps also his adult children, that their family asset is now being taxed, and that family will look at its neighbour, who may be a wage and salary earner on a far higher income than those poor small business proprietors and may live in a far bigger house yet who does not have to pay tax on his house. A person who earns \$150 000 a year and lives in a \$600 000 house does not pay any tax - quite properly - on his principal place of residence, yet a typical small business proprietor in the home building industry, who works hard physically for six or seven days a week, and who earns \$50 000 or \$60 000 and lives in a \$150 000 house, in many cases will have to pay land tax on his principal place of residence. Is that the Labor Party's sense of equity and social justice?

I find it extraordinary that Treasury and State Revenue have no sense of tax equity. I recognise that Treasury works under a difficult set of constraints given the range of taxes available. However, within those constraints it has a responsibility to not just grab money from people but also work with a sense of equity between taxpayers. Equity between taxpayers does not mean only that two otherwise identical taxpayers are treated identically in the tax structure. It means also that we look horizontally and vertically at the structure of the tax. That is what is

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

required. However, from the comments I have heard tonight, what is missing from the Government's analysis of taxation is that there is no sense of horizontal or vertical equity in its tax structure. The example that proves it is that a wage and salary earner who earns \$100 000-plus and lives in a \$600 000 house pays no land tax on his house, yet his neighbour who earns \$60 000 and lives in a \$100 000 house, yet who also happens to be in small business, will have to pay land tax on his house. The Labor Party has no sense of equity and social justice.

The Treasurer has said that for \$20, people can get out of this structure, no matter what the history and no matter what the complexity. It is naive and insensitive to say that many of these poor struggling small business people can simply flick their way out of it for \$20. What is this all about? As I have said, this illustrates the difference between the Liberal Party and the Labor Party. The Liberal Party is looking at ways of encouraging and supporting small business. We will always try to take that approach. We may not always be able to do everything that makes small business people happy, but we will always try to help them to keep their costs down, and encourage them to employ people and grow their business. However, the Labor Party comes from the opposite direction.

Mr Kucera: You are not in government, so you cannot do anything about it.

Mr BARNETT: We are not in government, but people such as the Minister for Health are doing much to get the Liberal Party back into government, because the attitude that he is displaying now and the attitude that he displays in hospitals and to most community groups in the health sector around the State will guarantee that this government will be a one-term government.

Ms MacTiernan: He is one of our most popular ministers!

Mr BARNETT: I have visited hospitals, and I have also talked to many people in local government, and two of the best assets that the Opposition has are the two people in the sin-bin over there, because their attitude, and the conceit that they display tonight, has been reflected in the community.

Mr BIRNEY: We are still here tonight. The Leader of the House and the Government have learnt a lesson and the lesson is that they should not gag debate in a democracy.

The DEPUTY SPEAKER: I remind the member that standing orders require him to keep his comments to the relevance of the clause before the House.

Mr BIRNEY: I have made my position on that clear. As the Leader of the Opposition said, the clause is one of three major clauses of the Bill. It seeks to remove the exemption for the principal place of residence for a property that is held in a trust. I commented earlier about the premium property tax. The tax was going to affect 900 residences in Western Australia. It would have raised about \$10 million a year for the Government. Let us look at what the Treasurer seeks to do with this Bill. Surprise, surprise, he is hoping to raise \$10 million a year - the same amount of money that he hoped to raise through the premium property tax. The people of Western Australia sent the Treasurer a very clear message about the premium property tax: thou shalt not tax thy family home. That is exactly what the Government seeks to do with this legislation. One would think that the Government would learn from its mistakes. The Government is relatively new; it has been in power for only eight months. We all expect a new Government to make a number of errors in its early days. The Government can be forgiven for that. A Government cannot be forgiven for making the same errors again. The legislation before us presents a property tax by stealth. The Government was sent a very clear message about property tax. I attended the Dalkeith hall on the night of the meeting. I had no particular interest in the premium property tax. My constituents did not have any particular interest in it as there are very few properties in Kalgoorlie that would be valued in excess of \$1 million as an unimproved value.

Mr McRae: How many?

Mr BIRNEY: Zero. I was at the Dalkeith hall at the invitation of a former constituent who now lives in the electorate of the Nedlands. I was astounded at the number of people who packed into the hall in order to give the Labor Party a message. The people who organised the rally were a well-oiled machine. They were very clever and perceptive.

Points of Order

Mr McRAE: I know that the member for Kalgoorlie wants to make this point again and again but it is not relevant to the clause before the House. I ask that he address the matter before us.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr JOHNSON: I think the member for Riverton is being a bit impatient. It is clear that the clause relates to a tax on a family home. The member for Kalgoorlie has made some extremely valid points on this clause. This clause specifically relates to taxing family homes. Extending the argument to the premium property tax is very relevant. We are talking about taxing family homes.

Mr Ripper: Are you two in the same faction?

Mr JOHNSON: I will move another motion if the Treasurer is not careful. There is no point of order. The member for Riverton is getting tired and befuddled. The member for Kalgoorlie is clearly speaking to the clause.

The DEPUTY SPEAKER: There is no point of order.

Mr BIRNEY: I ask for the indulgence of the Chair. I was talking about a rally at a Dalkeith hall against the premium property tax. We are dealing with a property tax. One can draw a clear analogy between the rally and what we are dealing with now.

The DEPUTY SPEAKER: I have ruled that there is no point of order. I am sure that, given the time, the member is drawing his comments to a close.

Debate Resumed

Mr BIRNEY: I have something very important to tell members. It involves the people who organised the rally, who were unknown to me prior to that night. I was struck by how passionate they were that family homes should not be taxed. I was impressed about the organisation of the event. The organisers had gone to great trouble to have glossy posters printed. The top half of the posters had a very nice picture of Premier Geoff Gallop and the bottom half had an equally nice picture of the Treasurer. I was particularly drawn to the caption. On the top half was the word "dumb" and on the bottom half was the word "dumber".

Mr BOARD: Clause 6 goes to the heart of this Bill. When asked how many people he believed had been avoiding tax by having their family home in a trust, the Treasurer admitted he had no idea. It makes one wonder why we are dealing with this issue. I suspect that there are very few people avoiding tax. There are other ways of tracking those people. Why put an impost on people who have used their family home in a genuine and legitimate attempt to raise finance? They will now be subject to an additional impost. This is retrospective legislation. People will be forced to find another source of finance for their family businesses and trusts. The Treasurer referred to the cost of stamp duty. It is the cost of making the change that is substantial. This Treasurer will inflict retrospective legislation on people who have been encouraged by Governments - both state and federal - and accountants to go down that path. As a result of this legislation, people who have legitimately used that mechanism to raise finance will be subject to an additional impost. In addition, if they change their financial arrangements, they will incur enormous expenses. That is exactly how this Government came unstuck with the premium property tax. It had the same impact and problems. It singled out people who had invested in their family home, and the Government targeted that family home to raise revenue. This legislation takes a similar approach. Why is the Government doing this? What will it save? What tax does the Treasurer think people are avoiding? The Treasurer has not done his homework; he has no idea because there has been no research on it. The Treasurer is prepared to involve hundreds and probably thousands of people in Western Australia who probably use their family home legitimately in trusts to raise revenue for their businesses and in support of their families. The Treasurer is prepared to put an impost on the transfer of that property, either through the tax or the impost on the transfer of property, without knowing what the outcome will be - just as the Treasurer did with the premium property tax. The Treasurer is taking the same line on this. Why is he doing this? I can only guess that it is a tax of envy. For some reason the Treasurer associates trusts with people who must be making money, must be hiding money, and must be doing something on the side. The Treasurer wants to penalise those people who have done something with their lives.

Mr McRae: That is rubbish.

Mr BOARD: That is what it is about. The Treasurer has no idea of the number of people involved, yet he is prepared to penalise all those people who have used trusts legitimately. In fact, they have been encouraged to do so by federal Labor Governments and state Labor Governments. Then all of a sudden a new Labor Government says they are dishonest for what they have done, and it will put a tax and an impost on them. The Treasurer does not know who these people are but he will find them somehow. He wants to penalise all those people who have done the right thing over many years. The Treasurer is sure some people are doing the wrong thing and he will penalise them.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Point of Order

Mr BARNETT: I refer to Standing Order No 42 relating to conduct and contempt for this House, and I ask you, Mr Acting Speaker (Mr Andrews), to rule on the conduct of the member for Perth.

The ACTING SPEAKER (Mr Andrews): I cannot see the member for Perth. There is no point of order; the member for Perth is not disturbing the House at all.

Debate Resumed

Mr RIPPER: The Opposition has made a number of surprising statements.

Mr Barnett: This is appalling; this is meant to be a Parliament.

Mr RIPPER: The Leader of the Opposition is behaving like a prig in these matters.

Mr Birney: What is a prig?

Mr RIPPER: Someone who has no tolerance, no flexibility and an exaggerated sense of self-righteousness.

The ACTING SPEAKER: Members I have ruled on this.

Mr Logan: You were over here threatening the Premier.

Several members interjected.

The ACTING SPEAKER: I call the House to order. I have made my ruling as far as the member for Perth goes. The Treasurer has the call.

Withdrawal of Remark

Mr BARNETT: The member for Cockburn has made an accusation in this House that I threatened the Premier. I believe it will be recorded in *Hansard*. I ask him to withdraw that allegation.

The ACTING SPEAKER: I did not hear the member for Cockburn say that. Did the member for Cockburn say that? If he did he should withdraw it.

Mr LOGAN: Yes; I did say that. I withdraw that.

Debate Resumed

Mr RIPPER: Opposition members have made a number of surprising statements so far. They have said that the Government does not know how many people are involved in this. The information we have already given to the House is that about 1 400 companies and trusts will lose the principal place of residence exemption.

Mr Board: How many are avoiding paying tax?

Mr RIPPER: The potential exists for tax avoidance and for commercial advantage. Given the potential for tax avoidance and commercial advantage, there is no reason people should also enjoy the other advantage of the exemption for the principal place of residence, particularly when the taxation consequences of shifting to direct ownership are not onerous.

The Opposition seems to think that this is a terrible measure. Guess who else presided over this measure? Jeff Kennett presided over it. It applies in Victoria. Victoria does not provide a principal place of residence exemption for residential land owned by a discretionary trust. So Jeff Kennett presided over a somewhat similar arrangement.

Guess who else does not provide a tax exemption for a principal place of residence when it is owned by a trust or a corporation? Peter Costello does not provide a capital gains tax exemption when principal places of residence are held by a trust. So I do not think it is such a terrible socialist Labor tax -

Points of Order

Mr KUCERA: Under the standing orders, I understand that quarrels in the House are not proper.

The ACTING SPEAKER (Mr Andrews): There is no point of order because there is no quarrel at the moment. I suggest that the members who are standing to my right -

Mrs ROBERTS: I have a point of order, Mr Acting Speaker. The Leader of the Opposition has come over here to pick an argument and be disorderly. He is being disorderly and he should be drawn to order.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The ACTING SPEAKER: Members, from my position I have heard no quarrel in the House. There is no point of order. The members know the rules of the House.

Debate Resumed

Mr RIPPER: I want to make sure that the House is aware of the position in the other States. New South Wales and Victoria do not provide a principal place of residence exemption for residential land owned by a discretionary trust, although certain other trusts are eligible for an exemption. Queensland provides an exemption only when all of the beneficiaries occupy the property as their principal place of residence. In South Australia an exemption exists if the trustee occupies the property as their principal place of residence. In most cases a principal place of residence held by a trust is subject to capital gains tax upon disposal of the property. A capital gains tax exemption is available only if the residence is occupied by a beneficiary of a bare trust or the trustee of a deceased person.

This is not a terrible, socialist, Labor measure unique to Western Australia as a result of the ideology of the new Treasurer, who does not understand the dynamics of small business operations in this State! This is something which in various guises operates in New South Wales and in Victoria and, by analogy, in the capital gains tax regime of the federal coalition presided over by Peter Costello.

Mr Board: You are saying that you are closing what you consider to be a loophole because people are avoiding their tax. Where is the evidence of that? What do you know about that? Who are those people in Western Australia? You have no idea. Rather than come in and say that you have evidence that these people are avoiding their tax -

Mr RIPPER: This is a great idea. I will not have any time left to respond.

Mr Board: You are putting an impost on all those people who have done things legitimately. It is exactly what you were going to do with the premium property tax. You are making the same error.

Mr RIPPER: We often amend tax legislation because there is the potential for avoidance. In this case we are not saying that all the 1 400 companies and trusts are into tax avoidance. We are saying that these structures confer taxation and commercial advantages, and in view of those other advantages, we do not see why they should also have the principal place of residence exemption.

Mr JOHNSON: I thought that this Government was opposed to discrimination. It is clearly discriminating against those 1 400 individuals and their family homes.

Mr Kucera: I thought you were going to present a petition when you started talking about prejudice.

Point of Order

Mr JOHNSON: I suggest that something be done about the noise coming from the Speaker's gallery. It is not like an interjection from the floor or Bar of the House. It is the same as an interjection from the public gallery. I suggest that something be done about the noise emanating from the Speaker's gallery; that is, the gallery of which the Speaker is in charge.

The ACTING SPEAKER (Mr Andrews): I did not hear anything. If that was the case - I do not have any doubt - it should not take place.

Debate Resumed

Mr JOHNSON: As I said, this is a clear case of discrimination. The Government is discriminating against those individuals who for one reason or other have decided to put their family home into a family trust or corporation. There was nothing wrong with that in the past.

I have always thought that the Treasurer is a fair man. I have said that before, and I still mean it. I still believe there is goodness in him. I am desperately trying to connect with him on this issue. No-one can argue with him bringing in a Bill that will, from this day forth, treat differently those people who have family properties in their family trusts or corporations. However, he wants to apply this retrospectively. Those people, for one reason or another, decided, when it was quite lawful to do so, to put their family homes in the name of their family trusts. That is done for a variety of reasons; not only to avoid paying tax. There are good reasons for it. I have been looking through the pecuniary interest files of the new members. Some government members own properties in family trusts.

Mr Logan: You did not find much in my file!

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr JOHNSON: No; I thought the member's situation was bleak. I thought that he must have more than that. They told me he came with millions.

Mr Ripper: Mine was also pretty bleak.

Mr JOHNSON: No; the Treasurer's was okay. I was looking at mainly the new members and their primary returns. The member for Armadale had a keen interest in our members' financial returns. I wanted to reciprocate.

I would cop it if the Treasurer were to say that land tax would be payable on properties that were from this day forth put into family trusts or corporations. The Labor Party is in government, and it has every right to bring in such provisions. However, the Government is making this retrospective. It will discriminate against those poor devils who for whatever reason decided it was the right thing for their families to have a family home in the name of the family trust. The 1 400 people who will be affected will be discriminated against.

Mr Birney: This mob is the champion of retrospectivity.

Mr JOHNSON: The discrimination concerns me. Government members spouse off about antidiscrimination and all the rest of it -

Mrs Roberts: Spouse off - that is when you leave your wife!

Mr JOHNSON: I meant spout off. I am sorry; I have a lisp. I have had it since birth, like some other defects.

Mr Ripper: Don't tell me you could talk at birth. That would explain your 60-minute speech earlier.

Mr JOHNSON: I would like to make this point before my five minutes run out: the Government would probably get the support of this side of the House if this part of the Bill did not apply retrospectively.

Much has been made of the \$20 stamp duty that the Treasurer says it will cost these people to transfer their properties. That will not be the only cost. I do not know if he has had any dealings with banks. I have had dealings with banks over many years. The charges imposed by the bank to transfer a property in a family trust or corporation into an individual name - which is what people are being encouraged to do - would not be just a few hundred dollars; it would be much more than that. Banks are like umbrella salesmen: when it is pouring down with rain they take the umbrellas in, and when the sun is shining they put them out and offer them for nothing. The banks will charge a fortune to transfer properties into individual names. I think the Treasurer should reconsider the retrospectivity aspects of this Bill.

Mr RIPPER: We must have a sense of reality about this situation. The Government needs to raise additional revenue to cope with the unfunded commitments left to us by the previous Government to turn around the State's finances. We must make choices from the range of revenue measures available to us. It seems reasonable that someone who gets the benefits of a trust structure in commerce and other taxation arenas should not also benefit from the principal place of residence exemption .

Mr Johnson interjected.

Mr RIPPER: I read out earlier some of the potential advantages that are available. The bottom line is that this is not designed to remedy a social injustice or discrimination or to crack down on tax avoidance. The Government has had to make choices about revenue raising measures to deal with the budget situation it inherited, and this is one of the fairer and more rational measures from the range of measures available. I said in the second reading speech that the range of measures available to a State Government is not terribly attractive. This is one of the better measures in what I concede is a pretty poor selection.

I take the point the member for Hillarys made; that is, a mild version of this impost would be that anyone who enters one of these structures from now on will not enjoy the principal place of residence exemption.

Mr Johnson interjected.

Mr RIPPER: I take the point. However, in the end we must raise the revenue to balance the budget. The previous Government increased stamp duty by 12.5 per cent, which affected everyone's purchase of a car and a house. We could take that route and increase charges for everyone or target an unjustified benefit and raise money from that source rather than hit the ordinary Joe, who has been hit by the goods and services tax, stamp duty increases, motor vehicle licence increases and all the other increases imposed by coalition Governments in the past two years.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr Johnson: If 90 per cent of the people who have their family home in a family trust could bite the bullet and transfer them to their individual names for only \$20 stamp duty, they would not have to pay that revenue.

Mr RIPPER: If everyone bails out of the indirect ownership structures we will not get the revenue. However, they will not bail out of those structures because they will not want to forgo the other advantages. I bet, that despite the fact that additional money will be payable to the State, the advantages of keeping the asset in family trust structures will outweigh the disadvantages and consequently we will raise the revenue.

Mr Birney: What are the advantages?

Mr RIPPER: I read them out, but the member for Kalgoorlie was not listening. The Opposition has been more interested in speaking than listening tonight. Members must refer to the daily *Hansard* to read my earlier speech.

Mr BOARD: The Treasurer has finally admitted it has nothing to do with all his rhetoric over the last two hours about those people who have set up family trusts to avoid their taxation liability. It is a simple grab for a few bucks, which singles out those people who, as was the case with the premium property tax, may have achieved something. They are an easy target, and they are not part of the Labor Party's support in this State, so the Government can go and hit those people, who probably do not vote for the Labor Party anyway. It is the same logic as the big back flip the Government did before. It is all about grabbing a few dollars out of a few people who are actually doing something, or who have achieved something, and so the family home is to be taxed. The Treasurer cannot help himself. He must sit in his office thinking of new ways to hurt these people. He missed out on one way, so he must find another way of grabbing them, of getting in and doing it. This will come back and bite the Government again, because the Treasurer has no idea what he is doing. The Treasurer has admitted tonight that he has no idea about who is avoiding tax, or about the size of the avoidance, and he has no idea of how much he might raise out of this tax. He also has no idea about the cost to the people he will penalise. He is hoping he will get a few dollars, although it might be about hurting a few people and shoring up a few votes on his side of the Parliament. It is a sick exercise, for no gain at all. The Treasurer does not know who is avoiding tax, who will move across to another form of ownership, and how much it will cost them. He has no idea what he is doing. It is all being done on a wing and a prayer. It is all about penalising people who have invested in their family home, or have used that home to invest in a business. Why does the Government continue to do this? Why does it continue to go down the path of penalising people who wanted to achieve something. Why are they being singled out?

Mr Kucera: So that the Government can sort out the mess the Liberal Government left behind. There was a great big hole.

Mr BOARD: If that is the case, if there was a hole, contrary to the surplus, why single out those people? These are the people who generate jobs and income, create wealth and do something for the economy in this State, and the Government is bringing them down. Where does that leave the Government in the future? The Government should think about the long-term consequences of its actions. It is cutting off the very people who feed our economy. If that keeps happening, these people will give up and say "I do not give a stuff any more; I am going home". Like everyone else, they will pick up their school bags and -

Point of Order

Mr KUCERA: I was taken to task for using that terminology in the House the other day. This is an issue that should be brought up.

The ACTING SPEAKER (Mr Andrews): I am not sure what you are referring to.

Mr KUCERA: The terminology "giving a stuff" was the other day ruled as being unparliamentary. In fact, it was referred to today in a debate in this House. That terminology should be acknowledged as being unparliamentary.

The ACTING SPEAKER: My ruling is that the context in which the member for Murdoch used the language was different to that in which I understand it was used the other day. I might have misinterpreted it. I do not see that there was any point of order there. The language was used in two totally different circumstances.

Debate Resumed

Mr BOARD: If I have caused offence to anybody, I apologise.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Does the Government really care about those people who want to get up and do something, or is this just about a philosophy driven by people who think that for some reason those who have invested a property in a family trust are cheating, and have some sort of unfair advantage which they are using against the system? I do not protect those people. However, the Government does not know what it is doing, and it is prepared to penalise a large number of people by putting a large financial impost on them, whether they pay the tax or transfer the property. Especially in the case of the transfer of the property, because of the financial implications if there is a mortgage, the Government has no idea what that will cost.

Mr Ripper: It may not be a small business. There may not be a mortgage. You don't know how many small businesses there are.

Mr BOARD: I can assure the Treasurer that there are not too many small businesses in Western Australia that somehow do not have their home, their principal place of residence, locked into some sort of financial arrangement to support their business. If the Treasurer does not know that, he does not know anything about small business.

Mr BARNETT: This debate about clause 6, which is the important clause in respect of the exemption for owner-occupied residences, has displayed the lack of sensitivity of the Treasurer, and indeed of Treasury, for small business in this State. The Treasurer boasted a moment ago that the Government knows how much it will raise from this tax - it will raise \$10.7 million in 2002-03 - like a badge of honour. Then he talked about the second reading speech in which he said that this will affect 1 400 households. What does that mean? One does not have to do too much arithmetic - in fact, I will use the calculator - to work out that it means that the average impost on each of these small businesses will be \$7 600 a year.

Mr Ripper: If they are small businesses.

Ms MacTiernan: You don't know if they are small businesses.

Mr BARNETT: Small or medium businesses.

Mr Ripper: Why would they be small businesses?

Mr BARNETT: The great majority of them will be small businesses. Therefore, the average impost will be \$7 600 a year.

Mrs Roberts interjected.

Mr BARNETT: It is interesting how the interjections come when we get down to a number. The average impost will be \$7 600 on these 1 400 households, and I suggest the majority will be small business operators.

Ms MacTiernan: They will not be small businesses.

Mr BARNETT: The majority will be small business operators. It will be an average impost of \$7 600 - not a one-off thing, but year in, year out. Can the Treasurer give a detailed classification of these 1 400? Can he provide any description of who these 1 400 are? I assume the majority will be small businesses. Some of them might be extremely wealthy people - I do not know. However, can the Treasurer give us a detailed breakdown of these 1 400 identified people who will now be subject to land tax and who will face an average impost of \$7 600 a year, year in, year out? I do not think it is unreasonable for the Treasurer or the Treasury to give us a description of exactly who these small business people are. After all, when the premium property tax came up, the Treasurer did not have any problem running around with his bits of paper, saying that there were 801 households. He boasted that 202 happened to be in Peppermint Grove. Then he said that something like 70 would be in Cottesloe. However, I suggested that there were potentially 200 to 300 in Cottesloe. He had all the detail then. He could tell us suburb by suburb where the premium property tax would impact for 801 households. Therefore, it is reasonable that he provide a description, if not a categorical breakdown, of these 1 400 families who will now be subject to an average tax impost of \$7 600 a year. They have a right to know, we have a right to know, and this Parliament needs to know whom we are talking about. Who are these 1 400 families - small businesses - who will now be subjected to an average tax impost of \$7 600 a year? Who are they, Treasurer? Please tell us. Who are they?

Mr RIPPER: The Opposition makes great play of the connection between small business and family trust arrangements for the family home. There must be more than 100 000 small businesses in Western Australia. If

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

this is such an important feature of small business organisations, why are there only 1 400 examples from more than 100 000 small businesses in Western Australia?

Mr Barnett: How do you know there are only 1 400 examples?

Mr RIPPER: I know there are only 1 400 examples because the Department of Treasury and Finance has access to the names of the taxpayers who have claimed this exemption. I do not have access to that information because of the confidentiality provisions in the relevant legislation. However, Treasury knows that 1 400 companies or trusts are claiming the principal place of residence exemption. If that is compared with the number of small businesses in the State, it is obvious that there is not a huge correlation between fundamental small business operations and the necessity to have the family home in a family trust.

Ms MacTiernan: It would more likely relate to the number of pathologists or radiologists.

Mr RIPPER: It could relate to the number of pathologists or radiologists. I have been asked who are the people who have these trusts. However, under the law, I am not allowed to know.

Mr Barnett: We are not asking for individual names and addresses; we are asking for a description, if not a breakdown in tabular form, of who those people are.

Mr RIPPER: I am advised that the only information that Treasury has is the name of the taxpayer?

Mr Barnett: Does it have the postcode?

Mr RIPPER: Yes, the name and the postcode.

Mr Barnett: Does Treasury have the addresses?

Mr RIPPER: It may also have the addresses.

Mr Barnett: Can Treasury categorise the industries to which the business is related by the Australian Bureau of Statistics classification?

Mr RIPPER: It has only the name of the taxpayer and -

Mr Barnett: Treasury has that information on taxpayers whether they are mining companies, agricultural companies or manufacturers. Treasury has information on industry classification taxpayers.

Mr RIPPER: I am advised that it has the names of the 1 400 taxpayers claiming the exemption. Treasury has no other information beyond that. Of course, it could not release those names and addresses.

Mr Barnett: Could you classify them by the land tax liability?

Mr RIPPER: No.

Mr Barnett: Yes, you could.

Mr RIPPER: Does the member mean by how much land tax they would pay?

Mr Barnett: Yes, or by the value of landholdings in the company or trust.

Mr RIPPER: Treasury probably could do that.

Mr Barnett: Why does the Treasurer not provide that information?

Mr RIPPER: I will consider what further information can be provided.

Clause put and a division taken with the following result -

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ayes (25)

Mr Brown	Mr Kobelke	Mr McRae	Mrs Roberts
Mr Carpenter	Mr Kucera	Mrs Martin	Mr Templeman
Mr Dean	Mr Logan	Mr Murray	Mr Whitely
Mr D'Orazio	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Edwards	Mr McGinty	Mr Quigley	
Ms Guise	Mr McGowan	Ms Radisich	
Mr Hyde	Ms McHale	Mr Ripper	

Noes (9)

Mr Barnett	Mrs Hodson-Thomas	Ms Sue Walker
Mr Birney	Mr Johnson	Dr Woollard
Mr Board	Mr Masters	Mr Bradshaw (<i>Teller</i>)

Clause thus passed.

Clause 7: The Act amended -

Adjournment of Debate

Mr BIRNEY: I move -

That the debate be adjourned.

Question put and a division taken with the following result -

Ayes (9)

Mr Barnett	Mrs Hodson-Thomas	Ms Sue Walker
Mr Birney	Mr Johnson	Dr Woollard
Mr Board	Mr Masters	Mr Bradshaw (<i>Teller</i>)

Noes (25)

Mr Brown	Mr Kobelke	Mr McRae	Mrs Roberts
Mr Carpenter	Mr Kucera	Mrs Martin	Mr Templeman
Mr Dean	Mr Logan	Mr Murray	Mr Whitely
Mr D'Orazio	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)
Dr Edwards	Mr McGinty	Mr Quigley	
Ms Guise	Mr McGowan	Ms Radisich	
Mr Hyde	Ms McHale	Mr Ripper	

Question thus negated.

Mr KOBELKE: I will handle the Bill for a short time to relieve the Treasurer. I ask the advisers to join me.

Mr BIRNEY: I see a few weary eyes around the Chamber. I am sure all members know that this late sitting is the fault of the Leader of the House. He made a blue earlier today, which I think he is now regretting. He is a bit sheepish, which all members know. I would like to get on to the Bill.

Point of Order

Mr KOBELKE: Much of the debate that has occurred tonight has been totally unrelated to the clause before the House. For the member for Kalgoorlie to stand on clause 7, which simply states what this part of the Bill relates to, and to go on to other matters is indicative of the fact that the member is not speaking to matters that are relevant to the clause before the House.

The ACTING SPEAKER (Mr Andrews): I am sure the member for Kalgoorlie was about to address the clause.

Debate Resumed

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr BIRNEY: Mr Acting Speaker is very perceptive, because that is exactly what I was about to do. I am not surprised that the Leader of the House wanted to take a point of order.

This part of the Bill is as important as clause 6 because it talks about fringe benefits tax and how the grossed-up value of fringe benefits tax will apply to the payroll tax regime. Payroll tax is currently payable on fringe benefits tax; however, it is only payable on the after tax fringe benefit amount. This Bill seeks to impose payroll tax on top of the grossed-up value of fringe benefits tax, which would be the value of any fringe benefit or perceived fringe benefit inclusive of tax. I am concerned that employers are currently struggling with payroll tax. That is widely known in the business community. As I said earlier, when one asks employers what they would like changed, in a legislative sense, the answer that comes back is payroll tax. They want payroll tax abolished. They want it out of their lives because, after all, it is a tax on employment. An employer would be hesitant to offer fringe benefits to employees once this Bill had passed through this House. It is fair to say that employees are paid in all sorts of ways, be it cash, fringe benefits or perhaps the odd day off. Employers and employees come to all sorts of arrangements.

Points of Order

Mr KOBELKE: The member may not know which clause he is speaking to, but it is clause 7. Clause 7 is very short and quite specific. So far I have heard no comments that go to the meaning and intent of clause 7. I suggest that the member address the clause. The matters he wishes to canvass may be appropriate to clause 8, but as yet he has not spoken to clause 7.

Mr BIRNEY: Clause 7 refers to payroll tax, Mr Acting Speaker. We are dealing with payroll tax as it applies to a grossed-up value for fringe benefits tax.

Mr Kobelke: That is clause 8.

Mr BIRNEY: Clause 7 refers to changes to the Pay-roll Tax Assessment Act.

Mr Kobelke: It does not.

Mr BIRNEY: It does. The clause provides that the amendments are to the Pay-roll Tax Assessment Act. It is written in black and white. The clause reads, "The amendments in this Part are to the Pay-roll Tax Assessment Act 1971." Those amendments refer to payroll tax as it applies to fringe benefits tax, so it is entirely appropriate for me to talk about fringe benefits tax on clause 7.

The ACTING SPEAKER (Mr Andrews): Clause 7 relates to the title of that Act. The member for Kalgoorlie is in the ballpark but certainly does need to draw back to that.

Debate Resumed

Mr BIRNEY: I appreciate that the Leader of the House has not been in that chair for very long; in fact, the Treasurer has been sitting there. I appreciate that he is probably a bit tired, through every fault of his own. The amendments to the payroll tax involve changes to the payroll tax as it applies to the grossed-up value of fringe benefits. The Leader of the Opposition made a very good point: it is sitting right there in the title. Perhaps the Leader of the House should have read the title before he took his point of order.

Mr Kobelke: We are not addressing the title. We are speaking to clause 7.

Mr BIRNEY: The Leader of the House is going for his standing orders book again; he cannot help himself.

Clause 7 deals with payroll tax as it applies to fringe benefits tax. Fringe benefits tax was introduced by a Labor Government some years ago. I will share with the House a situation with regard to fringe benefits tax that has arisen over the past eight or nine years in Kalgoorlie-Boulder. It is a shame that the member for Eyre is not with us. I know this is an issue that is dear to his heart. It involves fly in, fly out, which is the scourge of country Western Australia, and certainly the goldfields area. Fly in, fly out came about because a Labor Government introduced fringe benefits tax.

The ACTING SPEAKER: The member's point relates more to clause 8 than clause 7.

Mr BIRNEY: Perhaps I might explain again, Mr Acting Speaker. Clause 7 refers to the amendments to the Pay-roll Tax Assessment Act.

Mr Kobelke: It does not. It nominates the principal Act. It says nothing about what it does. That is contained in the next clause.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr BIRNEY: Okay. I draw the Acting Speaker's attention to the explanatory memorandum put out by the Government. Page 5 deals with clause 7. It states that this clause provides that the amendments are to the Payroll Tax Assessment Act 1971. It is very clear to me. The amendments we are talking about are the amendments to the payroll tax as it applies to fringe benefits.

Mr Kobelke: They are not in this clause. You can speak only to what is in the clause.

Mr BIRNEY: I am talking about payroll tax as it applies to fringe benefits.

Several members interjected.

The ACTING SPEAKER: Order! I am listening to the member for Kalgoorlie.

Mr BIRNEY: It would appear that my time has expired. I would like to have another go at this at some stage, so I will let another member have a go first.

Mr BARNETT: This clause of the Bill is absolutely fundamental. It is about expanding the base of payroll tax not only to include fringe benefits tax, which regrettably has been there for some time, but also to re-measure the value of fringe benefits pre tax rather than after tax. We are therefore talking about a larger amount of money. If one measures a fringe benefit such as a car -

Mr Kucera: That's gobbledegook!

Mr BARNETT: I am sorry?

Mr Kucera: You heard.

Mr BARNETT: No, I did not.

Mr Kucera: That was gobbledegook. Explain it.

Mr BARNETT: I would be delighted to. I am advised that 80 per cent of fringe benefits relates to company vehicles. An employer's payroll tax assessment is based not only on the payroll but also on the fringe benefits that employees receive. Until now the application of fringe benefits included in payroll tax was based on an after-tax assessment of the fringe benefit value. Now it is to be a grossed-up value. That is the purpose of the legislation and that point was made by the Treasurer in the second reading speech. The grossed-up or pre-tax value of a fringe benefit relates to a higher figure.

Mr Kucera: Of course, it's a tax.

Mr BARNETT: When one applies the same rate of payroll tax to a greater value of a given fringe benefit, the amount of payroll tax is increased. Should the Minister for Health deny this, perhaps he can explain to the House why this simple definitional change will raise \$16.1 million in a full year. This is not peanuts; this is not a small amount of money.

Mr Kucera: Why would you impose a tax if it weren't going to raise revenue? That's gobbledegook!

Mr BARNETT: This little definitional change will raise \$16.1 million in a full year. A simple change to the grossed-up, pre-tax value is worth \$16.1 million. We would appreciate hearing from the Minister for Health where the \$16.1 million will come from if it will not have an impact. Can he explain the difference between pre-tax fringe benefit and post-tax fringe benefit?

Mr Kucera: I said, why would you put a tax in place if it doesn't raise revenue? That's why it's gobbledegook, Leader of the Opposition.

Mr BARNETT: Because it does not raise revenue?

Mr Kucera: Of course it does.

Mr BARNETT: Does the Minister for Health know that payroll tax applies to payrolls?

Mr Kucera: Of course it does.

Mr BARNETT: Does he also know that it applies to fringe benefits?

The ACTING SPEAKER (Mr Andrews): Order, Leader of the Opposition!

Mr BARNETT: I took the interjection and now I am not allowed to respond.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The ACTING SPEAKER: I draw the Leader of the Opposition's attention to Standing Order No 179, which states -

Debate will be confined to the clause or amendment before the Assembly and no general debate will take place on any clause.

The general debate was beginning to be solely about fringe benefits tax.

Mr BARNETT: This debate is about the Pay-roll Tax Assessment Act, and one part of the Act relates to the calculation and the definition of the base of payroll tax. That is why it is called an assessment; it is a taxation assessment. That is why clause 7 specifically states that the amendments in this part are to the Pay-roll Tax Assessment Act 1971 reprinted as at 12 November 1996. Mr Acting Speaker, this is the first clause in this Bill that reads -

... *Pay-roll Tax Assessment Act 1971* - Gross-up of fringe benefit value

At the start of debate on this clause we must be able to explain to the House, particularly the Minister for Health, what a payroll tax is, what a fringe benefit tax is and what the difference is between post tax and pre-tax valuation of the fringe benefit. That is what this clause is about, Mr Acting Speaker. It is the conclusion of my comment. Of course I need to be able to speak to that. I took an interjection from the Minister for Health and as soon as I responded I was told I could not respond. I will therefore sit down, if that is the way this Parliament is being run.

The ACTING SPEAKER: The Leader of the Opposition's points were more related to the definitions in clause 8.

Mr BOARD: This clause provides for amendments to the Pay-roll Tax Assessment Act 1971. In talking about amendments to that Act, it has generally been a direction of government - certainly of our Government in the eight years we were in office - to try to find ways to reduce payroll tax and the impost on businesses that are paying payroll tax. The reason we did that was that every member of this House realises that imposts on business, particularly payroll tax, are a tax on employment and on the growth of Western Australia. All Governments in Western Australia have been embarrassed by the size of payroll tax in this State. However, they have been locked into the revenue that is gained from payroll tax. I recall that when we were elected in 1993, we endeavoured to get rid of payroll tax entirely, but because of the need for revenue, the best we could do during our eight years in government was -

The ACTING SPEAKER (Mr Andrews): Again, the member for Murdoch is leading into a general discussion rather than a debate on clause 7.

Mr BOARD: Mr Acting Speaker, I understand your point of view, but it is difficult to talk about clause 7 without talking about payroll tax, because that clause makes amendments to the Pay-roll Tax Assessment Act. Therefore, in talking about that clause, I am obliged to talk about the Pay-roll Tax Assessment Act; and if I cannot talk about the Pay-roll Tax Assessment Act, what am I at liberty to talk about?

The ACTING SPEAKER: Is that a rhetorical question?

Mr BOARD: No. I think it is a fair question. I am not seeking in any way to detract from your guidance, Mr Acting Speaker, but I am seeking some clarity about what I am at liberty to speak about on this clause. This clause makes amendments to the Pay-roll Tax Assessment Act, and I am seeking to talk about the Pay-roll Tax Assessment Act. If I am restricted from doing that, I am not sure what I can speak about on this clause.

The ACTING SPEAKER: The focus of the point I am trying to make is that the debate should be about whether the amendments should or should not be part of this clause, rather than a general discussion about payroll tax.

Mr BOARD: I understand that, but if the Opposition has no opportunity through the drafting of this Bill to explore the wording of this Bill, then I find it difficult to understand what can be discussed within this clause. However, you have given that guidance, Mr Acting Speaker, and we are happy to move on to clause 8.

Clause put and passed.

Clause 8: Section 3C amended -

Mr BARNETT: Proposed section 3C(1a) states -

The grossed-up value of a fringe benefit is the amount worked out using the formula -

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

taxable value of the fringe benefit	x	appropriate gross-up factor
--	---	--------------------------------

Can the minister detail for the House how the grossed-up value will be determined?

Mr KOBELKE: The explanatory notes give quite a good understanding of what is a very technical issue. The meaning of appropriate grossed-up factor, which the Leader of the Opposition asked about, is set out in paragraphs (a) and (b). Paragraph (a) applies to a fringe benefit that is a GST-creditable benefit, which under the Fringe Benefits Tax Assessment Act - the FBT Act - is a fringe benefit for which the benefit provider is entitled to claim an input tax credit in respect of GST paid on goods and services acquired in order to provide the fringe benefit. The FBT Act makes a distinction between the GST creditable benefits and the non-GST creditable benefits to avoid allowing employers the benefit of GST input tax credits for goods and services purchased for the private use of employees. As a result, the grossed-up rate applicable to GST creditable benefits effectively recovers the input tax credit that can be obtained by an employer in providing a fringe benefit.

Paragraph (a) provides that for the purposes of a GST creditable benefit, the appropriate grossed-up factor is the factor by which the type 1 aggregate fringe benefits amount is multiplied under section 5B(1B) of the FBT Act. Section 5B(1B) of the FBT Act sets out the formula by which the grossed-up rate applicable for GST creditable benefits is calculated. The formula for the calculation is set out in the explanatory notes. The type 1 aggregate fringe benefits amount represents the total taxable value of fringe benefits that are GST creditable benefits. The grossed-up formula results in a grossed-up rate of 2.1292 for the FBT rate when the FBT rate is 48.5 per cent and the GST rate is 10 per cent. The appropriate grossed-up factor of a GST creditable benefit for the purposes of paragraph (a) is 2.1292 based on current FBT and GST rates. Paragraph (b) applies to fringe benefits that are not a GST creditable benefit, which, under the FBT Act, is a fringe benefit to which there is no entitlement to claim an input tax credit. Paragraph (b) provides that for the purposes of a non-GST creditable benefit, the appropriate grossed-up factor is the factor by which the type 2 aggregate fringe benefits amount is multiplied under section 5B(1C) of the FBT Act. Section 5B(1C) of the FBT Act sets out the formula by which the grossed-up rate applicable to non-GST creditable benefits is calculated. The formula for the calculation is set out in the explanatory notes. The type 2 aggregate fringe benefits amount represents the total taxable value of all fringe benefits that are not type 1 benefits. The grossed-up formula results in a grossed up rate of 1.9417 when the FBT rate is 48.5 per cent. The appropriate grossed-up factor of a non-GST creditable benefit for the purposes of paragraph (b) is 1.9417 based on the current FBT rate.

Mr BARNETT: That was a particularly lucid explanation. I would appreciate it if the minister could explain the significance of the difference between type 1 and type 2.

Mr KOBELKE: Ministers of all Governments do not get across the fine detail of some matters that are highly technical. I do not profess that matters as complex as this are ones that any minister is able to go through in full detail. The Government has provided briefings. If members require more technical detail, it will be made available. I have read out the formal explanation.

Adjournment of Debate

Mr BIRNEY: I move -

That the debate be adjourned.

The ACTING SPEAKER (Mr Andrews): I will check on the time since the last division on this question.

Mr BIRNEY: It has been about 20 minutes.

The ACTING SPEAKER: This question was put at 1.37 am. It can now be put again.

Question put and a division taken with the following result -

Ayes (6)

Mr Barnett
Mr Birney

Mr Board
Mr Johnson

Mrs Woollard

Mr Bradshaw (*Teller*)

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Noes (25)

Mr Andrews	Mr Hyde	Ms McHale	Mrs Roberts
Mr Brown	Mr Kobelke	Mrs Martin	Mr Templeman
Mr Carpenter	Mr Kucera	Mr Murray	Mr Whitely
Mr Dean	Mr Logan	Mr O’Gorman	Ms Quirk (<i>Teller</i>)
Mr D’Orazio	Ms MacTiernan	Mr Quigley	
Dr Edwards	Mr McGinty	Ms Radisich	
Ms Guise	Mr McGowan	Mr Ripper	

Pairs

Mr Ainsworth	Mr Marlborough
Mr House	Mr Hill

Question thus negated.

Mr KUCERA: I move that the question now be put.

Mr BARNETT: On a point of order: we do not have a question before the House.

The ACTING SPEAKER (Mr McRae): I was just about to put it. If the Leader of the Opposition will sit down and wait until I give him the call before he speaks to me, that might be the first appropriate step to get some order.

Mr BARNETT: I called a point of order.

The ACTING SPEAKER: I heard no call for a point of order. The question is that clause 8 stand as printed.

Mr BARNETT: Clause 8 relates to the main content of the definitions on the impact of the grossed-up value of fringe benefits that will apply. The formulas are complex. I do not deny that. I will not pretend that I comprehend them. They are essentially arithmetic relationships that set out the different tax rates applying between FBT, the income tax rates and the like. They relate to the relationship between the FBT rate, which effectively is the income tax rate, and the GST rate. I seek the advice of the minister on what will happen when a fringe benefit includes items that are GST exempt. For example, how would the fringe benefit that is an allowance provided to an employee relating to the education of a child, which may include a contribution towards school fees, a travel allowance and a contribution to living allowance, be accommodated within this formula? Which rate of GST would be applied when a fringe benefit had a multiplicity of components subject to differing rates of GST, given that some elements of GST are exempt from the GST basic rate of 10 per cent?

Mr BOARD: What I find amazing about not only the wording of this clause but also the explanation given by the Leader of the House standing in for the Treasurer, is that it is nearly impossible to comprehend how to calculate this change in the benefit. Therefore, the only people who will be able to understand and implement that will be either highly skilled accountants or people who have studied this change in the legislation. We see another impost on business. The reality is that regardless of one’s circumstances in business, a lot of people try to save costs by doing their own paperwork because of the high cost of complying with tax regulations. There has been a general thrust by both Commonwealth and State Governments to simplify the tax Acts.

I remember the large number of speeches made by opposition members about how the goods and services tax was too complicated and how impossible it was, particularly for small and medium-size businesses to follow. They made mileage out of the fact that it was an impost on business and that it was costing those businesses to comply with the GST provisions. We see in this proposed section an extremely complicated formula and a complicated application for trying to work out what the tax implication is. I challenge any member of this House, regardless of his or her status or background, to adequately explain how we reach that benefit. The Leader of the House cannot, by his own admission, I cannot, and the Treasurer probably cannot explain it. I suspect that even the Treasury officials may be struggling in that regard.

We are putting a further impost on businesses and they will have to seek further technical advice and incur more costs to comply with this section of the proposed Act. It is very difficult to discuss, explore and scrutinise legislation in this House when the Leader of the House, acting for the minister in this instance, is unable to explain the implications of the legislation. I do not expect him to, because it is that bloody complicated!

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The ACTING SPEAKER (Mr McRae): Order!

Mr BOARD: The reality is that that is what is being imposed on business; all this from a Government that made incredible mileage over a long period about the cost of complying with tax regulations in this country. Now it is happening again, and in a way which makes it impossible for any small business person to understand. In frustration, we find it difficult to even explore the parameters of this particular legislation because the minister is unable to explain it, we cannot understand it and I am sure businesses in this State will have the same difficulty understanding it.

Mr KOBELKE: I was attempting to answer the question put by the Leader of the Opposition when the member for Murdoch rose to contribute. The question by the Leader of the Opposition raised the complexity, which largely rests with the commonwealth fringe benefits tax, and that is not something that is picked up in this proposed Act. This legislation then applies the grossed-up rate on top of that. One needs to understand that the liability under the fringe benefits tax is under that federal legislation, and that will have to be calculated by the employer as it already is. To keep this particular application as simple as possible - that is, to minimise the employer's compliance costs - the return done by the employer for the purposes of the commonwealth Act is acceptable. That is consistent with what already happens in other States including Victoria, South Australia and Queensland. The complexity in the fringe benefits tax is not in any way further complicated by what we have here; that has already been calculated for their returns. The returns for federal Government purposes then become the basis for grossing-up the wages for the state tax.

Mr Birney: Is the content of your speech reflected by the current actions of the Treasurer?

Mr KOBELKE: I do not the get the point.

Mr Birney: He is sound asleep. Is that a reflection of the content of your speech?

Mr Ripper: I have been following the Leader of the House's explanation very closely. If you want, I can paraphrase what he has been saying.

Mr Barnett: Can't you handle your own legislation? Why are you not at the Table?

Mr Birney: If you're going to be here, you should do the legislation justice. Otherwise, we might as well all go home. Show the place some respect.

Mr KOBELKE: The member for Kalgoorlie is following the lead of others on his side by taking cheap shots and putting in *Hansard* claims about certain people that are totally untrue.

Mr Birney: It was not a cheap shot at all. If you are going to keep us in the House, you should keep your people awake.

Mr KOBELKE: It might look good in *Hansard* that an accusation was made about someone. However, it was totally untrue. I have been on my feet for only two minutes. I was providing the advice given to me by the Treasurer. The member is claiming that he is asleep simply so that a false statement is recorded in *Hansard*. It gives the member for Kalgoorlie no credit when he plays those sorts of tricky games.

Question to be Put

Mr KUCERA: I move -

That the question be now put.

Question put and a division taken with the following result -

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ayes (25)

Mr Andrews	Mr Hyde	Ms McHale	Mrs Roberts
Mr Brown	Mr Kobelke	Mrs Martin	Mr Templeman
Mr Carpenter	Mr Kucera	Mr Murray	Mr Whitely
Mr Dean	Mr Logan	Mr O’Gorman	Ms Quirk (<i>Teller</i>)
Mr D’Orazio	Ms MacTiernan	Mr Quigley	
Dr Edwards	Mr McGinty	Ms Radisich	
Ms Guise	Mr McGowan	Mr Ripper	

Noes (5)

Mr Barnett	Mr Board	Mr Bradshaw (<i>Teller</i>)
Mr Birney	Dr Woollard	

Pairs

Mr Marlborough	Mr Ainsworth
Mr Bowler	Mr House

Question thus passed.

Clause put and passed.

Clause 9: Fringe benefits provided before 1 January 2002 -

Mr BIRNEY: I am a bit confused about this clause.

Mr Kucera: You have been like that ever since you came into this House.

Mr BIRNEY: That comment may reflect more on the minister, particularly with the health portfolio struggling. Every day during question time he has a look of confusion across his face.

Mr Kucera: I read those wonderful things in the *Kalgoorlie Miner*.

Mr BIRNEY: For the benefit of the Minister for Health I will say this slowly, because I know he prides himself on being a simple man. I was dealing with clause 9 before I was rudely interrupted by the Minister for Health, who reflected on my intelligence.

Mrs Roberts interjected.

Mr BIRNEY: The minister should clarify that remark.

The ACTING SPEAKER (Mr McRae): The question we are now debating is whether clause 9 stands as printed. The member should address his remarks to me.

Point of Order

Mr BIRNEY: Prior to the Acting Speaker getting to his feet, the Minister for Police made a statement that she should clarify or withdraw. I think she was referring to the Minister for Health when she said, “At least he does not have his hand on it.” I would like the minister to clarify exactly what she meant by “it”.

Mr Ripper: No doubt it was something very insignificant.

Mr BIRNEY: If she meant what I thought she meant by “it”, I ask that the minister withdraw that disgraceful comment.

The ACTING SPEAKER: I heard no such comment. There is no point of order.

Debate Resumed

Mr BIRNEY: That is a shame. I thought you might have at least asked the minister for her comment, Mr Acting Speaker.

The ACTING SPEAKER: I hope the member for Kalgoorlie is not canvassing my ruling.

Mr BIRNEY: No, definitely not. I am mortally wounded by the cutting remark of the Minister for Police.

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ms MacTiernan: The first good news we have heard all night.

Mrs Roberts interjected.

Mr BIRNEY: The minister is an oxygen thief. Do they speak English on her planet?

Mrs Roberts: I used to try to teach turkeys like you.

The ACTING SPEAKER: Order, Minister for Police!

Mr BIRNEY: It appears that we no longer need a long neck to be a goose. The Minister for Police is a very good example of that.

Withdrawal of Remark

The ACTING SPEAKER: I ask the member to withdraw that remark.

Mr BIRNEY: I withdraw.

Debate Resumed

The ACTING SPEAKER: Please address clause 9.

Mr BIRNEY: It appears that the clause ensures that fringe benefits granted to employees prior to 1 January 2002 will not attract the wrath of this legislation. It is contrary to legislation that has been introduced in the past by the Labor Party because, as I said earlier, it is a champion of retrospective legislation. It appears in this instance at least that it has addressed the retrospectivity of this legislation.

My recollection of my small business days is that the fringe benefits tax year is not the same as the financial year from 1 July to 30 June. As I recall, it went from March to March. Will the Treasurer confirm that? If that is the case, why did he seek to impose this legislation from January onwards if the fringe benefits tax year commences in March, although I may stand corrected. I do not think it is a calendar year.

Mr RIPPER: I am advised that the FBT year is different from the financial year. The important point about this clause, which I hoped the member for Kalgoorlie would support, is that it operates from the same time as the other changes to the payroll tax regime, and it is important for all the changes to operate from the same day. This clause also prevents fringe benefits provided prior to the operational day from being retrospectively assessed at the grossed-up value. I hope, given their general comments on these matters, that opposition members would find it possible to briefly support this clause.

Mr BARNETT: I seek clarification on a simple example. An employee is provided with a company car some time before January 2002, but the car is used over a period that extends into 2002. How will fringe benefits be calculated on that same vehicle, for that same employee, before January 2002 and after that date? What happens when that company car is replaced, or the contract of employment of the employee is changed?

Mr RIPPER: I am advised that, for each month, employers take one-twelfth of the previous FBT year payment, which goes into the payroll tax pool. The grossing-up factors would then apply to that one-twelfth payment for each month after 1 January 2002.

Mr BOARD: Will the Treasurer indicate what the implications of clause 9 are for the impost on government agencies, and to government employees, particularly those who have government cars affected by fringe benefit tax? How will those employers meet that impost? Will it be passed onto the employees? What will be the net benefit to government as a result of the impost on those employees?

Mr RIPPER: General government agencies do not pay payroll tax.

Mr BARNETT: The Treasurer might be incorrect there. Trading enterprises would certainly be paying payroll tax, and there would also be a FBT component -

Mr Ripper: I said general government agencies do not pay payroll tax.

Mr BARNETT: Yes, I know, but where the tax does apply, across many areas of government, I ask whether the Treasurer has made allowances for this in the budget.

The ACTING SPEAKER (Mr McRae): I draw the attention of the Leader of the Opposition to Standing Order No 179, which reads -

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Debate will be confined to the clause or amendment before the Assembly and no general debate will take place on any clause.

I accept that the Leader of the Opposition is looking for the connection in the application of this tax, but this clause deals with the operation date.

Mr BARNETT: With respect, it does not at all.

The ACTING SPEAKER: Can the Leader of the Opposition explain why it does not?

Mr BARNETT: It applies to a change from a pre-2002 fringe benefit to a post-2002 one.

The ACTING SPEAKER: So does it deal with the timing of the application?

Mr BARNETT: No, it does not. The new provisions come into place in January 2002, but this clause deals with existing fringe benefits already in place, and how they are treated when the rules change. It has nothing to do with the timing of the application of the measure at all. It deals with existing fringe benefits and how they will be dealt with when the new regime comes into play. That is exactly the point the member for Murdoch is making.

The ACTING SPEAKER: I understand what the Leader of the Opposition is saying. However, can he explain to me how clause 9 deals with the application of the tax rather than the timing of the tax, because I do not see the relevance of this line of debate at the moment?

Mr BARNETT: Because it says that the existing arrangements for pre-January 2002 fringe benefits will remain in place. Post-January 2002, a different rate of tax will apply. This is the only clause in the whole legislation that relates to the treatment of fringe benefits under this change in the formula. Therefore, we are asking how that will apply. I asked a straightforward question about an existing vehicle. That was a fair enough question, and I have not yet received an answer to it. The member for Murdoch asked a straightforward question about how this will apply in government enterprises. General government public servants are not paying fringe benefits tax, but trading enterprises are. This is the only clause under which we can pursue this issue.

The ACTING SPEAKER: I understand that. However, the point I am trying to understand in the Leader of the Opposition's discussion of this clause is that it refers to those matters in force immediately before 1 January continuing to have effect in relation to fringe benefits provided before 1 January 2002. Therefore, we are talking about before and after 1 January 2002; is that right?

Mr BARNETT: What is going on? Am I being questioned by the Chair now? What is happening? If the Acting Speaker has a point -

The ACTING SPEAKER: I am trying to do this cooperatively.

Mr BARNETT: The Acting Speaker is asking me questions now. I am not the minister. He should ask the minister if he wants an answer. I am asking the questions, not the Acting Speaker, surely.

The ACTING SPEAKER: I draw the Leader of the Opposition's attention to Standing Order No 179. Unless he has something else to say that conforms with the standing order, we will move to the next speaker.

Mr BARNETT: I do. I again ask how it will apply to a car. I also asked what happens when the vehicle is replaced, and what happens when the contract of employment is changed. We have also asked what will happen with an agency like Western Power. Has the Government allowed for that, and has Western Power allowed for that in its budget provisions? That is a straightforward question. There is no answer from the hapless Treasurer.

Clause put and a division taken with the following result -

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ayes (24)

Mr Andrews	Ms Guise	Mr McGinty	Ms Radisich
Mr Brown	Mr Hyde	Mr McGowan	Mr Ripper
Mr Carpenter	Mr Kobelke	Ms McHale	Mrs Roberts
Mr Dean	Mr Kucera	Mrs Martin	Mr Templeman
Mr D'Orazio	Mr Logan	Mr Murray	Mr Whitely
Dr Edwards	Ms MacTiernan	Mr O'Gorman	Ms Quirk (<i>Teller</i>)

Noes (5)

Mr Barnett	Mr Board	Mr Bradshaw (<i>Teller</i>)
Mr Birney	Dr Woollard	

Pairs

Mr Watson	Mr House
Mr Marlborough	Mr Ainsworth

Clause thus passed.

Clause 10: The Act amended -

Dr WOOLLARD: I move -

Page 9, after line 29 - To insert the following -

Part 4 – Pay-roll Tax Assessment Act 1971 – Partial Exemption

10. The Act amended

The amendments in this Part are to the *Pay-roll Tax Assessment Act 1971**.

[Reprinted as at 12 November 1996.

For subsequent amendments see 2000 Index to Legislation of Western Australia, Table 1, p329, and Acts Nos. 3 and 10 of 2001.]

11. New section 10A

After section 10 the following section is inserted –

“

10A. Partial exemption from Pay-roll Tax

(1) In this section –

“**aged care provider**” means a person who is an approved provider of a certified residential care service in accordance with the *Aged Care Act 1997* (Commonwealth).

(2) The pay-roll tax payable by an aged care provider will not exceed the amount which would have been payable at the rate which applied immediately prior to the commencement of section 9 of the *Revenue Laws Amendment (Taxation) Act (No. 2) 2001*.

All members would agree that the aged care system in this State is in crisis. I will give members some examples of newspaper articles. On 1 August an article titled “State’s push for aged care beds” stated -

... the Nurses Board of Western Australia this week, which highlighted nurses’ complaints about practices and conditions.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

On 2 August, an article in *The West Australian* titled "Nurses want board scalp" was written after a report had been released from the Nurses Board of Western Australia that showed there were substandard carers in nursing homes. On 3 August, an article in *The West Australian* titled "Aged care boost fails to please" stated -

State Health Minister Bob Kucera said the offer would be embraced eagerly, though it would do little to alleviate WA's aged care crisis.

On Saturday 11 August, an article in *The West Australian* titled "Bishop fails aged care needs: Labor" stated -

... Minister Bronwyn Bishop yesterday after reports that a neglected nursing home resident recently lost a leg to gangrene.

On 14 August an article in *The West Australian* titled "Ethics plan for aged care" stated -

AGED care providers have attacked the Federal Government for producing an industry ethics code without setting aside money to help fund higher standards.

Aged care groups believe the code will be embraced by better quality nursing homes and hostels.

But they doubt whether it will make a difference because the sector is struggling to make ends meet.

Aged and Community Services WA executive director Sharon Staines also welcomed the code.

But she agreed that funding levels did not meet the costs of care.

Some of her members were incurring significant losses, forcing them to reconsider their future in the industry.

An article in *The West Australian* titled "Aged care campaign calls for \$1 billion boost" states -

Labor aged care spokesman Chris Evans said the sector was in crisis ...

These articles continue. An article of 18 August is headed "Plea as aged-care system staggers" and states -

The aged-care sector has called for a huge funding injection to keep pace with rapidly increasing demand for its services.

An article of 29 August is headed "Staff lack hits aged: nurse" and states -

Lack of staff meant residents at a Nedlands nursing home were not getting proper care ...

Patsy Wyndham said yesterday a serious shortage of nursing staff had seen residents at the Salvation Army's Hollywood Senior Citizens Village left on commodes or in dirty beds for excessive periods.

That was a not-for-profit home. An article in *The West Australian* of 30 August is headed "Nursing home 'to cut staff'" and states -

Yesterday *The West Australian* reported that a nurse whose mother was a resident at the home, the Salvation Army's Hollywood Senior Citizens Village, was concerned that a lack of staff had resulted in residents not getting proper care.

Mr BOARD: I am very keen to hear some additional information from the mover of the amendment, the member for Alfred Cove. I seek that she continue her remarks.

Dr WOOLLARD: An article in *The West Australian* of 10 September is headed "Aged care election challenge" and states -

WA's aged-care system is in an unacceptable state, with 1600 Perth people waiting for residential services, according to the head of a peak industry body.

It continues -

Service providers were struggling more and more to meet existing demand let alone the growing needs of an ageing population ...

I will not continue, but I could continue with many more of these articles.

Point of Order

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ms MacTIERNAN: I appreciate the point being made by the member, but I think it is time she was brought back to the discussion of her amendment rather than a general dissertation on the federal Government's failings in aged care.

The ACTING SPEAKER (Mr McRae): I will not rule that there is a point of order; however, the member is extending the liberty of the House by using so many examples without developing the relationship between those examples and the amendment that she has moved.

Debate Resumed

Dr WOOLLARD: The point I was trying to make initially was that everyone would agree that aged care in this State is in crisis. Although the Minister for Health has repeatedly said that this is a commonwealth problem, this amendment to the Bill is an attempt to alleviate some of the distress of the patients in aged-care nursing homes. It would mean that the current payroll tax, which is \$4 extra per week per employee, will mean extra for Craigcare, which affects the electorates of the Minister for the Environment, the Premier, the members for Albany and South Perth and me. In the past 18 months, an extra \$100 000 has been paid because of payroll tax. If this new payroll tax is applied to that area of aged-care services, organisations will have to pay an extra \$60 000. Under the current legislation, not-for-profit organisations in aged care do not have to pay payroll tax.

Another article is headed "Bishop accused on aged funds" and states -

Catholic Health Australia executive director Francis Sullivan said the report "confirmed the real costs of care are not being met by the Government".

Not-for-profit aged care services are also in crisis in this State. When I discussed this issue earlier in the day, I was aware that the advice the Treasurer had been given was that it might be difficult to implement a separate payroll tax scale for aged care services, which would differentiate it from other services. I argued then, and now, that the Government has staff with information technology skills who could design a system whereby this would simply be a matter of putting a query into a database. People could identify themselves as aged care service providers. That could be easily done with a computer database and would enable those service providers to stay at the same level of tax. I do not believe that there are many aged care providers in this State or that this would have a detrimental impact on the budget. I know that it is estimated that the payroll tax scale will bring in \$27 million this financial year and \$63 million in the next financial year. I was also informed that the change in the top level of the scale - from 5.56 per cent to six per cent - would affect 3 000 employees. The Government could identify the aged care service providers among those 3 000 employees.

Mr BARNETT: The points made by the member for Alfred Cove have substantial merit. I always hesitate when we are asked to favour or to agree to things that would discriminate or enable the use of discretion between different classes of taxpayers. The member for Alfred Cove raised the issue of aged accommodation. Earlier in the debate I made the point that these tax changes would tend to affect service and labour intensive industries. The aged care sector, which requires a large number of employees, is an extreme example of one of those industries. The dominant cost within this industry, by a long way, is wages and salaries. All members are conscious of the problems experienced by the aged care sector. Australia has an ageing population. A process of setting different standards and so-called re-accreditation has occurred at a federal level. That has added to the cost structure of aged care. On top of that, the industry will be impacted upon by these payroll tax measures. Indeed, it will also be impacted upon by the land tax measures. In that sense the member for Alfred Cove has appropriately brought our attention to an important example of community service. Many of the aged care homes in that sector will not have the capacity to sustain tax increases at the same time that they are required to reinvest to meet various accreditation standards. Again, it reflects this Government's insensitivity and lack of consciousness about how taxation measures like this will affect different areas, sectors, services, industries and the economy. I thank the member for Alfred Cove for raising this point. I do not like discretionary or discriminatory measures, but this amendment purposefully points out how these tax measures would affect one vulnerable section of our community. Aged care is a high cost and difficult to maintain sector.

Dr WOOLLARD: As the Leader of the Opposition just said, if this new payroll tax scale were implemented, employers would have to wear the costs by lowering profits, decreasing wages, increasing prices or reducing the number of staff. Often only two registered nurses are looking after 100 or more patients in aged care facilities. Aged care facilities are relying more and more on agency staff because of the difficulties they have with salaries and conditions. Having agency staff looking after elderly people means that the agency staff do not know the

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

patients and do not perhaps appreciate when patients become more confused. The first time they might become aware of problems is when a patient has a fall and must be moved into one of the general hospitals.

Nurses who have been working in aged care facilities for the past 20 to 30 years are working very long shifts. Although their shift may finish at 9.00 pm, they may stay on until 10.00 pm or 11.00 pm to make sure that the patients are adequately cared for. Night staff are working to ensure that patients will have clean linen. Carers who are not qualified staff are administering medication, which is an unsafe practice.

We must look at how we can make aged care more attractive to permanent staff. We need to look at their conditions, at job satisfaction and at parity in remuneration. With our ageing population, we will need extra beds. Our current providers need to be encouraged to expand. As I mentioned today, we also need to encourage new providers to enter the field. By putting up the payroll tax scale in this area, we are neither supporting the current service providers nor encouraging new people to enter into this sector that is in great demand. The Treasury staff gave the opinion today that with the current information technology it would not be difficult to handle this issue. I asked the Treasurer to leave this question on the table and get advice from information technology, because this exemption could be implemented by the Government.

The Premier and the Minister for Health have repeatedly spoken about the crisis in the aged care sector. This exemption would help alleviate the crisis. The main funding comes from the Commonwealth, but this is a way in which the Government could show it is genuine in its concerns for patients in the aged care sector. Therefore, I ask the Government to consider not applying the increases in payroll tax to aged care service providers.

Mr BARNETT: The member for Alfred Cove has moved an appropriate amendment. I have some hesitancy about it, but it brings to my mind some other issues in a related area. In raising the rates of payroll tax and widening the net, it will include not only aged care but also country hospitals and indeed any private similar agency where payroll tax will be paid. They will be required to use agency nurses. The cost of the agency nurse might be \$50 an hour, with the nurse getting paid \$14 or \$15 an hour or whatever the rate might be. What will be the dual effect of payroll tax applying to that wage cost? One might say that the agency would pay the payroll tax, and maybe it does. I ask the question of the Treasurer: will agency nurses in private hospitals or the hospital employer be caught by the provision, and will that be compounded when the Government's subsequent legislation comes into force relating to an employee-like contract that is subject to payroll tax?

The ACTING SPEAKER (Mr McRae): Leader of the Opposition, we are dealing with the amendments moved by the member for Alfred Cove.

Mr BARNETT: Exactly. I am trying to understand the amendment.

The ACTING SPEAKER: I am trying to understand how agency care nurses -

Mr BARNETT: Nursing homes employ agency nurses.

The ACTING SPEAKER: I thought you spoke of agency care nurses in the State's hospitals?

Mr BARNETT: No; agency nurses.

Adjournment of Debate

Mr BIRNEY: I move -

That the debate be adjourned.

Question put and a division taken with the following result -

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Ayes (5)

Mr Barnett	Mr Board	Mr Bradshaw (<i>Teller</i>)
Mr Birney	Dr Woollard	

Noes (25)

Mr Andrews	Mr Hyde	Ms McHale	Mrs Roberts
Mr Brown	Mr Kobelke	Mrs Martin	Mr Templeman
Mr Carpenter	Mr Kucera	Mr Murray	Mr Whitely
Mr Dean	Mr Logan	Mr O’Gorman	Ms Quirk (<i>Teller</i>)
Mr D’Orazio	Ms MacTiernan	Mr Quigley	
Dr Edwards	Mr McGinty	Ms Radisich	
Ms Guise	Mr McGowan	Mr Ripper	

Pairs

Mr Ainsworth	Mr Hill
Mr House	Mr Marlborough

Question thus negatived.

Mr RIPPER: The Leader of the Opposition summed up the position that anyone in government would have to take on an amendment such as this. He said he has reservations about providing within tax legislation concessions for particular groups of taxpayers. The correct way to provide assistance to the aged-care industry is in the expenditure side of the budget. It is difficult for the Government, given our financial circumstances, to undertake that expenditure assistance for the aged-care industry, but it is a matter that we can consider in the next budget process, which will start shortly. With regard to providing tax concessions, I share the Leader of the Opposition’s reservations. These sorts of tax concessions are difficult to quantify; the accountability for the expenditure disappears, because it is not examined every year; people pay less attention to the amount of taxation revenue forgone than they would to expenditure of an equivalent size; and it tends to complicate the taxation legislation and increase the costs of government administration.

Therefore, on this occasion the Government does not intend to accept the amendment moved by the member for Alfred Cove. I appreciate that the member has stuck to her guns and has tried to raise an important issue, and that she has been patient and has stayed in the House during a long period of useless debate and disgraceful parliamentary behaviour by the Opposition. The member for Alfred Cove will be able to report to her electorate that she showed considerable patience and determination to ensure that her amendment was debated, and I commend her for that. The member for Alfred Cove has raised an issue that is important to this State and country. Aged care needs assistance. However, that assistance should come from the federal Government. If the State Government can offer assistance, it should be done on the expenditure side of the budget. Regrettably, the Government will not support the amendment, but the member has raised an issue that we should consider in the budget process.

Question to be Put

Mr KOBELKE: I move -

That the question be now put.

The ACTING SPEAKER (Mr McRae): The question is that the question be now put. Those of that opinion say aye, to the contrary no, I think the ayes have it.

Dr WOOLLARD: Divide.

The ACTING CHAIRMAN: I am sorry; the member for Alfred Cove has missed the call.

Points of Order

Mr BARNETT: Mr Acting Speaker, it has been the practice this evening that when there has been some confusion, the Chair - and it may have been you on one occasion - has taken the opportunity to put the vote again. I ask that you give the member for Alfred Cove that same opportunity and put the vote again.

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr BIRNEY: Mr Acting Speaker, my understanding of what just happened is that you said the ayes have it. The member for Alfred Cove then called for a division. No other members were on their feet or had sought the call, nor had you given the call to anyone else. A division is completely in order.

The ACTING CHAIRMAN (Mr McRae): The member for Kalgoorlie is right.

Question put and a division taken with the following result -

Ayes (25)

Mr Andrews	Mr Hyde	Ms McHale	Mrs Roberts
Mr Brown	Mr Kobelke	Mrs Martin	Mr Templeman
Mr Carpenter	Mr Kucera	Mr Murray	Mr Whitely
Mr Dean	Mr Logan	Mr O’Gorman	Ms Quirk (<i>Teller</i>)
Mr D’Orazio	Ms MacTiernan	Mr Quigley	
Dr Edwards	Mr McGinty	Ms Radisich	
Ms Guise	Mr McGowan	Mr Ripper	

Noes (5)

Mr Barnett	Mr Board	Mr Bradshaw (<i>Teller</i>)
Mr Birney	Dr Woollard	

Pairs

Mr Hill	Mr Ainsworth
Mr Marlborough	Mr House

Question thus passed.

Amendment put and negated.

Mr BARNETT: Clause 10 relates to the grouping provisions under payroll tax. The Opposition has no particular problems with this clause of the Bill. It reflects relatively minor changes. I am not sure how many employers will be affected by the changes. Whether deliberately or inadvertently, sometimes when companies have franchises or branch offices across state borders, anomalies can arise in the assessment of payroll tax. These measures are broadly consistent with what is done by other jurisdictions in the State. I ask the Treasurer to advise how many Western Australian employers he expects to be affected by this and what the cost impact or the extra revenue will be?

Mr RIPPER: I am advised that to date the Office of State Revenue is aware of only one employer in this circumstance. The revenue involved is about \$120 000. However, were the arrangements engaged in by this employer to become more widespread, considerably more revenue would be at risk.

Clause put and passed.

Clause 11 put and passed.

Clause 12: The Act amended -

Mr BARNETT: This part of the legislation relates to voluntary transfers in the financial sector. This has been an issue for some time, particularly since the mergers of banks. A number of Australian banks went through mergers in the mid to early 1990s, and many anomalies arose as a result of those mergers. This relates to mergers and duties payable on real property. However, if one were to include the nominal or financial properties of banks - such as mortgages, securities and the like - one would confront extraordinarily large liabilities. It would also be an extraordinarily cumbersome process when national banks merged. Individual assets in individual States would be merged and be subject to different tax rates and tax laws. When most of those mergers occurred, the State Governments were very generous in reaching cooperative agreements to allow the mergers to take place at a minimum transaction cost. Treasuries also effectively negotiated payments in lieu of going through the cumbersome process.

It is an unusual set of circumstances and these provisions extend some of the arrangements far more widely across the financial sector. I am not convinced that that is a great idea. Just because it worked well for banks

Extract from Hansard
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pental; Mr John Day; Dr Geoff Gallop; Mr Pental; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

does not mean it will work for smaller financial institutions. Which institutions and how many are likely to be affected by these provisions in Western Australia? I would like to be very sure of the distinction between a merger that occurs wholly intrastate as compared with one that has an interstate component. How will this apply in those two circumstances?

Mr RIPPER: The reduction in compliance or administration costs referred to by the leader is achieved through the operation of the commonwealth legislation. However, our legislation needs to be adjusted to ensure that the State still collects stamp duty, despite the merger occurring under the provisions of the commonwealth legislation. Whether the merger is wholly intrastate or involves interstate aspects does not affect the amount of duty collected under this legislation. Whatever type of merger is occurring, it is the transfer of the Western Australian assets that attracts the duty under this legislation.

The leader referred to the number of mergers likely to be affected and the impact on the revenue collected. Of course, we cannot predict what the market will bring us with that sort of merger activity; that is up to the market. We are putting in place legislation to ensure that the State's revenue is protected should mergers occur under the provisions of the commonwealth legislation.

Mr BIRNEY: Clause 12 provides that the amendments relate to the Stamp Act. I have a concern about stamp duty. It is not necessarily the fault of the Labor Party; in fact, I suspect that the Liberal Party is just as much to blame. Nonetheless, it is a valid concern. It involves the application of stamp duty on an item that also attracts the goods and services tax. The law provides that stamp duty is to be charged on the price of an item inclusive of GST.

Points of Order

Mr RIPPER: Although that is an interesting and possibly important debate, it is not at all relevant to the clause that we are talking about.

Mr BIRNEY: Clause 12 clearly relates to the Stamp Act 1921. The Bill does not say anything specific about the Stamp Act other than that the amendments involved in clause 12 apply to the Stamp Act. I was addressing my comments to the Stamp Act. I ask that you rule the Treasurer's point of order out of order.

The ACTING SPEAKER (Mr Dean): The Treasurer has a point of order. This clause refers to a part of the Stamp Act. The member for Kalgoorlie cannot talk about the Stamp Act.

Adjournment of Debate

Mr BIRNEY: I move -

That the debate be adjourned.

Question put and a division taken with the following result -

Ayes (4)

Mr Barnett	Mr Birney	Mr Board	Mr Bradshaw (<i>Teller</i>)
Noes (24)			
Mr Andrews	Mr Kobelke	Ms McHale	Ms Radisich
Mr Brown	Mr Kucera	Mr McRae	Mr Ripper
Mr D'Orazio	Mr Logan	Mrs Martin	Mrs Roberts
Dr Edwards	Ms MacTiernan	Mr Murray	Mr Templeman
Ms Guise	Mr McGinty	Mr O'Gorman	Mr Whitely
Mr Hyde	Mr McGowan	Mr Quigley	Ms Quirk (<i>Teller</i>)

Pairs

Mr Ainsworth	Mr Marlborough
Mr House	Mr Bowler

Question thus negatived.

Extract from *Hansard*
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Clause put and passed.

Clauses 13 and 14 put and passed.

Clause 15: Section 28 amended -

Clause put and a division taken with the following result -

Ayes (24)

Mr Andrews	Mr Hyde	Mr McGowan	Ms Radisich
Mr Brown	Mr Kobelke	Ms McHale	Mr Ripper
Mr Dean	Mr Kucera	Mr McRae	Mrs Roberts
Mr D'Orazio	Mr Logan	Mrs Martin	Mr Templeman
Dr Edwards	Ms MacTiernan	Mr O'Gorman	Mr Whitely
Ms Guise	Mr McGinty	Mr Quigley	Ms Quirk (<i>Teller</i>)

Noes (4)

Mr Barnett	Mr Birney	Mr Board	Mr Bradshaw (<i>Teller</i>)
------------	-----------	----------	-------------------------------

Pairs

Mr Marlborough	Mr Ainsworth
Mr Hill	Mr House

Clause thus passed.

Clauses 16 to 19 put and passed.

Clause 20: Section 75JC amended -

Clause put and a division taken with the following result -

Ayes (24)

Mr Andrews	Mr Kobelke	Ms McHale	Ms Radisich
Mr Brown	Mr Kucera	Mr McRae	Mr Ripper
Mr D'Orazio	Mr Logan	Mrs Martin	Mrs Roberts
Dr Edwards	Ms MacTiernan	Mr Murray	Mr Templeman
Ms Guise	Mr McGinty	Mr O'Gorman	Mr Whitely
Mr Hyde	Mr McGowan	Mr Quigley	Ms Quirk (<i>Teller</i>)

Noes (4)

Mr Barnett	Mr Birney	Mr Board	Mr Bradshaw (<i>Teller</i>)
------------	-----------	----------	-------------------------------

Pairs

Mr Marlborough	Mr House
Mr Watson	Mr Ainsworth

Clause thus passed.

Clauses 21 and 22 put and passed.

Clause 23: The Act amended -

Mr BARNETT: Part 6 of the Bill relates to private unit trusts. It is the part of the Bill in which the objectives of the Government are well founded. Indeed, the industry and investment community has looked for clarification of the Stamp Act in this area. There is no doubt that the evolution of the law and differences between the Commonwealth and different state jurisdictions have resulted in a problem with the way the Stamp Act in this State is applied to various wholesale and other investment funds. It has acted to make Western Australia less

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

attractive for what are very fluid capital investments, particularly in the property sector. As a result, this State has over the past 12 months in particular attracted far less than its proportionate share of investment for these funds. The objective is sought after; however, following discussions with industry, I am not convinced that the way this is structured is correct. How widely did the Treasurer consult with industry about these complex but important provisions?

Mr RIPPER: Section 73D of the Stamp Act was enacted in 1982 in response to avoidance practices that had emerged, whereby stamp duty was being minimised on the disposition of high value properties through indirect interest being transferred in unit trusts that owned the property. In September 2000, direct approaches were made to both the Government of the day and the then State Revenue Department by two separate fund managers concerning unintended consequences arising from the operation of section 73D of the Stamp Act. Consultation took place on possible solutions to the problems they had arisen over the following four months and prior to the state election. Their issues were again raised with the new Government, which directed that work continue on possible solutions. The outcome of this work, which took a further seven months to complete given the complexity of the legislation, is now contained in the proposed amendments before the House. The legislation is in response to the specific concerns raised by the two fund managers. At that time it was also acknowledged that more broad-ranging problems existed with section 73D, and it could take considerable work to devise a solution to the problems facing industry while at the same time not opening up new avoidance opportunities.

In May 2001 the Property Council in its pre-budget submission raised general concerns about stamp duty legislation. At a meeting with the then minister assisting the Treasurer held in June 2001, the Property Council provided a specific proposal to deal with section 73D. At that meeting the minister indicated that the Government would undertake a review of business taxes and that the Property Council's broader concerns would be considered as part of that review. The State Revenue Department subsequently advised the minister that the concerns raised had some merit, but that the proposed solution would potentially threaten the revenue base. In September 2001 the Property Council made a submission to me in more detail, outlining the concerns and again putting forward the same solution. In subsequent meetings it has been indicated to the Property Council that the matters it raised would be considered as part of the business tax review.

With the release of the current amendments dealing with these specific concerns, the Property Council has sought to have a solution put in place at the same time to deal with the broader issues. In November this year, the Property Council wrote to me twice with proposed committee amendments that it feels would deal with the concerns of all its members. I could go on and talk about the consultation but I think I have indicated that there has been a fair amount of discussion and correspondence with the Property Council. It is recognised that these amendments do not deal with all the concerns that have been raised. However, the issues raised are complex. On the one hand, we do not want to restrict or inhibit investment in property in the State. On the other hand, we do not want to threaten the revenue base and open up opportunities for unjustified tax avoidance. Those two considerations must be balanced.

This Bill is the first instalment of our response to the concerns of investors in property in Western Australia through these mechanisms. There will naturally be further consideration of the concerns raised, particularly through the review of business taxation. I have had at least one meeting with investors who expressed their concerns about these overall issues. Obviously, the Minister Assisting the Treasurer, when that was a portfolio in the early months of the Government's term, also had some involvement with these issues. The officers of the then State Revenue Department have had that involvement both before and since the election.

Mr BARNETT: Was not the Treasurer's consultation narrowly based? I think he referred to consultation with two funds. That may well be correct. Were the Treasurer's consultations essentially with one or two funds, one of which was a significant union-based fund, although I do not object to the Treasurer's consulting with that fund? Is it true that he did not consult widely with the other funds, which feel somewhat aggrieved, not about the intent of the overall section, but about the way in which the detail has been drafted? He did not consult widely across that investment sector.

Mr RIPPER: The amendments contained in this Bill reflect that they were not intended to address the full range of the Property Council's issues, which were brought to the Government's attention some eight months after the approach by the individual fund managers. Moreover, at no time did the fund managers who directly approached the Government with their specific issues seek to have them addressed as part of the consideration of broader industry issues.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Essentially, funds approached the Government with a narrow range of concerns, and the Property Council came in later with a broader range of concerns. The Government recognises that problems have been correctly identified by the Property Council within that range of concerns. The solutions have not yet been identified in the Government's view. The Government must be very careful about creating avoidance opportunities in its response to these concerns. It has not yet moved on the broader Property Council issues, but it is possible that it could move on the narrower range of issues raised by members of the Property Council. In effect, the Government has shown good faith with property investors in Western Australia, and with the tax treatment of those investors. There is more work to be done, but, at this stage, with this package of legislation, there has been an initial response to the issues that were raised.

Mr BARNETT: I asked the Treasurer: which were the two funds that initially approached the Government, as they are entitled to, some eight months ago? Given that two quite significant funds approached the Treasury, why did the Government itself not initiate more widespread discussions with the Property Council? There is nothing wrong with the two funds approaching the Government with their concerns. That is quite proper. It is interesting that they were union funds, but I have no objection to that.

Mr Kucera: Then why raise it?

Mr BARNETT: Because the objection I have, which I am raising now, is that the two funds, which happen to be union-based funds - good luck to them - approached the Government to have some changes made. I do not object to those changes, but the point I raise and the objection I have is why did the Government not take the initiative of discussing those issues more widely with the property industry, including the Property Council? It is simply not good enough to sit back and say they did not come to the Government for eight months after the other two funds had approached the Government. It is the responsibility of the Government, and of the Treasury officials handling this matter, to go out and consult more widely with the industry.

Mr Kucera: You are trying to read something into it that is not there, because they were union funds.

Mr BARNETT: I am not. The member for Yokine can contribute to this debate if he wishes to. I would welcome that. Union-based funds are quite entitled to approach the Government.

Mr Kucera: Why are you trying to make something out of it?

Mr BARNETT: The point I am making -

Mr Kucera: The point you are making is that you are trying to cast aspersions.

Mr BARNETT: Will the Acting Speaker tolerate this continuous interruption? I will sit down, and then the member for Yokine can get up and make a speech.

The ACTING SPEAKER (Mr McRae): Member for Yokine, the Leader of the Opposition has the floor.

Mr BARNETT: It is very interesting that when interjections come from this side - and there have been plenty of interjections from this side - members are named, yet when incessant interjections come from the other side, nothing at all happens. I am happy to continue my remarks. The two funds - one was certainly a union-based fund - approached the Government about their concerns. I imagine that the funds were related to superannuation schemes managed by one or more parts of the union movement, which is fine; they developed during the 1980s. I do not have a problem with that, but I do have a problem that this Government, having been approached by one component of the investment sector, did not take it upon itself to go out and consult more widely before it went about the process of drafting changes. It has made some amendments that are suitable to this particular group, because they were designed to meet its problems, but the amendments do not meet the requirements of the wider industry. Why did the Government, having been approached by one sector of the industry, fail to go out and consult more widely with the whole industry?

Mr RIPPER: The Leader of the Opposition should address his questions to Richard Court or Graham Kierath. The truth of the matter is that these two funds approached the previous Government in September of last year. I do not know why the previous Government did not initiate wider consultation with the Property Council. In fact, I did not know the names of the organisations that had approached the previous Government until I was advised a short time ago by my adviser from the Department of Treasury and Finance. The two organisations that approached the previous Government in September last year are the Industry Superannuation Property Trust Pty Ltd and Foundation Management venture capital fund. My first contact with this issue was when the Property Council of Australia and some major wholesale property investors came to see me to discuss their concerns. Subsequently, I received advice from the Department of Treasury and Finance, which acknowledged that there

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

were broader concerns, but it proposed suggestions to meet the narrow range of concerns that had first been raised. Those suggestions seemed to me to have merit, and the timing was suitable for them to be included in this package of legislation, so they were. The situation is that timing and drafting issues would have made it difficult to include a response to the broader range of issues in this package of legislation.

I come now to the Property Council. I would be a bit more impressed with the Property Council's lobbying efforts, and it would have a bit more credibility with me, if it were prepared to back up in public debate the submissions that it put to the Government in the pre-budget period. The Property Council has been campaigning publicly that there should be no taxes on the family home. However, in its pre-budget submission to the Government, it said that every family home should have land tax on it. The Property Council must have the courage of its convictions. If it puts a submission to government, it must be prepared to back it up in the public debate afterwards. I will have a bit of scepticism about the Property Council's submissions to government unless it shows that it has the courage of its convictions.

Mr BARNETT: I accept the account the Treasurer has given about the two funds that approached him. I did not know, but I accept that it was in September last year. However, we are now midway through November 2001. A lot of water has flowed under the bridge in that period. Indeed, there has been ample opportunity, if not for the Treasurer personally, for Treasury to consult more widely.

Mr Ripper: We are having a review of business taxation. The issue can be dealt with in that review. It is going on now. All the organisations have been written to. There will be an industry reference group. Therefore, there will be plenty of opportunity for consultation on business taxation.

Mr BARNETT: The Treasurer can have all the consultation he likes on business taxation, but he has brought into this Parliament legislation with a series of amendments relating to these unit trusts and investment funds. He has taken the initiative of going through Treasury and Crown Law, the legislation has been drafted and he has introduced it. We now know that his area of consultation on this legislation, which dates back to the previous Government, has been narrowly focused. That should not have happened, and it should not be allowed to continue.

Mr Ripper: Is there any criticism of this legislation?

Mr BARNETT: Yes, there is.

Mr Ripper: What is the criticism? Is there anything in it that you think is wrong?

Mr BARNETT: Yes.

Mr Ripper: What?

Mr BARNETT: The criticism of the legislation is that because the thrust of the amendments, which are generally supported by industry -

Mr Ripper: They are generally supported, so what is wrong with them?

Mr BARNETT: If the Treasurer will stop interrupting, I will tell him. The thrust of what is sought from this legislation is generally supported. However, because amendments have been made that accommodate one section and not the bulk of the industry, immediately a playing field that is not level has been created, because that section of the industry that has been catered for will now have an opportunity to effectively pick the prizes out of whatever investment opportunities are available, whereas the other broader part of the industry will not have the same advantage. We will not oppose these provisions. I do not care that they are union funds; we will support these provisions as they stand. However, the point I make, and what I ask of the Treasurer -

Mr Kucera interjected.

Mr BARNETT: Sorry, Minister for Health?

The ACTING SPEAKER (Mr Dean): Would the member for Cottesloe continue, please. He has the floor.

Mr BARNETT: The minister was leaning across, saying something. I was interested in his comment.

The ACTING SPEAKER: The member for Cottesloe has the floor.

Mr BARNETT: I am responding to an interjection.

Mr Hyde: Sit down!

Mr BARNETT: I do not wish to sit down. I am on my feet and I have two minutes and 35 seconds to go.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr Hyde: Thirty-two seconds.

Mr BARNETT: I have 30 seconds left; now I have 29 seconds left. The member for Perth is an intelligent creature. The point is that the minister introduced provisions that work for these couple of funds. I do not object to either the provisions or the legislation. However, at the same time, the minister has not widened the legislation to provide similar advantages for the other organisations.

Mr Ripper: I have not done that for a very good reason.

Mr BARNETT: The minister can tell me that good reason when it is his turn to speak.

Mr Ripper: I have told you already.

Mr BARNETT: What does the minister do now? This legislation was an opportunity for the minister to introduce amendments that we would have agreed to that would have widened this application and made it desirable to all investment funds. I do not know why the minister did not do that. Does the minister undertake to this House and to that industry that he will work with it? In the time between this Bill going from this House to the upper House will the Treasurer seek to involve the wider industry to make the necessary amendments? I understand that a couple of fairly simple amendments would accommodate most, if not all, of the concerns of that industry. Will the minister do that and introduce them into the upper House? If the minister does that and the industry is happy, we will quickly facilitate the Bill's passage through Parliament. The Treasurer and I know that if those changes to the Bill are not made now, they will not happen for a great amount of time and the Treasurer will be left with an uneven, discriminatory investment market in the property and commercial sector in Perth and regional areas.

Mr RIPPER: I cannot give that assurance because the amendments proposed by the Property Council of Australia open up the conveyance duty base to significant tax avoidance opportunities. I will not participate in the erosion of the revenue base of this State when the health and education systems need significant investment. I will not participate in the significant erosion of our tax base or the creation of significant tax avoidance opportunities. This matter will be properly reviewed through the review of business taxation, and there will be a response to that review in the next budget. That is the proper way for this matter to be dealt with. I know the property council would like more urgent action; however, such is the sensitivity of the issue that it has not been possible to reach an agreement with it and to finalise the legislation. We will continue those discussions within the context of the review of business taxation. In the meantime, we have shown good faith and that we are prepared to respond to investors' concerns by dealing with a narrower range of concerns than were raised with us well before the Property Council got into the act.

Mr BARNETT: I am getting suspicious now. I did not raise the matter of the Property Council of Australia, although I spoke to some of its members.

Mr Kucera: You raised the matter of the unions.

Mr BARNETT: Yes, I did. The Treasurer raised the matter of the Property Council, which is interesting. The Property Council is a business organisation that has many constituent members. I am not necessarily advocating the detail of the Property Council's proposed amendments. I have not raised it and I have not advocated its cause.

Mr Kucera: Yes, you have.

Mr BARNETT: I have not used the term "Property Council" in this debate; the Treasurer has. Some people who provide investment funds feel they are being discriminated against because of something that they would otherwise like to support.

Mr Ripper: Have you not spoken to members of the Property Council?

Mr BARNETT: I have spoken to them, I have already said that.

Mr Ripper: Do you know about their concerns on this issue?

Mr BARNETT: Of course I do. However, I have not endorsed their suggested changes. The minister made his statement about tax avoidance and the like, which is typical of the Labor Party's approach to these issues.

Mr Kucera interjected.

Mr BARNETT: What is going on?

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

The ACTING SPEAKER (Mr Dean): The Leader of the Opposition has the call.

Mr BARNETT: Will the Acting Speaker tolerate this behaviour? We are dealing with a serious issue. The debate between the Treasurer and I has been proper; there have been no delays or stunts.

Mr Ripper: How much more debate do we need on this clause?

Mr BARNETT: Very little. I am not seeking a carte blanche endorsement of the Property Council's proposals. I have spoken to the Property Council, but I do not profess to understand all the details of the fairly complex area of stamp duty law. I sought an assurance from the minister that he would try to address those concerns. I understand that some simple amendments can be made that would address most of the Property Council's concerns. Those amendments would not advantage the funds that had the initiative to approach Government. I welcome those funds having that advantage. I welcome their having these provisions, because it will encourage them - whether they be union or non-union funds or whatever else - to invest more of their funds in Western Australia. The larger part of the industry is saying, "That is good; we don't mind the thrust of that, but what about us?" They are entitled to say that. I do not endorse anything that erodes the tax base at all. However, it is my understanding - I accept the advice I have been given in good faith - that some relatively minor changes can be made that may not be perfect but that will ameliorate the uneven playing field that will emerge from this. Maybe Treasury and Crown Law cannot do it in the time frame. However, I simply say to the Treasurer that he should not defer this as something that will be part of the business review and part of the next budget; why not give it a go? If the Treasurer does not want to talk to the Property Council of Australia because he does not like it, he should talk to a few of its constituent members and to some of the other investment funds and see whether he can find some fairly simple, relatively easily accommodated amendments that can be introduced in the upper House. If he does that, and industry is broadly supportive, I guarantee the legislation will have immediate passage through this House. All I say is that he should just give it a try. If it is too complex or cannot be done, I will accept the Treasurer's word on that. However, he should give it a try and see what he can do in the next week, so that he does not have a discriminatory situation between investment funds.

Mr RIPPER: I do not believe that the situation that will result from the passage of this legislation will be discriminatory. The Leader of the Opposition can give us assurances, but we had assurances from him earlier today and we have come to the conclusion that they are not worth the paper -

Point of Order

Mr BARNETT: I have put up with continuous accusations about deals and assurances. I do not need to come to this Parliament and effectively be accused of misleading this Parliament, of telling mistruths or of lying, or whatever terms government members want to use. I am getting a little tired of it. It is four o'clock in the morning. The Minister for Health has accused us of doing deals with One Nation, but he does not have the courage to go outside and say that. Government members have had a whole day of personally abusing me. I hope they sleep well tomorrow morning. If they think personal abuse is a way of progressing in this Parliament, they should keep it going, because it wins us votes all the time.

The ACTING SPEAKER (Mr Dean): There is no point of order.

Debate Resumed

Mr RIPPER: As I was saying, we have had assurances from the Leader of the Opposition today and we have discovered that they are not worth the paper they are written on. In fact, that is quite understandable, because they are not written down.

Points of Order

Mr BIRNEY: On a point of order -

Mr RIPPER: Am I to be interrupted every two sentences by a point of order?

The ACTING SPEAKER: If it is the same point of order on which I have just given a ruling, the member should not raise it.

Mr BIRNEY: My point of order goes to relevance. The Treasurer is talking about alleged assurances that he has received from the Leader of the Opposition today. Absolutely no relevance can be drawn between an alleged assurance that the Leader of the Opposition may or may not have given today and this clause dealing with.

Mr RIPPER: The debate that has developed between the Leader of the Opposition and me on this issue involved the Leader of the Opposition giving me assurances that if I took certain action, he would cooperate in the speedy

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

passage of the resulting legislation through the Parliament. In pursuit of that debate, I am entitled to comment on the validity of the assurances he has given me. What we have had in this House tonight is an abuse of the right of members to make points of order. I have given no more than 30 seconds of a five-minute speech. I have been interrupted twice already by points of order that are not points of order in the true sense of the traditions of the House.

Mr BARNETT: Further to that point of order, I will respond to what the Treasurer has said.

The ACTING SPEAKER: I remind the Leader of the Opposition that the point of order is one of relevance.

Mr BARNETT: The point of order related to relevance. Indeed, in his response, the Treasurer did not return to the relevance of the clause. The only point he made was a point of irrelevance when he spoke about an arrangement for the amendments. I take this opportunity to say once again on the public record that if these amendments are made in good faith and industry is broadly satisfied with them, we will deal with them promptly.

The ACTING SPEAKER (Mr Dean): There may be some validity to the point of order, but both sides of the debate tonight have strayed off the point. That was particularly evident during the hour-long debate, which was fairly broad and encompassing. I am sure the Treasurer will get back to the point.

Debate Resumed

Mr RIPPER: I am right on the point. The point is that the assurances given by the Leader of the Opposition cannot be taken at face value.

Points of Order

Mr BIRNEY: On a point of order!

Mr RIPPER: Perhaps I could be allowed to get out more than one sentence. This is an abuse of process.

Mr BIRNEY: Mr Acting Speaker, you just made a ruling about the Treasurer discussing an assurance that may or may not have been given by the Leader of the Opposition today. As I understand it, my point of order was declared valid. The Treasurer rose and went straight back to his original conversation. I ask you to uphold your ruling on the previous point of order.

The ACTING SPEAKER: The clock stopped at the four minute 30-second mark and it is now at the four minute 10-second mark, so only 20 seconds of the Treasurer's allotted time had passed. The Treasurer did not have time to get back to his main statement. I suggest the member for Kalgoorlie give the Treasurer the benefit of at least a few minutes to get back to his statement.

Debate Resumed

Mr RIPPER: I thank Mr Acting Speaker for his wise ruling.

The former Office of State Revenue, now Department of Treasury and Finance, recently wrote to the Property Council of Australia seeking an explanation about whether the Property Council accepted its analysis of the Property Council's proposed amendments. The debate is ongoing. The Property Council has suggested certain amendments, which the Department of Treasury and Finance believes would open up significant avoidance opportunities. Treasury has gone back to the Property Council for it to comment on that analysis. That professional dialogue is ongoing. Despite the preliminary view of Treasury that the Property Council's amendments contain these difficulties, the Government is committed to work with the industry and its representative, the Property Council, to devise a solution to any unintended consequences that may result from the amendment of section 73D, provided we can do so without exposing the revenue to potential avoidance. This issue is one of many that I expect to be dealt with through the usual liaison between Treasury and industry groups, but bolstered by the framework of the review of business taxation. The issue has been handled properly. It is a complex issue. It is not one in which a set of amendments can be drawn up within a week or two. We are dealing with serious issues that, on the one hand, concern the protection of revenue and, on the other hand, support or facilitate significant investment in the State. I will not rush it. My predecessors in the Court Government were not prepared to rush it either; otherwise we would have had solutions from them, given that the first approaches on this issue were made in September last year.

Clause put and passed.

Clauses 24 to 27 put and passed.

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pendal; Mr John Day; Dr Geoff Gallop; Mr Pendal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Clause 28: Section 73D amended -

Mr BIRNEY: This is the last clause of the Bill. I hope, Mr Speaker, you will indulge me while I offer on behalf of all members of the House a very sincere apology to the Treasurer's advisers, who have unfortunately sat through what could only be described as a most interesting display, and on some occasions an unparliamentary display. They have sat silently with good humour. I am sure that the Leader of the House would also offer his most sincere apologies.

Clause put and passed.

Title put and passed.

Mr RIPPER: I seek leave to proceed forthwith to the third reading of this Bill.

Points of Order

Mr BARNETT: This is a cognate debate. I thought that we would now do the consideration in detail stage of the associated Bill, which contains provisions for most of the tax increases. My understanding is that we would then have a combined third reading.

The SPEAKER: I am advised that the cognate debate is for the second reading and that there will be two third readings, if needed, for the two Bills. Therefore, as I understand it, we will deal with the third reading of this Bill now and then the consideration in detail stage of the second Bill.

Mr BARNETT: I seek some clarification. There has been a problem with the structure of this Bill because it contains both payroll tax and land tax provisions. We agreed to a cognate debate, and we had a cognate debate on the second reading. We have now dealt with the consideration in detail stage of the assessment Bill. It will be more logical to deal with the consideration in detail stage of the taxation Bill, and then to have a third reading. I do not want to have two third readings; I am not seeking that at all. However, this is a cognate debate, and the two Bills are interrelated. How can we have a third reading on one half of the package when we have not considered in detail the other half of the package?

MR RIPPER: My understanding is that the process requires me to seek leave to proceed to the third reading now. The Leader of the Opposition can deny leave if he likes. That will mean that the third reading will become an order of the day for the next day's sitting. If he does that, we will do the consideration in detail stage of the next Bill, and then have the third reading on Tuesday week. If the Leader of the Opposition so moves, we may have one third reading debate, and just a formality for the second third reading debate.

Mr BARNETT: It is logical that there be only one third reading debate. We are not looking for two third reading debates. That is why we agreed to a cognate debate, even though the structure of the Bills has made that difficult.

MR RIPPER: Why do we not agree to one third reading debate on Tuesday week? If the Leader of the Opposition will deny leave, that will facilitate that process.

Mr BARNETT: What is the Government's intention now at 4.10 am?

Mr Ripper: The Government's intention is to go through the consideration in detail stage of the next Bill.

Mr BARNETT: Will you tolerate that, Mr Speaker? Will you tolerate the staff of this Parliament continuing to work on at 4.10 am?

The SPEAKER: It is in the hands of the House. I cannot determine what the House does. I agree with the Leader of the Opposition's point about the cognate debate, but the rules govern the operation of this place.

Mr BARNETT: Mr Speaker, we all recognise that we have had our differences tonight. However, the Opposition agreed to deal cognately with two Bills that are structured in a complex way. I am not seeking two third reading debates. At the same time, Mr Speaker, it is totally unreasonable at 4.10 am to now ask this House to start debate on the related Bill, which in fact includes the taxation increases. I am tired and, yes, I do have a driver, but the two or three remaining opposition members will be driving themselves to Merredin. They will get there. I am tired, but I will be able to sleep on the way.

Mr Speaker, I thought that you, as Speaker and as a member of the Labor Party, might show some leadership in this Chamber. We have debated reasonably the provisions of the Bill. We raised the points that we wanted to

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

raise. It has taken four or five hours to do it, with a bit of argy-bargy on the way through. I am now offering to not have two third readings. We can play the game again. We can have two third reading debates, with every member on this side of the House speaking on third reading number one and third reading number two. I am not proposing that. We had only two or three speakers on the second reading debate. We will probably have only two or three speakers on the third reading of the other Bill and we will work through and accommodate the consideration in detail stage.

Mr Ripper: Is the Leader of the Opposition prepared to go into consideration in detail on the second Bill now?

Mr BARNETT: We should not have to. I do not mind if the Treasurer wants to physically start the consideration in detail stage of the Bill but I do not see the point it will serve. We should now finally adjourn, and return to deal with the consideration in detail stage of the associated Bill and then conclude with a third reading debate. I will forgo one third reading debate; I do not need two third reading debates. I will make a couple of comments and it may be that a couple of other members will too.

Mr Ripper: I am happy to have the third reading debate on Tuesday week. If you want to have only one third reading debate, that is sensible, but that is up to you. You can choose not to debate the third reading.

Mr BARNETT: I will give that up now. We need only one third reading.

Mr Ripper: But we want to get on with the consideration in detail of the second Bill. You told us you could get through this package of Bills in about three hours of debate. We have now been going for nine or 10 hours. That is a lot more than you told us would be required for the two Bills. We have still one Bill to deal with.

Mr BARNETT: That is little wonder, given the antics put on by the Government during the matter of public interest that started all this. I want to understand the Treasurer's position towards his colleagues, the staff of this Chamber, some of my members in this place and me. Most of his colleagues are still here - good on them for hanging in. The Treasurer thinks it is smart politics to try to interfere with our campaign in Merredin. I know he thinks it is clever, just as his colleagues in the upper House thought it was clever to interfere with a function. Mr Speaker, it is entirely inappropriate that we now, at 4.10 am, start debate on another Bill of equal length and complexity to the one we have just concluded.

Mr Ripper: The truth of the matter is that we have canvassed most of the issues.

Mr BARNETT: If that is the attitude of the Treasurer, so be it. If that is what he wants to do -

Mr Kucera: The arrogance!

Mr BARNETT: Pardon, Minister for Health? I am getting a bit tired.

Mr Kucera: Leader of the Opposition, I was not addressing any remark to you.

Mr BARNETT: The Minister for Health has been doing that all day. He is part of the little tag team, hit gang opposite.

Mr Ripper: As often happens with legislation, most of the issues have been debated in earlier clauses.

Mr BARNETT: There are a lot of issues to debate.

Mr Ripper: We have debated all of them already.

Mr BARNETT: No, I am sorry, but that is my call. There are a lot of issues to be raised. I estimate it will take about two hours to go through the Bill.

Mr Ripper: All right, let's go.

The SPEAKER: I ask the Leader of the Opposition whether this is still a point of order.

Mr BARNETT: I have tried to accommodate the Government and I have tried to provide an opportunity for members to go home. I have also tried to provide an opportunity for my members to go home, have a quick shower and drive to Merredin. However, the attitude of the Labor Party members has been to deny that courtesy to their fellow members of Parliament.

Mr KOBELKE: Mr Speaker, what we are dealing with? What is the question before the Chair?

The SPEAKER: The question before the Chair is that leave be granted to proceed forthwith to the third reading of the Bill. Is leave granted?

Extract from *Hansard*
[ASSEMBLY - Thursday, 15 November 2001]
p5694b-5783a

Mr John Kobelke; Mr Colin Barnett; Acting Speaker; Mr Pandal; Mr John Day; Dr Geoff Gallop; Mr Pandal; Speaker; Mr Rob Johnson; Mr Arthur Marshall; Mr Mike Board; Mr Matt Birney; Mr Eric Ripper; Mr John Bradshaw; Deputy Speaker; Mr Bill McNee; Ms Sue Walker; Mr Jeremy Edwards; Mr Alan Carpenter; Points Of Order; Mr Clive Brown; Ms Alannah MacTiernan; Mr Tony McRae; Mr Kucera; Mrs Michelle Roberts; Dr Janet Woollard; Acting Chairman

Mr Barnett: What are you offering me? Nothing! No; leave is not granted. I will cooperate, but I will not get anything in return. I will just get the personal abuse again.

Mr Ripper: Is the Leader of the Opposition denying leave? If the Leader of the Opposition denies leave to go to the third reading, I will not be unhappy, because I have said we will do one third reading on Tuesday week; so deny leave, and we will get on with it then.

[Leave denied.]