

Legislative Assembly

Tuesday, 30 March 1982

The SPEAKER (Mr Thompson) took the Chair at 4.30 p.m., and read prayers.

BILLS (3): INTRODUCTION AND FIRST READING

1. Motor Vehicle Dealers Amendment Bill.
Bill introduced, on motion by Mr O'Connor (Premier), and read a first time.
2. Fire Brigades Amendment Bill.
Bill introduced, on motion by Mr Hassell (Minister for Police and Prisons), and read a first time.
3. Acts Amendment (Judicial Appointments) Bill.
Bill introduced, on motion by Mr Rushton (Deputy Premier), and read a first time.

STAMP AMENDMENT BILL

Second Reading

MR O'CONNOR (Mt. Lawley—Treasurer) [4.38 p.m.]: I move—

That the Bill be now read a second time.

This is a measure to correct an anomaly in the Stamp Act which has been highlighted by recent overseas loan raising activities on behalf of the State Energy Commission.

The State Energy Commission has been declared a Crown instrumentality under section 119 of the Act, which exempts the commission from payment of stamp duties when it is the party legally liable to pay duty.

However, under part IVB of the Act, a situation can arise when the State Energy Commission borrows money at a rate of interest in excess of the rate declared for the purpose of the Act.

If a person is carrying on credit business in Western Australia and the interest involved in transactions is above the rate declared for the purpose of the Stamp Act—currently 17.75 per cent—he is required to register under the Act.

If a lender to the commission is such a registered person or is required to register because negotiations are to be carried on in Western Australia, the lender is liable to pay the duty, if applicable.

As a result, and notwithstanding that the State Energy Commission is an exempt authority in its own right, the cost involved would be passed on to the commission by the lender. This, of course, adds to the cost of borrowing which, in turn, is passed on to the consumer.

This contrasts with the situation which arises when the State Energy Commission borrows from a lender who is a person outside Western Australia and is not required to register under the Stamp Act. In this case the commission is exempt from duty.

The anomaly has been highlighted in the current negotiations for an overseas loan for the Dampier-Perth natural gas pipeline where, because of a floating interest rate facility, the potential exists for the declared rate to be exceeded. The lenders are, therefore, reluctant to negotiate in Perth because of the existing stamp duty provisions.

Clearly, this problem will continue to arise not only in respect of future borrowings of the State Energy Commission, but also in any other approaches to overseas markets such as provided for in the borrowings for Authorities Act.

To overcome the problem the Bill proposes that the Treasurer be empowered to designate the Crown instrumentalities with whom credit transactions are to be exempt from stamp duty. There is no loss of revenue to the State. It means simply that transactions can be negotiated with greater flexibility between the parties.

The current situation is creating uncertainty amongst prospective lenders, and it needs to be resolved. Because of loan negotiations currently in progress which are affected by the present anomaly in the Act, the Government proposes that this measure be progressed with some urgency.

I therefore commend the Bill to members.

Debate adjourned, on motion by Mr Brian Burke (Leader of the Opposition).

SUPREME COURT AMENDMENT BILL

Message: Appropriations

Message from the Governor received and read recommending appropriations for the purposes of the Bill.

ADDRESS-IN-REPLY: FIFTH DAY

Motion

Debate resumed from 25 March.

MR COURT (Nedlands) [4.41 p.m.]: In speaking to the Address-in-Reply, I wish to cover

the basic need for strong economic management and economic leadership. Initially, however, I congratulate the new member for Swan, who was elected to this Parliament at the same time as I was, at the recent by-elections.

I thank members from both sides of the House for the courtesies shown in welcoming me to this Parliament. I also place on record my appreciation to the staff and officers of the Parliament for the assistance and guidance given. Most importantly, I would like to thank the electors of Nedlands for putting me here, and for the tremendous support that they have offered me in what has been a major change in their representation. I will endeavour to maintain the same high standard of representation to which they have become accustomed.

It is a great honour for me to represent the seat of Nedlands which has been held previously by only three people. From 1930 to 1950 it was held by Sir Norbert Keenan; from 1950 to 1953 by Mr David Grayden; and from 1953 to 1982 by my father, Sir Charles Court. The previous member had one of the finest parliamentary careers this State has seen and judging by the speeches and comments made by members from both sides of the House since I have been here, he still has members a little worried!

Sir Charles spent 20 of his 29 years as a Minister and for the last eight years he was the Premier of this State. The example he has set, not only to me, but also to all members of this House, is a worthy one, and one that we should all follow. I wish Sir Charles and Lady Court a happy retirement. I hope they are happy in the knowledge that I am now taking most of the telephone calls; and I will endeavour to represent in a capable and dedicated manner the seat that they loved so much.

The main area of government with which I wish to deal is the economy, with particular reference to small business. Australia today has a great need for well-guided economic management and strong economic leadership. The sector of the economy with which I am most familiar is that of small business, having established a number of successful businesses, starting from nothing. Western Australia has more than 40 000 small businesses, which employ more people than all big businesses together, excluding the Government.

The key to the successful development of small businesses is strong economic management, and not Government handouts. Small business in this State requires major projects as the catalyst for their future growth. Much is said during debates about the current difficult state of the economy.

What should be done about it, and what can be done to help small businesses? The time is now right for the Federal Government to relax its tight monetary policy, because the international inflationary pressures on the economy have levelled off. The international energy prices have stabilised and, in some cases, have declined. Industry has tremendous surplus capacity, and the excess of demand of goods over the supply of goods is no longer apparent.

What is the best way to relax this tight monetary policy? It is by cutting personal income tax. This is the most visible method of obtaining benefits for the consumers. It would restore confidence to the consumers by placing money in their pockets.

The fact that the international inflationary pressures have been removed from the system is best shown by the very encouraging inflation figures in the United States economy in the last three months. In December, the inflation rate was 0.4 per cent; in January, 0.3 per cent; and in February, 0.2 per cent. The time is right for the Federal Government to ease its tight monetary policies.

The time has also come when we must develop new policies in relation to the protection of industry. Less protection would assist small businesses, farmers, and others in Western Australia. Less protection would increase employment in Western Australia. Protection may preserve employment in the protected industries, but it does not increase job opportunities overall. Rather, the jobs are distributed away from the resource-based economies such as Queensland and Western Australia to the manufacturing-based economies such as Victoria and South Australia.

The current protection of industry has created a higher cost structure for all industry in Australia. This country has become obsessed with protecting traditional industries, and it has neglected the new high technology manufacturing and service industries. It has neglected the resource-oriented industries that we can develop so readily in this State. We must not be mesmerised into protecting the older industries. We should get out, chase, and encourage new enterprise.

We are fortunate in this country to have an education system which includes many fine tertiary institutions which are turning out people with potentially high levels of expertise. Our country should become a leader in the new wave of high technology manufacturing and service industries, instead of making the consumers pay

for the protection of certain industries which have become political monuments. These are easily identifiable in New South Wales and Victoria; however, we do not have many such monuments in Western Australia.

It is unfortunate that certain sectors of our community have been fighting technological change. In some instances they have been successful and this has resulted in the competitive demise of those industries. We should not be fighting technological change. Rather, we should be ensuring that we are to the forefront in creating exciting new job opportunities and keeping our economy viable and competitive.

We have a shining example of a desirable Western Australian initiative in the field of new technology, and I refer to the Systems Research Institute of Australia, which is based in Perth. It is a Western Australian Government initiative which gives us a sound base to get into the computer software industry, both at home and abroad.

Besides encouraging the new breed of high technology industries and services we should look at Western Australia's major asset. We have a resource-based economic model with abundant reserves of energy and we have the perfect medium for the upgrading of those raw materials into upgraded minerals and processed metals. I give as examples bauxite to alumina to aluminium and ilmenite to synthetic rutile to titanium. This resource-based model provides the opportunities for small businesses and these provide the catalyst to which I was referring earlier.

In brief, I am not suggesting that overnight we scrap protection as we know it today. I am suggesting a 10-year plan to achieve a new order, allowing Government, industry, and commerce time to adjust to the changes. But we must head positively in this new direction with genuine and meaningful decisions to remain a viable and competitive economy.

Another area of concern for small business is the lack of long-term finance. The farmers have their Primary Industry Bank of Australia, and the miners have their Australian Resources Development Bank. What small business requires is 10-year-plus debt finance rather than have to rely on short-term current overdraft facilities.

People often overlook the fact that, to the small businessman, the security of a longer term for money is often more important than the cost of that money. Again I stress that small business does not want subsidies. It needs a growing and viable economy with adequate long-term finance available to it.

I move now to industrial relations, which is an area of the economy where we need vastly improved management and leadership on both the employers' and employees' sides. Militant leaders in the union movement have abused their powers. They are no longer concerned mainly with the conditions of service and the well-being of their members. Their objectives have become ideological rather than industrial.

On the employers' side, managers' communication with employees is terrible. A recent survey undertaken by W. D. Scott & Co. Pty. Ltd., management consultants, showed that, of over 150 chief executives surveyed, only four per cent regarded industrial relations as the portfolio they should handle. The remaining 96 per cent felt it was best handled further down the line. Yet the work force is the most important asset any manager has under his control. Managements have to learn to get out of their stuffy offices and communicate on the factory floor level, at the mine face, or wherever the action is. Perhaps in modern industry it is in the software department.

Our current wage-fixing system has broken down and presently we are operating under the worst of both worlds. As I have said before outside the House, the system is sick and in need of a doctor, fast. I would like to become part of a team to develop an alternative system, a system of collective bargaining with enforceable contracts, a system tailored to suit the unique industrial relations conditions that have evolved in Australia over the years, a system that caters for all sections of the work force.

Our overall wage-fixing system must become more flexible so that people like the young leaving school have the opportunity to start employment immediately on realistic wage levels. Currently, employers are reluctant to put on young school leavers because for the first year or so while they are being trained they cost too much and they earn too little for the employers. We must be realistic. They must have basic job training first. It is more important for persons going for their first job to gain experience, confidence, and a good reference than to receive the wage paid. As they become more productive they should be paid more.

A similar problem is experienced with graduates from the universities and our other tertiary institutions. They have no practical job experience. They must realise that their training is only just starting and that their initial productivity is not necessarily high. We must have wage levels related to productivity, not one high level of wages and conditions for the employed

and the dole for the unemployed. Everyone deserves employment. Employers and employees must be prepared to negotiate vigorously but realistically for the benefit of us all. They should keep politics out of it.

To conclude, I emphasise that our economic future is not gloomy; it is exciting and full of challenges. We live in a great country and, in particular, a great State and we should all be thankful for the tremendous opportunities given to us. I look forward to representing the seat of Nedlands in this Parliament and I hope I can make a contribution to the advancement of this great State of Western Australia.

[Applause.]

MR BRIDGE (Kimberley) [4.58 p.m.]: In speaking to the Address-in-Reply I would like firstly to extend my congratulations to the new member for Nedlands. I hope that as the years unfold he does enter debates in this Chamber, that he makes a worthy contribution to the Parliament, and that he plays a determining part in steering this State towards a prosperous and meaningful destiny for the benefit of the people who rely very heavily on us, their elected members, who are here to represent and promote their interests.

Those comments lead me into the address I intend to make, which will be an attempt—successful or otherwise—to convince this Chamber of the necessity for us to look at the more basic needs of the people of our State.

It is very fashionable and easy for members of Parliament to enter debates on major issues concerning this State and the nation. Many such members are headline seekers hoping to gain front-page newspaper coverage. Many of them seem to be very happy if they can achieve that. However, in the course of doing so we tend to establish ourselves as a group of big frogs in little puddles. In our determination to join in debate on major issues we often lose sight of the need to consider, to pay a lot of attention to, and to show compassion for, the very basic needs of the people of our State.

The people who are facing these problems see them as major issues. This is one of the conclusions I have reached in my second year in this House. We place too much emphasis on major issues such as exports, industrial relations, iron ore and so on. I do not say we should not spend a lot of time debating these very important issues. They are important, and we are commissioned with the responsibility of determining the most practical and meaningful way in which those issues ought to be faced and

planned, but I think we are doing it in such a way that very little emphasis is placed upon other issues.

One might say, "What are these other issues? How are they important as the people see them?" In the last few weeks I have read in the newspapers and have seen on the television our Premier making the statement that he intends to endeavour to set a place within the structures of this Parliament for emphasis on the needs of the people of this State. If he is fair dinkum about this, I am the first to say that he will gain as much co-operation as he needs from me. That is a very refreshing approach and will be valuable for the State, if he is fair dinkum.

We have allowed this "big frog in little puddle" syndrome to develop and we are said to be dictated to by bureaucrats and other people outside this Chamber in relation to where the problems lie. We must face the realities and have a good understanding of these needs. We were elected to advance these matters in the public interest, but, because of the way in which we have allowed this system to develop, we have to go to the bureaucrats for guidance. Often Government policies come from the guidance of bureaucrats and this is where the whole system falls down.

A problem has just developed in the Kimberley in respect of an air service to some pastoral properties. When I first raised this matter with officers of the Transport Commission, I was clearly told that as far as they were concerned a proposition was being put before the stations requiring these properties to meet a landing fee of \$40 per flight. This money was required to meet a shortfall in the direct operating cost of this service to the six properties concerned. The commission was adamant that if the properties involved were not prepared to meet this landing fee, the service would simply be terminated. I was very annoyed at their definite attitude in relation to this matter. It is all right for somebody in an office in Perth to say that only one or two letters are delivered every fortnight by way of these air services, but no matter how big the delivery is, it is very important to people in remote areas who rely upon it. We must not assess the value of this air service on weight factors or the number of letters delivered. There is a question of justice and an entitlement to a service to the people involved.

In fairness, I must say that the Minister adopted a very different attitude when approached in relation to this matter. We must look more positively and harder at where we are going in this Chamber in terms of deliberations and decisions on these issues. I am hopeful that because of my direct approach to the Minister

and the fact that this matter will be re-examined, the decision by the Transport Commission may be reviewed and the service will continue to operate at no cost to the stations involved. We are talking about only \$1 000 per year per station, which would not break the State. It is essential, right, and proper that that service should be maintained by the Government.

I recently returned from the Kimberley where I discovered that the RPT service is not operating as well as it was hoped it would. The House will remember that when the present operators were awarded the contract I raised a number of queries about what I saw as possible problems which concerned me. I had 16 years' experience in the industry as an agent for MMA—now Airlines of Western Australia—and I was able to gain an understanding of the industry which convinced me that the type of operations which were being considered by the Government in respect of the present contract holder would fall short of the region's requirements. This is happening now. Logistical problems which I foreshadowed have occurred.

A problem exists with non-delivery of mail to the town and in other areas there is no delivery of newspapers and the like. People might say, "Why make a song and dance about newspapers?" Since I have been a member of Parliament I have travelled extensively throughout the State and have been to most one horse towns in the south of the State where there is usually a daily or frequent delivery of newspapers. This is fair. The people expect it and they are entitled to have it. People in Halls Creek and Fitzroy Crossing do not expect a daily service or the early edition of the *Daily News* made available to them on the same day, but at least they are entitled to a reasonably frequent newspaper delivery. Presently a delay of about 10 days occurs before they receive a newspaper. People should not be expected to tolerate that sort of situation, but we overlook these basic problems when considering major issues of the day.

The Minister for Lands informed me that a lot of land will be made available in the Kimberley. I have stated publicly that I welcome such action, as long as it is fair dinkum. The Kimberley has been crying out for this type of policy for a long time.

We tend to concentrate on the major issues and lose sight of the basic ones that are fundamentally important to the people of the Kimberley or any other rural area that needs land to develop its future. To a man and his wife who have been struggling and writing letters to the department

for five years and getting nowhere, this is a very frustrating issue.

Mr Laurance: There have been major subdivisions already and more will be available in the near future, which will fix the problem in a number of towns. From my recent visit to the Kimberley I realise there is a demand, and it is a good thing.

Mr BRIDGE: That is right. A family in Broome or Derby needs only about a quarter acre block, which will not make the headlines in the newspaper, but we have done something tremendous for them and have achieved a satisfactory result in relation to their land needs.

I now refer to the Aboriginal Medical Service in Edward Street, Perth. I was amazed when I visited the centre about a month ago to discover that since its commencement on 15 December 1980, it has not had air-conditioning. Staff and patients had only fans as a means of comfort on a very hot day. I thought that was very poor indeed.

Most of us would go mad if we were required to work for two or three months without those sorts of facilities, and yet the Aboriginal Medical Service, which is providing a very important service to hundreds of people in the metropolitan area, is expected to operate without air-conditioning. This is a disgraceful situation and it should not be allowed to continue. The Government has not been prepared to give assistance in relation to this and other sorts of issues, to which a lot more attention should be given.

Alcohol rehabilitation has been debated in this House on previous occasions. This is another issue with which the Government has failed to come to grips in a really fair dinkum way. A few days ago I was advised that the Wandering Rehabilitation Centre, which is situated some 80 miles south of Perth, has a budget to cater for 30 patients. However, 70 patients currently are at the centre.

Leave to Continue Speech

Mr BRIDGE: I seek leave to continue my remarks at a later stage of the sitting.

Leave granted.

Debate thus adjourned.

QUESTIONS

Questions were taken at this stage.

ADDRESS IN REPLY: FIFTH DAY

Motion

Debate resumed from an earlier stage of the sitting.