

STATE AGREEMENTS, RATING EXEMPTIONS, CHANGES

**522. Ms J.A. RADISICH to the Minister for State Development:**

I refer to an article that appeared in *The West Australian* on 21 July this year that reported that the State Opposition intended to phase out rating exemptions provided under state agreements.

- (1) Has it been normal practice in Western Australia for Governments to change state agreements without the support of the companies involved?
- (2) What would be the impact of the State unilaterally changing such agreements?

**Mr C.M. BROWN replied:**

- (1)-(2) I was intrigued by the article that appeared in *The West Australian* a short while ago in which the Opposition, through I think a policy announcement, indicated that it would remove, I guess unilaterally, provisions from state agreements that limited rating exemptions for local authorities.

The SPEAKER: Order! Member for Warren-Blackwood.

Mr C.M. BROWN: It has been the practice of successive Governments that state agreements not be amended unilaterally by the Government. They are only amended by agreement with the state agreement parties. There is a reason for this position: if Governments unilaterally changed state agreements, the risk involved in entering those agreements would be drawn into question. Significant issues of sovereign risk would be raised for such ventures, and, as a result, investment would not be made in Western Australia. I find it amazing that the Opposition is promoting this view. In government, it did what successive Governments have done ever since state agreements have been used; that is, it never unilaterally changed a state agreement without the agreement of the company concerned. The Liberal Party is saying that it now intends to step away from that process.

Mr C.J. Barnett: That is not the truth; no. Do some homework. If you are going to answer a dorothy dixer, at least research your answer.

Mr C.M. BROWN: I see; is the Leader of the Opposition saying that he would not change state agreements without the agreement of the company concerned?

Mr C.J. Barnett: Legally, we can't.

Mr C.M. BROWN: No; of course. That shows the coalition's policy vacuum. We must understand what is going on here. The Leader of the Opposition has one story for the community and another story for the financial sector. The only problem is they are different stories. When he is asked to clarify whether a Liberal Party in government would unilaterally change state agreements by removing these provisions, he does not have the internal fortitude to answer because he knows that if he answers yes, every one of those major companies will prevail on members of the Liberal Party to change their mind because of the increased sovereign risk. If he answers no, the statement he has released in the Pilbara will be shown to be the furphy it is. The Leader of the Opposition cannot have it both ways. However, I will tell him what his situation is: currently sitting on the fence, he has it neither way.