

**Legislative Council**

Wednesday, 17 October 1990

**THE PRESIDENT** (Hon Clive Griffiths) took the Chair at 2.30 pm, and read prayers.

**SELECT COMMITTEE ON DE FACTO RELATIONSHIPS***Report Tabling*

**HON B.L. JONES** (South West) [2.33 pm]: I present the report of the Select Committee on De Facto Relationships, and I move -

That the report do lie upon the Table of the House and be printed.

I have the honour to present the report of the Select Committee on De Facto Relationships and with your permission, Mr President, and because of the widespread interest in the progress of this report, I would like to take a few minutes to express some of the difficulties that were experienced by the committee in compiling the report. As I said, there was widespread interest in the topic and many of the submissions received displayed a widespread ignorance of people's knowledge of the rights available to people in de facto relationships. Many submissions were presented in written form and we received hundreds of telephone calls. Most of the communication demonstrated a need in the community for advice; most people have no idea about what protection they have at present.

The submissions largely fell into two groups: One group of people felt that on moral grounds there should be no introduction of legislation for de facto couples. They felt that if couples decided not to get married they should not be afforded any protection under the law. The second group was by far the larger one, and this group supported assisting de facto couples who it was demonstrated were seriously disadvantaged.

Most of the problems experienced by people in de facto relationships result from the lack of avenues of appeal to the law when those relationships break down or when one partner dies intestate. Most disputes involve the distribution of property, where the only avenue of appeal is to the Supreme Court. That is a very costly process and the value of the estate may well be less than the cost of the appeal. It therefore became necessary for the committee to look at its policy regarding the difficulties with which it was confronted. The committee decided that it was not its role to make moral judgments but rather to look at the situation under the law at the present time and to decide whether a significant number of people were disadvantaged as a result of this. We found that many people were. As a committee we did not wish to equate de facto relationships with marriage. That was something put strongly to us by a number of people. Some people prefer to be individuals and choose not to marry for their own reasons, some of which are religious. Whatever the reason may be, a significant number of people in our society are living together without the benefit of marriage. It is when the break-up occurs and the division of property is involved that the real problems arise.

The committee sought to use the Family Court as a means of arbitrating such disputes. At the moment that is open only to married people. We had an interview with Judge McCall from the Family Court and he said that this court was the proper place to site the mechanism.

I will not go through the recommendations of the report at the moment as there are 20 or more.

**The PRESIDENT:** Order! The honourable member has gone further than she should already.

**Hon B.L. JONES:** I was winding up, Mr President. I would not attempt to outline the 20 recommendations, but I urge all members to read the report because all members will no doubt receive a great deal of correspondence regarding the report. Also, should the recommendations be translated into legislation, I hope that members will support that legislation.

Question put and passed.

[See paper No 616.]

**MOTION - RURAL INDUSTRY CRISIS***24 Point Survival Package Implementation*

**HON E.J. CHARLTON** (Agricultural) [2.39 pm]: I move -

That this House calls on the Government to implement without delay the 24 point rural survival package already given to the Minister for Agriculture.

Over recent days and weeks this matter certainly has attracted attention in the media, and I congratulate the media for bringing to the attention of the public the critical position of the rural industry not only in Western Australia, but, of course, in the entire nation.

A number of important points must be recognised and understood before anyone talks about the current problems: Although the nation is facing a crisis, for the purposes of this debate it must be seen as a State crisis. It is not restricted to those directly involved in agriculture, but extends to every corner of business. No Government or business operation will escape the effects of the crisis in future months. Furthermore, for too long the people involved in the agriculture industry, somehow through their own fault or because of public perception, have been looked upon as a separate group of people in this society. They have not been seen as small business people or as participants in industry. Those farmers bring the industry dollar into the State which then multiplies six times. In other words, every dollar of agricultural income which is earned flows throughout the community six times; every dollar is worth six dollars. Also, the perception of events in the agriculture industry is that farms are handed on from generation to generation; that farming is a way of life; that people farm because they like the lifestyle and the environment and that when farmers are forced to leave the industry social issues arise and Governments must take action to ensure that those hardships are eased. It is true, those issues will come to the fore. However, the effects of the current situation must be seen differently from those to which I have referred. In other words this debate is not about the effects of stress and social issues on families; it is about economics.

Committees do not need to be established; research and the gathering of more information is not necessary. The information on the situation is available. The issues of stress and related social aspects must be acknowledged and respected; people must be assisted. However, it would not be responsible for members of Parliament, for the media or for anybody else to say that farmers must be saved because of stress and other social factors. Farmers must be assisted because only the agricultural and the mining industries have the capacity, the efficiency and the competitiveness to resolve the State's difficulties. That is the basis on which the Government can make the right decisions for the benefit of the State and the nation.

Nothing can be done about the past; the decisions that were made yesterday, last week and last month have contributed to this problem, but nothing can be done about them because they are history. The only chance of recovery is to take action now for the future. In the past, the rural adjustment authority was talked about as well as other Government agencies. Areas of family assistance through counselling and similar aspects were also considered. While those issues are important and need to be addressed with more vigilance than before, the bottom line is that decisions must be based on economics and no other factor. If the Government deals with that aspect it has a chance of doing something responsible.

When I gave notice of this motion yesterday I referred to a 24 point plan. Having distributed the contents of that plan - I trust members have a copy - I will elaborate on it. Some of those points are related to the Federal Government and some to the State Government; the others are related to industry bodies. At the outset, I acknowledge that this plan was compiled from research done by my colleague in another place, Monty House, the spokesman in the National Party for agriculture. He has undertaken to provide details to support the implementation of these moves requesting the State Government and Government organisations to respond to them.

The current crisis in the rural industry has been creeping up for a long time because of the mentality in Australia, expectations by Labor Governments and, as I stated in the Budget debate last night, the issues about the redistribution of money. The two industries which basically produce the first dollar will ultimately feel the pressure when Government decisions are made to extract a higher percentage of the finance for redistribution. That has occurred over recent years and, as a result, pressure has been applied to the rural industry. In

this debate, my comments are related to the rural industry, not the mining industry, although most of the issues could be related also to that great industry. We must give consideration to what we want when Australia and Western Australia come out of these difficult economic times. Do we want the agricultural and mining industries to be ready to take advantage of the better times, the changing market situation and commodity prices? Do we want these industries to be in a healthy state to allow them to take advantage of the world market situation? Or will we take a short-sighted view similar to that which we have taken in the past so that the nation gets into a terrible state and leaves those industries bleeding? Do we adopt the attitude that it is easier to take the people from those industries and place them elsewhere in order to assist another industry? It appears that is a decision which has been made in the past and that is exactly what will occur again if we do not approach this matter in a positive way and take the necessary steps to ensure that the agricultural industry is in a healthy state. The industry is like a human being; if a person is to do a job, regardless of what it is, that person must have a healthy body and mind in order that he can give his best. If we are to get the best out of the agricultural industry we must ensure that it is in a position to take advantage of the, hopefully, good times ahead.

Hon Sam Piantadosi: Are you referring to the agricultural industry in total, or are you referring to certain sections of it? It could be misleading.

Hon E.J. CHARLTON: I am referring to sections of the industry which are, or will be, affected by certain Government decisions which need to be addressed.

Hon Sam Piantadosi: Certain sections of the industry are doing quite well without any assistance.

Hon E.J. CHARLTON: That is right; but I am talking about assistance and the member will note that I have not referred to subsidies or handouts. The most important thing about having a healthy industry is that it be able to perform properly.

In the past the people who have not been directly involved in the industry have had an incorrect perception of it; that is, that it is an industry that is going from one crisis to another and it is calling on Governments to give it a helping hand. Nothing could be further from the truth and members have heard me and other members elaborate in this House about the crises which currently face the grain industry, the wool industry and the mutton industry. They are the three key industries in which action must be taken to overcome the problems. Of course, there are other associated industries which may be suffering as a consequence, but all sections of the agriculture industry are suffering because of the fuel crisis.

Hon Sam Piantadosi: Who is to blame for that?

Hon E.J. CHARLTON: The member will hear who is to blame for that. It is not a matter of putting the blame on anyone; it is a matter of overcoming the problem.

Hon Sam Piantadosi: It is something which should be addressed. You have pointed at Labor Governments.

Hon E.J. CHARLTON: Of course I have - the Labor Party is in Government.

Hon Sam Piantadosi: None of the farmers would be at fault, would they?

Hon E.J. CHARLTON: If the economic facts of life got into the Government departments as hard as they have got into the rural industry we would have a lot leaner Public Service than currently exists.

Hon Sam Piantadosi: We would have a more efficient farming industry as well.

Hon E.J. CHARLTON: I am pleased to hear the member say that and he can say that for as long and as loud as he likes.

The PRESIDENT: Order! Order! When I call order it means that everyone else keeps quiet, including the people at the back of the House who seem to think that because I had called order as a result of the noise at the front of the Chamber it is okay for them to move to the back of Chamber and make more noise. It is not and it is important that the honourable member who is legitimately addressing the House be heard by those members who want to hear him. It is more important that the Hansard reporter is able to hear the member and I suggest that members wait their turn.

Hon E.J. CHARLTON: This is a serious matter and obviously it will not be the last time we will be debating the various aspects of it. The comments made by Hon Sam Piantadosi in his interjections reflect the perception many people in the community have of the rural industry; that is, if one cannot stand the heat in the kitchen, one had better get out. In this case people have been getting out of the heat of the kitchen for a long time for many reasons. Thirty per cent of the population in the north and north eastern wheatbelt of Western Australia have left in the last 10 years. I ask members to quote another industry where that has happened and production has increased. That is what has happened. People have responded and they are the same people who do not want daylight saving. It gets up their nose to think that a few sniffing people in the city believe they cannot operate their businesses properly if this State does not have daylight saving. The people in the rural industry have a job to do regardless of whether there is daylight saving.

There are two main reasons that the rural industry is facing a crisis situation. One reason is the formula that is used for fuel pricing and the second is that fuel is simply being used as a taxing measure, and the money raised from that tax has not gone back into roads. I will not elaborate on that aspect because all members know that is a fact. In the last couple of years the funds directed back into the road system from that tax have decreased by 30 per cent. The National Party suggests the first thing the Federal Government should do is peg fuel prices and meet Australia's requirements at the cost of production before importing oil. That is a logical and commonsense approach. Everyone keeps talking about what has happened in the Middle East. What really gets up my nose is that every time there is a fuel price rise we hear how much more the motorist will pay for fuel. Reference is never made to how much more industry will pay, and I can assure the House that industry uses more fuel than the average motorist. Nobody talks about that. I have never seen that reported with the same sort of importance. It is misleading, and is one of the reasons I referred to the fact that the population does not see a true reflection of some of these things.

Hon Fred McKenzie: I remind Hon Eric Charlton that in the list of countries that appears in the booklet we have, we are shown as having the third cheapest petrol.

Hon E.J. CHARLTON: Yes. Does Hon Fred McKenzie know that in many other countries the fuel has different colours for different uses and that taxes currently applied in this nation are not applied in those countries?

Hon Fred McKenzie: The taxes here are commensurate with our having the third lowest priced petrol in the world. Only America and Canada are cheaper.

Hon E.J. CHARLTON: If Hon Fred McKenzie wishes to enter into a debate on that matter he will also find that no other country in the world with a similar standard of living to ours persecutes its agricultural industry as much as our Government persecutes our industry. Hon Jim Brown and other members went to the United States and saw first hand the subsidies paid there. There are no rural subsidies paid in this nation. Members know what the EEC is doing. I relate this comment to production and to that part of industry that this debate is about. One cannot look at one thing in isolation. In reply to the comment made by Hon Fred McKenzie, the fact is that other countries have various coloured fuels and tax rates applying to those fuels.

The Government should remove all taxes on fuel and oil. In the current situation the Government is making money from industries' input costs, which is putting it out of business because it cannot sell its products. I have been told today that the State payroll tax paid by a small industry which is losing \$10 000 a month is \$1 000 a month. That is an indictment of the Government. We should not have a situation in a critical economic time like this where the Government gets \$1 000 a month in payroll tax from a company which employs people and offers a service but which because of a downturn in the rural economy is losing \$10 000 a month. People cannot buy motor vehicles or machinery and have ceased having certain services. These are the sorts of decisions that need to be made.

It is common housekeeping in one's own family that if something is costing X dollars a week and in the long term will be an important ingredient in forcing one into bankruptcy then one stops spending money on that thing. That is the sort of suggestion we are putting forward: The Government must stop taking money from any industry that cannot afford to pay because of the economy. If the Government wants that industry to still be there to pick up and run again in three or four years when the opportunity arises, then it must heed our

suggestions. When the car breaks down one does not drive it into a second hand car yard and say, "I do not want it any more because I do not have the money to fix it." One puts it in the garage so that when one has some dollars it can be fixed and able to be used again. That is what we have to do in this situation. That is why the Government must stop taxing fuel, particularly using an irrational formula associated with what is happening in the Middle East.

The Middle East price of oil is used in the formula applied in Australia, but we do not buy our oil from the Middle East. That formula is providing the greatest windfall this Government has ever experienced since it has been using it, and at a time when industry is in crisis. It is the pits that people can be hoodwinked into believing that the reason for increases in oil prices is the problem in the Middle East. The increases are indirectly the consequence of the Middle East crisis because that crisis has raised the price of Middle East oil, and because of the formula used here the price rises here and the Government gets extra revenue.

I have some figures which show fuel costs are second only to interest rate costs for farmers. This financial year they will be even more significant. Australian farmers use an estimated 2.1 billion litres of petrol and diesel fuel each year. If petrol cost 79.2¢ a litre, and it is a lot more than that now in Perth, that would add the following amounts to the Western Australian economy - based on Australian Bureau of Statistics driving figures of 15.4 billion kilometres per year for Western Australians: \$310 million a year to business and consumer transport costs; \$19.3 million to agriculture road use; \$2.7 million to mining; \$10.3 million to manufacturing; \$20 million to construction; \$31.2 million to wholesale and retail figures; \$16.4 million to road transport; \$14.1 million to Government costs; \$3.8 million to bus costs; and \$20 million to other costs.

Every dollar per barrel increase in the price of oil causes the fuel price to rise 0.8¢ a litre. For every one dollar increase in the price of a barrel of oil \$60 million is recovered in Government revenue. Members should remember that oil has increased from \$25 to \$40 a barrel - not Australian oil but Middle East oil that we do not use. In addition, every cent a litre increase in the price of fuel equals a \$2.41 million increase in farm fuel prices; that is, \$200 a farm. The price of fuel has increased about 14¢ a litre since Iraq's invasion of Kuwait. That equals an increase of approximately \$2 800 a farm; that is, two to three times the amount included when drawing up budgets for this item.

Figures taken from State and Federal Budget papers and the Australian Institute of Petroleum federally show that excise on motor spirit is 24.92¢ a litre. There is a 30.7¢ a litre pump price. Distillate has a fuel rebate for agriculture but a partial rebate for mining and public institutions and home heating. The crude oil excise total is \$1.2 billion for 1989-90. I have a whole host of figures here that I can make available to any member who wishes to study them. The Federal Budget shows that Federal royalties from petroleum products totalled \$5.163 billion in 1988-89.

There is a whole host of figures here, but I shall not elaborate because time is rolling on. The figures emphasise what is happening, and the problem is being compounded. The Federal Government should cease taxing fuel used for industry at this time, not only for the reasons I have outlined but also because of the inflationary aspect. This great Federal Treasurer keeps referring to keeping down inflation. We will see a jump in inflation as a result of increases in oil prices because it is not producing one cent's worth of any commodity or contributing to any export. It is totally inflationary, and as a consequence it is killing those industries which rely so heavily upon fuel.

We want a guarantee that no dumping duty will be imposed on imported fertiliser, for very obvious reasons. We want to remove tariffs on chemicals, and sales tax on all farm inputs. We want banks to remove penalty interest rates from farmers and small business. The farming industry is currently suffering as a consequence of decisions made by the banks. I have mentioned before, but it has not received any publicity, that I blame the Federal Treasurer for those decisions by the banks. He is now running around the nation criticising the banks for not responding to a drop in interest rates as he thinks they should.

Hon Tom Stephens: Are you going to rush in and defend the banks?

Hon E.J. CHARLTON: The honourable member might care to say whether he agrees that this same useless, gung ho Treasurer went around this country telling us how he was going to bring 16 foreign banks into Australia which would produce competition. Do members know what the competition was about? It was about lending money.

Several members interjected.

Hon E.J. CHARLTON: Has the honourable member absorbed it?

Hon Tom Stephens: You are not going to defend the banks, are you?

Hon E.J. CHARLTON: Yes, I will defend the situation. If the rules of the game are set, and people play the game according to the rules, should we blame the people who play the game or the bloke who made the rules?

Hon Tom Stephens: Your comments are not in accord with the comments of your party colleagues in the other House at this very moment.

Hon E.J. CHARLTON: That is one of the advantages of being in the National Party.

Several members interjected.

Hon E.J. CHARLTON: I note that Hon Tom Stephens sometimes has a different view about tobacco advertising and how the money should be spent than some of his colleagues. I give him credit for that.

Hon Max Evans: He is honest.

Hon Tom Stephens: The comments were taken out of context.

Hon Max Evans: Now you are not being honest.

Several members interjected.

The PRESIDENT: Order!

Hon E.J. CHARLTON: Hon Tom Stephens may feel that he succeeded in pointing out the difference between what I am saying about the banks and what is being said in another place. To put him right, what is being said about banks in the other place is that the trading banks here should respond to the current reduction in interest rates, and that is what I was about to comment on.

I point out to members that the Federal Treasurer's decision to float the Australian dollar and the so-called deregulation of the banking industry - and I shall spend a minute repeating this - resulted in competition to lend money. Could the banks lend any more money to the housing industry? Could they lend any more money to the manufacturing industry? Could they lend any more money to industry which would produce something? They could not, because it could not be demonstrated in Australia that one could make a profit. The only people to whom money could be lent were the entrepreneurs who could demonstrate that they could buy a block of units or a piece of real estate or a shopping centre on the Gold Coast. That is where the banks lent the money. As soon as the crash came and values started to go down, there was no collateral to back up the loans. How do the banks square up? As we on this side of the House have always said, some day someone will have to pay. It is not possible to lend money across the board to entrepreneurs who go bust without someone being hurt. Every time someone walks away from a loss, someone else must carry it. There is nothing airy-fairy about it. One does not have to be a Max Evans to work that one out; it is just a fact of life. That is the result of Mr Keating's activities a few years ago, and he is now running around blaming the people and the system that he created for what has happened.

To get back to the current situation, the banks are saying, "We have to get some dollars back somehow; how can we do that? We will put a penalty on the rural industry, because they are pretty good for an increase; they are a bit risky, so we will put a premium on their interest rates." That is what happened, and that is the sort of thing which must stop.

Hon Fred McKenzie: The farming industry had good prices in past years.

Hon E.J. CHARLTON: That is a very good point. It has had good prices, but it must be understood that while the farming community received good prices, the industry was seen as a good thing to get into. As a consequence the fuel prices I have mentioned have skyrocketed.

Hon Fred McKenzie: How have they gone?

Hon E.J. CHARLTON: The farming industry uses more. If the member wants some figures off the cuff, in our industry we pay \$30 000, in round figures, for fertiliser. Ten years ago that figure was about \$10 000, so it has gone up 300 per cent. Fuel is about the same, and

chemicals are about the same. Those items alone bring us up to \$100 000 before we start, and that has nothing to do with seven per cent inflation.

Hon Fred McKenzie: The price of wool would have increased 300 per cent during that period.

Hon Max Evans: Oh, no!

Hon E.J. CHARLTON: In one year?

Hon Max Evans: Not by 300 per cent!

Hon E.J. CHARLTON: Of course not. It is too easy to say that farmers have had a wonderful income. Members have read of record wheat production, record sales and record prices. Prices have been up, but the problem is that while those prices have increased, they have not increased as much as the cost of production. The cost of production is based on Australia, but the returns are based on the world market. How would Mr McKenzie go if he had to run his trains in competition with trains running in South America with a totally different set of economic factors? One cannot compare an industry which runs and operates on costs in Australia and sells into Australia with one which has Australian costs but which sells on the world market. The charges applied by Westrail or Telecom are based on the cost of production in Australia and the capacity of Australia to pay.

Hon Fred McKenzie: You know full well that Westrail prices and charges have been reducing quite considerably in real terms. I am not being critical; I have a sister on a farm too; I know the score.

Hon E.J. CHARLTON: I wish the honourable member had more. The situation is this: These comments made by members opposite are a very accurate reflection of what I tried to get over at the beginning. Members must change their thinking. If they do not, they obviously must accept -

Hon Sam Piantadosi: It applies both ways.

Hon E.J. CHARLTON: Can the member not get this into his head? Does he want industries, such as the wheat industry which produces 15 million tonnes of wheat at \$2 per tonne to fall down? The member can work out the figures. Does the member want those new dollars coming in or does he not?

Hon Fred McKenzie: Yes.

Hon E.J. CHARLTON: There is the answer. It does not matter how it happens, but we need those export dollars because they flow through the community. Those dollars flow to service industries, to fertilisers, chemicals and so on. The whole economy benefits. If members do not wish the wheat industry to grow 15 million tonnes a year, say so. We will do away with that industry. The farming areas can revert to their natural state.

Hon Fred McKenzie: When times are tough for farmers we all suffer.

Hon E.J. CHARLTON: Absolutely. As parliamentarians, we are all part of the Government and we should speak with one voice. Just as industries have to tighten up, we as a Government should tighten up also and not draw revenue from these industries. When funds are required for expenditure they should be generated from areas with the capacity to pay. I am attempting to illustrate that the industries I refer to do not have the capacity to pay. Next year if the return on wheat is \$80 per tonne and the cost to produce wheat is \$80 per tonne, businesses will founder. In that case, it will not be possible to export 15 million tonnes of wheat.

Hon Fred McKenzie: I am sure the Government will take that into account.

Hon E.J. CHARLTON: That is all I want to know. If that point is taken into account, Ernie Bridge should be told not to set up the task force.

Hon Kay Hallahan: The member does not want a task force?

Hon E.J. CHARLTON: No. We want the Government to make the necessary decisions.

I have dealt with the banks in a brief way. We have held discussions with various banks to find out what they will do for the rural industries and whether they will stick by rural businesses. Some people pay 25 per cent interest on loans; in other words, over four years

the rate has doubled. I am aware of small business budgets and judging from incomes presently not many businesses will prove profitable. A farm may be worth \$250 000 or \$300 000 - that is an average family farm - however, on projected figures that farm may not make an income. Such farms should be supported by Government. After all, we have bailed out the Teachers Credit Society and the Swan Building Society. We do not ask the Government for subsidies. The Government should instruct the banks to stand by farmers and to allow them to make interest only repayments. The banks should guarantee that people receive such assistance.

Hon Fred McKenzie: Some Rural Adjustment and Finance Corporation interest rates are at four per cent.

Hon E.J. CHARLTON: I think so.

Hon Kay Hallahan: The member thinks so. Why does he not acknowledge that was a good thing to do?

Hon E.J. CHARLTON: I have my own thoughts about RAFCOR.

Hon Kay Hallahan: Was that a helpful move?

Hon E.J. CHARLTON: Yes.

Hon Kay Hallahan: The member's leader said it was helpful.

Hon T.G. Butler: He does not have to agree with his leader.

Hon E.J. CHARLTON: We have not eliminated him. Much conjecture is made about my comment and those of the National Party Leader in the other place. I seem to recall Labor members making grandiose statements about their leader one week and the next week, for political reasons, the leader was turned out.

Hon Kay Hallahan: That is not true. Watch it!

Hon E.J. CHARLTON: We will leave that for the historians.

Returning to RAFCOR, I have had discussions with Mr Groves in the past. He is a person who realises the economy governs projections. Without going into detail, my argument with Mr Groves has always been that he should not take an inflexible attitude because no five years remain the same as the previous five years. If he makes hasty judgments he will be doomed to fail. Money has been loaned in the good times to people who did not have the capacity to pay back such loans. When the situation changes for the worse, the banks want those loans paid overnight. In that way, RAFCOR has created headaches for itself in the past. That organisation has seen the error of its ways and has made certain changes. The Rural Adjustment and Finance Corporation should have advisers stationed in country areas, out in the real world rather than in the city.

[Resolved, that motion be continued.]

The Federal Government should take steps to decrease the value of the Australian dollar. My main comments relate to fuel, and to the value of the Australian dollar which has been jacked up by ridiculously high interest rates which were supposed to curtail spending. However, imports have been curtailed and exports have almost been killed off. The Federal Treasurer has again successfully killed the goose that laid the golden egg. As a consequence the situation appears grim. The Federal Treasurer has managed to curtail spending; however, exports have been drastically reduced, even though last month's figures showed an increase in exports. Export industry commodities attract no more than 70¢ in the dollar. To improve the situation we can move in two ways. One method would be to reduce interest rates - which the Federal Government has decided to do - and the other is to intervene and support export industries. Governments should pull the political pin, make a decision, and allow export industries to attract export dollars. A one per cent interest rate fall demonstrated the faults in the Australian dollar. It is not a real dollar. On real performance valuation it would be worth about 60¢.

[Leave granted for the member's time to be extended.]

Hon E.J. CHARLTON: The State Government must review all Government taxes and charges which are applied to country business people, including farmers, and where additional charges are being applied they should be withdrawn immediately. Payroll tax



should be withdrawn as well as stamp duty on loan transfers, and power and water charges should be reduced. For example, my small property paid \$1 050 simply for the meters; that is not the water charge but the rent on the meter.

Hon Bob Thomas: Is that your water rate?

Hon E.J. CHARLTON: No; it is the rent.

Hon Kay Hallahan: It is the charge to have the water delivered to the property.

Hon E.J. CHARLTON: It is the charge for the water meter. I cannot do away with the water service because the charge to close the meter off is \$300, so I go on paying it.

Hon Kay Hallahan: I should think so.

Hon Bob Thomas: Do you pay water rates as well?

Hon E.J. CHARLTON: Yes, we pay rates and for water consumed.

Hon Tom Helm: I do that too.

Hon E.J. CHARLTON: Go on, I did not think the member used any water.

Hon T.G. Butler: Every Saturday night.

Hon Tom Helm: It is soapy water.

Hon E.J. CHARLTON: I thought there was something about being allergic to water.

The PRESIDENT: Order!

Hon E.J. CHARLTON: Hon Kay Hallahan, Hon Jim Brown and other members know that the Government should do these things if it is serious about assisting small business. Small businesses cannot afford \$1 000 a month payroll tax. I spoke with a shearing contractor who told me that he could not take on another shearing shed because it would put him into the payroll tax bracket and he had not budgeted for that in his pricing.

Hon Kay Hallahan: We were conscience of that in the State Budget.

Hon E.J. CHARLTON: Yes, I understand the Government increased the exemption level.

Hon Kay Hallahan: We have exempted a lot of people from paying it.

Hon E.J. CHARLTON: What is the situation about applying for exemptions?

Hon Kay Hallahan: If Hon Eric Charlton puts that on notice as a question I will respond with full and accurate information.

Hon N.F. Moore: Hon Kay Hallahan is very good at questions on notice.

Hon E.J. CHARLTON: I am not enthusiastic about the Rural Adjustment and Finance Corporation's lending more money, because I am afraid that the terms which apply in the annual reviews have caused a lot of pain and stress. Stress counsellors are attached to the RAFCOR, but a lot of the time it has been associated with the pain by putting the acid on.

Hon Kay Hallahan: The appointment of those counsellors had nothing to do with the activities of RAFCOR. They were concerned with the difficulties faced by people in the rural sector and attempted to provide them with an avenue for solving the difficulties they had.

Hon E.J. CHARLTON: They have been good, but the problem has been the inability of some people employed by RAFCOR to approach people about their problems. I said to John Groves that before RAFCOR closed the door and before it sent out a stupid letter it should for goodness' sake go out and see the person. If it is going to say no, or close off a farmer's operations, or sell him up, it must go and talk to him in person. There is nothing more soul destroying than for a person to receive a refusal from that last ditch financier. I am sure members have seen those letters. The husband might open one; he does not talk about it to his wife and a consequence of that is a visit from the RAFCOR counsellor. I have been to creditors' meetings where RAFCOR personnel have been involved. I have seen that the Minister is a very caring person, but the problem is that she cares about looking after someone else's money.

Hon Kay Hallahan: So you give with one hand and you take away with the other.

Hon E.J. CHARLTON: The important point is that we need the Rural Adjustment and Finance Corporation in a very practical sense.

I talked about lower freight and transport costs yesterday. I heard in the corridors of Parliament last night that the Government is to proceed with the 1¢ a tonne a kilometre impost as a consequence of its decision in the so-called deregulation of Westrail. It was not a real deregulation but a Claytons decision. I will not go over what I said last night in another debate, but I hope this conference, which is primarily for country shire councils and those organisations associated with the use of Westrail and road transport, will put forward clear, concise and positive options for the Government to take on board and respond to. If they do not we will see the demise of the rail system in Western Australia over the coming years. We have a road system that is totally inadequate, and because of the financial crisis that besets us we will not get a super handout from Government even though the money has been collected from road users by taxing measures. The money will not be returned. The decision made by Minister for Transport to apply a 1¢ a tonne a kilometre impost is irresponsible. It will be an indictment of this Government if that decision stands. I am confident, and I have made it public, that there are other options where there will be no loss to the Government, and five years down the track the Government will be better off as far as its railway operations are concerned. The Government must make a few hard decisions now with efficiency and carrying 1 000 tonne loads.

In the future we could be proud of Westrail if what occurred in respect of the grain industry was done also in the transport industry in conjunction with those people directly involved in it. Other points of my proposal for the rural plan state -

7. All asset test criteria for government assistance be removed for all country people.
8. Initiate programmes to help country families with regard to further education for themselves and their children (no asset test to be applied).

I have already mentioned the disgraceful mentality that excludes from any future training people who own property with a net value of \$200 000 or \$300 000.

I have commented widely on these matters and will conclude by putting forward what I consider to be some of the shortfalls in our industry and the initiatives which need to be taken. No initiatives will be taken if there is no incentive or possibility of reward for those people who risk capital and use their expertise to negotiate new markets.

More importantly, to the north of Australia the greatest growth in population in the world is occurring. In the next 25 years almost 60 per cent of the world's population growth will occur in the countries north of Australia. That area is in the same time zone as Western Australia. South East Asian countries do not need any daylight saving because they are on the same time as we are. People should think about that when they talk about putting the clocks forward, because our future economic business will be conducted with those north of us and not east of us.

Hon Kay Hallahan: That must be the most fallacious line I have ever heard.

Hon E.J. CHARLTON: The Minister does not agree with that?

Hon Kay Hallahan: One strengthens one's domestic market in addition to looking to international markets.

Hon E.J. CHARLTON: If we put the clock forward an hour we would still be two hours behind the Eastern States.

Hon Kay Hallahan: That is better than being three hours behind. Don't you understand that? I just wonder what the debate was like in the party room this week. I think they must have been an embarrassment to the sensible members.

The DEPUTY PRESIDENT (Hon Doug Wenn): Order!

Hon E.J. CHARLTON: I can see that the Minister is still in the dark.

Hon Kay Hallahan: I could have had another hour in the light.

Hon E.J. CHARLTON: The Minister needs it and it appears she needs to be shown. When I first came to this place - and I have only been here for a short time - I suggested that I take

all of the city members of Parliament on a bus to the country and provide them with the opportunity to talk with and see first hand some of the people and operations in the country. It is time I renewed that offer.

Hon Tom Helm: You have promised that before and did not fulfil it. I volunteered and you left me standing at the corner again. I missed the bus.

Hon E.J. CHARLTON: They would have a bit of trouble understanding Hon Tom Helm; but at least he was prepared to go. Hon Sam Piantadosi was also prepared to go. I am serious about this offer. I will organise something at a time which will be convenient for city members because it should be done. All members of Parliament must come to the metropolitan area to conduct their parliamentary business. The Minister has a look on her face which seems to be saying that she goes to the country often.

Hon T.G. Butler: She has even been to Tammin.

Hon E.J. CHARLTON: She was received with open arms.

Hon Kay Hallahan: So there you go!

Hon E.J. CHARLTON: We need to talk to people in the work place to see how they are operating, not just attend the social functions.

*Sitting suspended from 3.45 to 4.00 pm*

Hon E.J. CHARLTON: I have discussed the action that needs to be taken by the Federal Government and the State Government. On some points I have elaborated at length and others I have gone quickly past. Industry bodies and the Government together must take some new initiatives. One of those new initiatives must be to begin negotiations with those involved in both the live and frozen carcass mutton trade in Asia. The National Party has had discussions with the meat organisation and one of the great problems in the marketing systems in the world today is that because of the so-called competition in most countries, there is only one buyer. That is a very significant point that must be acknowledged. In Australia there is a multiplicity of sellers in the meat and live sheep market. I have been told by the live sheep exporters that there are no Australian owned live sheep exporters and that these exporting companies are owned by Arabs or other international groups. With all due respect, it must be said that these exporters are just suppliers; they are commission people who go to the farms, buy the sheep, put them in a feedlot to prepare them, load them on boats, and they are paid by the customers. They are not in the market in a competitive way to force up the price; on the contrary they force down the price. The current problem with the live sheep industry has nothing to do with the wool industry. I ask the members on the Government side to understand that. The current position with regard to the price of live sheep is not a direct consequence of what has happened to the wool industry; it is a consequence of what is happening in the live sheep industry.

Saudi Arabia has been the biggest importer of live sheep from Australia. Its Minister of Agriculture and its Government decided that the country wanted only young sheep between one year and 18 months old. The importers in Saudi Arabia wanted older sheep because they buy at a per head rate and sell at a per kilo rate; the older and heavier the sheep, the more profit they made. That is the whole crux of what has happened to the live sheep industry in Australia. While Australia's live sheep industry has fallen flat on its face, New Zealand's industry has had its greatest year ever in live sheep exports. It has had a bonanza and has sold out. Australia has older sheep which are unsaleable. The export market for the wethers - the prime sheep sold off every year - has been lost, and the impact has been a glut on the market and prices vary between \$3 and \$10 on the local market. In the past seven million live sheep were exported from Australia each year, of which three million came from Western Australia. The export market in Western Australia has reduced to one million. That means that the two million sheep that were fetching \$30 a head are now on the local market and fetching only \$10 a head. Why did it happen?

As I have said before publicly, and I repeat, it happened because of the Australian Meat and Livestock Corporation, which has no representation at all from Western Australia. It is almost totally responsible for the demise of that industry because it did not take note of the standard set down by the Saudi Arabian Minister for Agriculture. That authority licenses exporters, and it continued to license exporters and allowed them to sell to the market sheep which the customer - the Saudi Arabian Minister for Agriculture - did not want. As a

consequence of ignoring the directions of the Minister for Agriculture for some time, the Arab countries began refusing shipments of live sheep. Finally the AMLC decided that it would no longer send any sheep to Saudi Arabia because it had been refusing shipments. Those shipments were not knocked back because of diseased sheep; that suggestion is an absolute joke. The healthiest sheep from Western Australia were exported to Saudi Arabia. That country took sheep from every other nation in the world, including South America which has many diseases that are not prevalent in Western Australia.

Hon Fred McKenzie: With the price of pet food we should have a pet food canning industry in this State.

Hon E.J. CHARLTON: I will continue my comments and Hon Fred McKenzie can pass them on to the people in his electorate who are interested. Saudi Arabia had been importing almost half the sheep exported from Western Australia. The price paid for sheep by the other Gulf states was based on the price paid in Saudi Arabia. When the export of sheep to Saudi Arabia was banned, that caused a glut of sheep on the market in other areas and as a consequence the prices, as well as the numbers, dropped. Only one exporter could get sheep into Saudi Arabia and he is an Arab. His name is Mukairish and he decided to take no notice of the ban and to import two shiploads to Saudi Arabia. The AMLC took his licence from him altogether so that he was no longer able to operate in Australia. He then went to New Zealand and he has been primarily responsible for the export of live sheep from that country.

Regardless of whether one is for or against the live sheep trade, those who talk about the harshness, cruelty and bad features of transport on ships should think about what is happening to those sheep now. They are not at home on the farm; they are being dumped in abattoirs and being shot in paddocks. To a large extent that is a consequence of the total inability of the AMLC to respond to the directions of the Government of the importing country.

What shall we do about it? We should close down the Agent General's office in London, which is a highfalutin public relations exercise, and redeploy the staff. One office should be set up in the Arab countries and one in Asia.

Hon Tom Stephens: In Baghdad?

Hon E.J. CHARLTON: Wherever the Agent General likes to go.

Hon Tom Stephens: I am not sure Mr Fischer would agree with that.

Hon E.J. CHARLTON: It would be a more appropriate place for Mr Fischer to be than in London. I am perfectly serious about this. This Government should take action to establish offices for the Agent General in those countries with an emphasis on trade, not an office in London for the benefit of members of Parliament and anybody else visiting that city. People should be employed in these offices of trade who speak the local language, understand the customs, and are a central part of negotiating with and understanding the people in regions where our markets are. We no longer sell anything in London or Europe through the Agent General's office. We should have an Agent General's office in Asia and also in the Middle East.

We should also - and this refers to Hon Fred McKenzie's point - can surplus mutton for sale overseas and for use as foreign aid. That is a new initiative, and I will not go into the details. A lot of people say it cannot be done. We have had discussions where it has been said the great problem with the starving people of the world is they do not have any money - and we know that is true - and also they do not like eating sheep products. However, if we are to get serious about it we must give those people with the expertise and the capacity to negotiate the incentive to start up this program. This program will not overcome the short term problems but it has the capacity to do something for the industry's long term benefit.

Industry bodies and Government must also cooperate to assist the wool trade. It is a lot of rot to talk about the price of wool being too high. The reason that the Australian Wool Corporation has experienced problems recently is simply the high Australian dollar and the decision by China to pull out of the market. China was buying 25 per cent of our product. We cannot have one buyer of that magnitude walk away from the market for its own economic and political reasons and expect to have no repercussions.

As a consequence of the reduction of the floor price from 870¢ to 700¢ a kilogram, which

was another Federal Government intervention, three French companies have gone broke, and I was told last week that an Italian company suffered an immediate \$15 million loss. Wool is just like any other commodity which is revalued at a lower price, and no-one with any brains or economic rationality would buy a product knowing there could be another reduction in price because of speculation; and that is what happened. The speculation that took place in this industry killed it. It did not happen as a consequence of simply reducing the floor price and the fact that China and Russia were not buying our wool.

It is all very well to criticise China and say it should not treat us like that, but if we want to re-establish that industry - and it has been in Australia for as long as Australia has been a nation - we have got to get wool back into the system. It takes about 18 months for wool to get from shed floor to processed product. These countries have developed and built new woollen mills in the last year but they are not being used. We have to get the wool there, instead of storing it here and having it eat its head off economically, as the saying goes, and let those people use it and put it through their systems. We will obviously have to tie up some long term payment systems to achieve that.

A negative attitude has developed about the wool industry. The other day I heard an irresponsible lady from the great southern region say that if wool is worth 100¢ that is what the price should be. Sure it will come down to 100¢ if we stand back and put five million bales on the market today and try to force them into the system. When there is a downturn in the vehicle industry, General Motors does not auction off all its cars around Australia; it maintains the price but does not sell as many. That is how it operates, and that is a responsible financial attitude to take.

If we are to overcome the problems of the industries I have been talking about, we must take positive action. We cannot be positive just by saying positive things, because actions speak louder than words. We should get together a group of people from industry, manufacturing, and the Australian Wool Corporation, and get Hon John Kerin to start thinking positively instead of being hoodwinked and led by the ear by the Federal Treasurer, because that is what the reduction in the floor price was all about. The philosophy was that if we reduced the floor price to 700¢ we would sell 20 per cent more wool, and that would improve the balance of payments. However, the contrary occurred. Sixty or 70 per cent of the wool was being sold to the trade at 870¢, but when the floor price was reduced to 700¢ only 20 per cent was sold because the people in industry lost confidence and did not want to touch wool.

It is very important when confronted with this type of situation that we do not keep repeating the mistakes of the past and simply take a cosmetic approach. We must do two things: First, withdraw the financial imposts on the grain, wool and livestock industries; and, second, respond in a healthy way to the obvious and undoubted opportunities that will arise in the future. That time is not too far away. This has all happened previously. One does not have to be as old as me to know that things do not stay the same. The only thing we can be sure about in life is that nothing ever stays the same; sometimes things get worse, and sometimes they get better, but life goes on.

If we want to do more than just talk about being positive we should get wool back into those countries which historically have taken a large proportion of our wool and which will obviously get back into that market. We should also establish the wheat and grain industries on a competitive footing, because producers have used more fertilisers and chemicals, and more sophisticated plant and technology, and have increased their production by a small margin every year, with a very high input cost, and even if it costs them 50 per cent more to produce the product, provided the return is still above the cost of production they will make a profit. However, they have now reached the stage where the expected return will be lower than the input cost. As a consequence, many areas of Western Australia will not be planted to a crop next year. That is a simple fact of life.

I suggest that, in the next season, cropping in Western Australia in round terms will probably be 50 per cent lower than it was this season. The consumption of fertiliser will be significantly reduced. People will operate on a bare minimum because there is no point in doing anything more, and the supporting transport services and other industries will suffer as a consequence. The result for this State will be a dramatic fall in export income. All the people of this State will be affected by the movement of people out of country areas, and that will affect the viability of education, health and a range of other Government services in

those areas. The response will be that those services are not viable, they are costing taxpayers too much, and we had better close them down.

They are the alternatives this State faces. On one hand we have a demise of industries, services and community if we take no action. On the other hand we have the opportunity to be positive: To forsake those taxes and charges the Government currently takes from those industries; to be positive about implementing future sales by moving into those areas to which I referred and by having a series of these industries in a healthy state so that they will be in a good position when an improvement in cost structures and income takes place in the near future - and if history is anything to go by, it will be much sooner than we think. They are the two alternatives we have.

I trust the motion will have the support of the House.

**HON MARGARET McALEER (Agricultural) [4.21 pm]:** I second the motion and I wholeheartedly support what it seeks to achieve. It may be that in one or two matters of detail I do not quite agree with Hon Eric Charlton but I certainly agree with the spirit of the motion. What the motion seeks to achieve is, firstly, to get the State Government to address directly those areas of cost to rural people - farmers and business people - that its own policies and practices contribute to, by way of charges, taxes, or restrictions such as assets tests on grants and concessions. Secondly, the motion seeks to press for a similar course of action by the Federal Government, both in respect of monetary policy - taxes and interest rates - and in respect of tariffs - asset testing of welfare payments and education expenses. Thirdly, speaking broadly, the motion seeks for the State Government to coordinate with the Federal Government approaches to financial institutions in the Government and private sectors to provide credit with manageable terms of repayment and, together with industry bodies and appropriate Government departments, to use all those outlets for trade that our Government maintains at taxpayers' expense overseas to maximise our trading effort.

While events contributing to the rural crisis have come in quicker succession in the last two or three weeks and produced a devastating loss of confidence in the rural sector, particularly among farming and allied business communities, the threat of this crisis has overhung us all this year and has been very plain to see. While the Federal Government has done nothing until this week to address the problem of the accelerating disadvantageous exchange rate and the crippling high interest rates it did at least, in the person of the Minister for Primary Industry and Energy, recognise and involve itself in the wool marketing problem and has continued to do so.

The first measures which it took were controversial, and we have heard the view of Hon Eric Charlton as to the negative effects he believes this achieved. However, that measure which was instigated by Hon John Kerin in lowering the floor price and permitting only a limited rise in the wool levy was, in my opinion, a necessary safety step and although negative, if members like to call it that, it was designed also to keep the wool scheme viable and to put pressure on the Australian Wool Corporation and the Australian Wool Council to put forward positive plans for the recovery of the wool industry. I only regret that I think in that respect it has not been a success. The recent plans that the Australian Wool Corporation has put to the Federal Government - as far as we have been able to ascertain them, because they certainly were not done with wide consultation in the wool industry - seem to me to have been even more negative than the first plans. I do not say these things as recrimination but to illustrate that negative responses on the part of Government or industry are not enough. I certainly feel that the Federal Minister for Primary Industry and Energy himself delayed far too long in involving himself directly in the live sheep trade debacle, which has now dragged on for over a year. While we may, indeed, lay some of the blame at the feet of the Australian Meat and Livestock Corporation, as Hon Eric Charlton has suggested, I believe the Minister has had sufficient power to direct that corporation into a better form of action and could have tried to involve himself far earlier and far more directly with, for instance, the Saudi Arabian Government. That live sheep debacle has been a very important factor in the savage cut in woolgrowers' incomes, whether they rely almost solely on wool or whether they, like so many farmers in the Agricultural Region, rely on a basic mixture of sheep and wheat growing.

It is certain too, I think, that the new wheat legislation which was passed last year has done next to nothing to provide a safety net for wheat growers. In the space of the last fortnight

wheat growers have been advised that instead of receiving a probable \$90 per tonne for wheat at the farm gates as a first advance they can now expect in the order of \$70 per tonne as a first advance, a price which is below the cost of production. They have been given the hope, or promise, or expectation that a further payment will be made in March, but if in the space of a fortnight \$90 has turned into \$70 no-one can feel any great confidence about future payments.

The situation now - and this has just been analysed in some detail by Hon Eric Charlton - is that many farmers at this moment have Hobson's choice in any budgetary decisions they can make for next year. Wool may, or just might, or can, return a small profit to those who are fortunately situated if the situation gets no worse, but unless there is a marked improvement in the price of wheat and other grains - barley, for instance, is in the same price range as wheat, as is oats; I exclude lupins and peas - they can be grown only at a loss for the majority of growers.

To date the State Government has not even matched the few efforts made by the Federal Government to manage the crisis. I think it has been preoccupied with balancing its own Budget. It has increased taxes and charges on country people and pared down the benefits which they, together with the whole population, were receiving before. The Government has shown itself to be either unaware of the rural crisis or bankrupt of ideas about how to deal with it.

There is very little that Government and industry can do speedily about marketing, although it is important that they put a tremendous effort into it; but something must be done about the costs which are making our products so uncompetitive and so unprofitable. It is this aspect which Hon Eric Charlton's motion seeks to address and the measures it contains, as he explained to the House, are all measures designed to keep some of the few exporting industries so vital to Australia, and to Western Australia in particular, viable, and with it, to keep solvent not just a section of the population in the country but to help preserve the living standards of all Australians.

The Federal Government continues to make representations for a far more equitable international farm trade; the Prime Minister has promised that the rural sector will not have to carry the whole burden of the consequences of the Gulf crisis; but in terms of making Australian rural products competitive in a world market it has done very little as yet. One of the most important services to date is the scientific research facility provided by the Commonwealth Scientific and Industrial Research Organisation, which has been pared down year after year. This is because the Federal Government has followed the policy that manufacturing industries are the great hope for the future of the Australian economy. Therefore, the resources which were channelled to the manufacturing sector were, of course, to the exclusion of the rural industry. If we are to succeed in improving our market position, particularly for wool but equally for many aspects of rural production, where we must improve the protein levels of wheat, increase the yields and improve the pastures - this has been a neglected area - we need good scientific work to be done at the same time as undertaking these other measures.

While the Federal Government has done some things, the State Government has not begun to do its share at all apart from, as we all know, appointing a task force last week. Given the general state of the economy and the importance of the rural industry to that economy, there should be no need for a motion like this to be moved at all. The fact that it has been moved is a reflection of the sluggishness and the negative reaction of both the State and Federal Governments. I very much hope that the Governments will be encouraged by such a motion and by the advice from the industry in every section of the country to speedily implement these suggestions. If that is not possible, at least the Governments should implement those which are possible and every effort should be made to create new solutions. I commend the motion to the House.

**HON J.M. BROWN (Agricultural) [4.32 pm]:** There is nothing new about problems in agriculture and if members avail themselves of Hon Eric Charlton's repeated invitation to take a bus tour to look at the countryside, they will certainly understand that we probably have never had a better season with crops than this year in some of the marginal areas. Western Australia will produce 4.9 million tonnes of grain this year, which will be the highest recorded in Australia. That compares to the three million tonnes of grain New South

Wales is expected to produce. In the 1988-89 season Western Australia produced something like \$3.6 billion worth of produce from the total Australian production of about \$9.4 billion. So, we are in a very fortunate position in Western Australia and this can be attributed to the astuteness of the industry itself and the leaders within the industry because of the way they have been able to maintain their production and export ratio, which has no equal in Australia. It appears that we will again lead in production, as we have done for the last four years.

This leads me to the motion before the Chair. The motion states -

That this House calls on the Government to implement without delay the 24 point rural survival package already given to the Minister for Agriculture.

In general I agree with anything we can do to improve agriculture. However, on this occasion I have a different view about the direction in which we should go to assist the agricultural regions. Not all of the agricultural industry is in dire straits. The majority of farmers have maintained themselves very well and have not met the problems to the extent that has been demonstrated by the media in its comments about the rural crisis. We will not know the true effects of the crisis until 1991 because at the present time we have exceeded all expectations in production.

The price for grain has dropped from \$200 a tonne last year to \$135 a tonne in 1990-91, which is a drop of \$65 a tonne. This represents a dramatic reduction in income and the former head of the Western Australian Farmers Federation, Mr Winston Crane, has estimated that the cost of production is \$100 a tonne. Whether that is correct I do not know. It is difficult to measure the cost of production, especially when referring to places such as Bencubbin, Beacon and Mukinbudin and others where the crop returns are in excess of previous records. I have heard of expectations of 18 bags per acre in these areas, which has never been heard of before. The reason for this great success is that these regions have had 14 or 15 inches of rain this year; nature plays a large part in the success or otherwise of rural activity. So, the real economic situation has not just arrived; it has been before us year in and year out.

The recent problems have been brought about by overseas pricing within the European Economic Community and the export enhancement program in the United States of America. These programs sell grain with a discount of up to 50 per cent, which makes Australia uncompetitive. We cannot compete with their prices because of the subsidies given by the EEC and by the American Government. That is from where the crunch has come. The overseas exporters are undercutting our markets; prior to this we have been able to compete with those markets. One of the big problems is that in the United States the production has increased from 52 million tonnes to 74 million tonnes. The compulsory 20 per cent set aside provision no longer applies and the increase has been extremely significant. This increase exceeds the total production records in Western Australia - we have never achieved a 22 million tonne production level.

The advantage we have is that we are a greater quality exporter; we are probably the fifth or sixth leading grain exporter in the world. The Australian Wheat Board, to its credit, has been able to maintain its relationships with customers and its product control and the markets know that they will be assured of a quality commodity when it is required. This is also a credit to the trade union movement. I refer to the transport, handling and waterside workers, because a ship has never left port without its full complement of grain. The Waterside Workers Federation, although involved in some industrial dispute, has always exempted that produce from industrial action.

So, the economic situation we face has not just arrived; it has been on the horizon for some time. The single aspect which has not been around in the past is that the downward trend in prices has occurred simultaneously in respect of our wheat, our wool and our mutton. I do not disagree with Hon Eric Charlton's comments about live sheep exports, about numbers and how that has created a problem. Where I differ from him is that I believe live sheep exports underpinned the price of sheep in the yard.

Hon E.J. Charlton: I said that.

Hon J.M. BROWN: I did not hear the member say that. I thought he said the opposite.

Hon E.J. Charlton: No.



Hon J.M. BROWN: That is what I thought the member said. I said that I agreed with everything the member said except that. I listened intently to what the member said about the matter and that is why I brought this matter to the attention of the House. The live sheep trade underpinned the sheep market and we all agree about that. The record will show that the House is unanimous in its opinion on the value of the live sheep export trade, which has been controversial in some people's minds but which has certainly been a great asset to the farming community. The fact that New Zealand is now heavily involved in that trade proves that someone's loss is someone else's gain.

We have to be fair to Hon John Kerin, the Federal Minister for Primary Industries and Energy. Hon Margaret McAleer said that he had been longwinded - I think that is the word she used - in taking action; that he had delayed taking action in the Middle East market. However, it was not appropriate to go there because their Minister for Primary Industries was away from his post at that time, and everyone knows he is the one who has to be dealt with; he is the sole purchaser in the monopoly. What concerned the industry and the farmers with whom I was associated and with whom I think Hon Margaret McAleer has been associated is that too many people were trying to put their bib in and interfere when it was being done in the manner in which the Minister for Primary Industries and Energy had directed.

Hon E.J. Charlton: Do you agree that what the Minister should have done was get stuck into the AMLC in the first place; because he obviously appointed the wrong people.

Hon J.M. BROWN: We would all do things differently with hindsight. I do not know what happened; all I know is that the farming industry leaders did not want to interfere. Parliamentarians went there but felt they were interfering rather than assisting with the live sheep export trade problems.

Hon Margaret McAleer: I said that Mr Kerin was very longwinded in involving himself.

Hon J.M. BROWN: I said that. "Longwinded" was the word I used. I am not disagreeing with what the member said. I am referring to the reasons for his not being there for three months.

Hon Margaret McAleer: That is when at last he made up his mind to do something about it - he was a very long time making up his mind.

Hon J.M. BROWN: The member must be in a better position than I am to know that. I am referring to the public reasons for it being inappropriate for him to go.

Hon Margaret McAleer: At long last.

Hon J.M. BROWN: It was not at long last. That comment was not in the spirit of what we are trying to achieve, which is to ensure that the agricultural industry maintains its viability. I did not interject or make any comments when either Hon Eric Charlton or Hon Margaret McAleer spoke because I wanted them to understand that I was listening with great interest to their remarks, although not agreeing with them. I have an alternative view. I do not believe that Hon Margaret McAleer and Hon Eric Charlton expressed these views because they are in Opposition. They said what they said because they believe that something has to be done. However, I am giving the House good, valid reasons why I do not agree with them about these matters.

There was more cooperation and consultation between the industry and the Minister for Agriculture and his predecessor than ever before. In saying that, I do not want to discredit previous Ministers for Agriculture. Hon Julian Grill and Hon Ernie Bridge have made great contributions to the industry. They are held in extremely high regard as competent Ministers. No-one can deny that the present Minister for Agriculture, as Minister for Water Resources, did more for the rural community than anyone else in that portfolio. He gave relief to hundreds of farmers by giving them something they had never had before - a regular water supply. They can turn on a tap on their properties now, something that they never dreamed would happen. Towns which had been in existence for over 100 years, including Miling, Bindi Bindi, Mt Walker, Condingup, Wialki, Lake King and others had water supplies provided. The number is mind boggling. It must have eased the hardship experienced by families in rural communities and it must have preserved something that is nearest and dearest to all country people, the family farm. His contribution was a mammoth effort. What is so impressive about Hon Ernie Bridge is that he is continuing to expand his commitment to country areas in his responsibilities as Minister for Agriculture.

Returning to the agriculture industry, Hon Ernie Bridge has made himself readily accessible to farm leaders at all times. Like Hon Julian Grill, he has worked in close cooperation with those people. The President of the Western Australian Farmers Federation, Peter Lee, told me that he sometimes forgets other members of Parliament because the federation has a direct link with the Minister for Agriculture. That is an indication of what Ernie Bridge has done by serving the community.

We have to assess the situation of farmers. We cannot solve the problems with a few brief statements in this Chamber. Farmers are business people. Those who have business acumen will understand that a process of study and evaluation has to be gone through. Sixteen of the 24 recommendations are Federal matters. No-one denies that. Some action has been taken in the Federal sphere and I hope to inform the House about them in due course. It is the aim of everyone here to minimise the impact of the present economic downturn on rural communities. To that extent one of the reasons I do not support the motion is that I think the strategy adopted by the Minister is the right action and will obtain immediate results. The task force which has been in operation for not more than a week comprises leaders of various organisations and departments and it has been requested to report by 31 January 1991. However, an interim report can be submitted at any time and I understand the Minister for Agriculture has requested a report by 1 December. An ad hoc rehabilitation program for the farming industry cannot be implemented simply by providing all those goodies which have been suggested. Consideration must be given to the consequences of the implementation of those benefits. The Minister for Agriculture, in his dynamic approach to agriculture and water supplies, has always had a strategy to work with.

It is appropriate for me to mention at this stage that the Minister for Agriculture has appointed Mr Bruce Donaldson to the position of chairman of the task force. Mr Donaldson is a farmer; he was the former President of the Country Shire Councils Association and is now the President of the Western Australian Municipal Association. Mr Peter Lee and Mr Tony Boulton have also been appointed to the task force.

Hon D.J. Wordsworth: When do you expect the task force to report?

Hon J.M. BROWN: Hon David Wordsworth is not listening to what I am saying and I will refer to that later.

Mr Tony Boulton will represent the Pastoralists and Graziers Association; Mr John Groves will represent the Rural Adjustment and Finance Corporation; Sue Walker will represent the rural women's task force; Ken Severson will represent the Association of Agricultural Consultants; Mr Quenton Harrington will represent the Department of Economic Development; Mr John Lynch will represent the Regional Development Authority; and Mr Graeme Robertson and Mr John Nicholls will represent the Department of Agriculture. To date the Country Womens Association has not appointed a representative to the task force. The task force has already met and its terms of reference ask it to -

- (a) identify the role played by the various interested parties and the opportunities which might be open to each of these parties to help minimise or deal with the impact of the rural downturn, including appropriate community support and counselling services; and
- (b) identify the strategies which might be adopted by the various parties to minimise or deal with the impact on farm and other small rural businesses of the downturn and to support them and their families through difficult adjustment processes.

In this process it would be helpful if the Task Force quantified the impact of this decline in the sector's terms of trade and, where possible, indicate the output, employment and income effects, and the farm businesses most at risk and their location.

The fourth term of reference is as follows -

The financial consequences of the current situation will become more obvious early in 1991 and the Task Force is therefore requested to submit its report by January 31, 1991.

It is noted that the task force may report at any time on any particular strategy identified in

the course of its deliberations which is judged to warrant urgent consideration. That is a strategy which will be followed by the rural task force and no restrictions have been placed on it when it comes to interim reports. I know members are aware that Mr Peter Lee has issued a warning to the task force that he will not participate in it unless it can come up with the answers within seven days.

Hon D.J. Wordsworth: That is right.

Hon J.M. BROWN: I do not disagree that that is what he said, but I do not say it is right. If Opposition members make decisions about the agricultural industry in a half baked fashion without giving consideration to them they will undoubtedly be heading in the wrong direction. We must take this into consideration and members must remember what happened on one occasion when we took the wrong direction.

Several members interjected.

Hon D.J. Wordsworth: By the Government's investments, such as WA Inc.

Hon J.M. BROWN: The interjections by members opposite illustrate that they want to raise another issue while we are debating one of the most important matters affecting the lives of every Western Australian, not only those in the rural community. Members opposite want to make fun of the issue by introducing unrelated matters. I am trying to tell them that the greatest mistake we made was agreeing to the Kerin plan for the wheat industry. We went down the wrong path on that occasion. The Liberal Party supported that plan, but this State Government did not; even Mr Wilson Tuckey, the Federal member for O'Connor, supported it. The other day he said that if we had retained the guaranteed minimum price farmers would be receiving \$156 per tonne for their grain. I am not denying that the Kerin plan was instituted by the Labor Government, but it was supported by all sections of the community, members of the Liberal and National Parties and by the Federal Government. Strong opposition to it came from the Western Australian Government. We should never have gone down that path. We are deregulation mad. We have taken that path and now we must come up with something in order that the rural community can survive, and that does not mean implementing a list of recommendations which involve both the State and Federal Governments acting in an ad hoc fashion. We should implement a co-ordinated strategy which will be of long term benefit to the rural community. We have been proud of the rural industry since the stabilisation of grain Bill was introduced by Mr Reg Pollard in 1946 and we must implement a strategy which will successfully take the industry into the next century.

Hon E.J. Charlton: I would like you to acknowledge that the Western Australian National Party wasn't very keen about the Kerin plan.

Hon J.M. BROWN: I do not disagree with that and I think the National Party was on the same wavelength as the Government on that occasion.

Certain elements of the Commonwealth legislation prevented this State from introducing legislation which would have ensured a viable grain industry, and I refer in particular to transport.

Hon E.J. Charlton: We have not seen the end of that yet.

Hon J.M. BROWN: No, we have not and the industry will respond to the question of transport in a positive manner.

Hon D.J. Wordsworth: Which industry?

Hon J.M. BROWN: I am referring to the grain industry. When the member for Eyre and I met with Mr Kerin to discuss this matter he said that Western Australia had the best transport and storage industry in Australia and he could not see any reason that we should change it. Two Western Australians are representatives on the Australian wheat board. One of them said that the grain transport industry should be deregulated to allow for competition within it. We should not deregulate an industry which is operating successfully for the wheat board. The cost to the primary producer of carting his grain by rail has not increased in real terms. In fact, the cost of carting grain from the inland silos to the ports has decreased in real terms and it will continue to decrease.

Having identified the task force and the direction the Minister has asked it to take, and the urgency of the matter, I will turn later to the matters mentioned by Hon Eric Charlton.

## [Questions without notice taken.]

Hon J.M. BROWN: The matters to which I have referred so far mainly involve the agricultural region but I should also mention the pastoral region because sheep producers in the north of the State will certainly have a trying time. I refer particularly to areas in the Kimberley which are severely affected by drought.

While strategies have been considered and personal action taken by the Minister for Agriculture - particularly in the Kimberley, which is his electorate - cattle producers are more able to survive. When I presented awards at the Royal Show for the trade cattle industry at Robb Jetty I remarked that the industry was stable. We should ensure that situation continues because it is performing well.

I also have concern for sheep producers who have no alternative income apart from wool and meat. The situation is certainly parlous for them.

Another point in the survival package is that the Federal Government must act immediately to peg fuel prices. I am sure members have heard the response by the Prices Surveillance Authority through the Chairman, Professor Fels, who defended the actions of the authority in maintaining parity with world fuel prices. His reasons may not be convincing but they are certainly substantial. He sees equity in maintaining fuel prices and that point was canvassed by Hon Eric Charlton, and by Hon Fred McKenzie by way of interjection.

I should not allow this moment to pass without mentioning that the Federal Government does not apply excise to fuel used on farms. Many people, including farmers, are not aware that the rebate system is available and that they should apply for a rebate within 12 months. I have known farmers who have not applied within that time and have lost the rebate. Such a situation is incredible. The rebate is approximately 20¢ a litre. The fuel franchise levy imposed by the State Government is also exempt for primary producers, and to a lesser extent for the mining and fishing industries. The rebate represents a substantial saving, notwithstanding the alarm at the future cost of fuel in agriculture - indeed in all industries - and fuel for the family car for both country and metropolitan people. These areas all have serious concerns about the price of fuel.

Professor Fels of the Prices Surveillance Authority has indicated to the Federal Government that world parity pricing will remain for reasons I do not wish to go into at this stage. I am aware of the reasons which relate to the Middle East situation. We might consider that inequitable, but when we had a guaranteed minimum price for wheat we also had a home consumption price. On occasions the home consumption price was in excess of the export price. That was not taken kindly by certain sections of the community. However, it was part of the gross national product package in the wheat industry. Those guarantees ensured producers had stability by guaranteeing a minimum price for grain, a home consumption price and an export price which was contrived by consumers and world wide competition in the industry. The home consumption price for wheat was ultimately reflected in the price of products which were produced from grain, so the consumer was assisting in implementing that guaranteed minimum price.

Hon Fred McKenzie: There was nothing wrong with that. Then came deregulation.

Hon J.M. BROWN: As a result of deregulation we lost that benefit. The Parliament in Canberra in its wisdom implemented a new system in the wheat industry which has been to the detriment of Western Australia. The Western Australian Government strongly opposed that system, and both Julian Grill, the former Minister for Agriculture, and Ernie Bridge, the current Minister for Agriculture, have opposed the plan. Commonwealth legislation overrides State legislation and the State had no alternative but to be part of that package and that deal. Surplus grain can be utilised through other avenues. The Queensland Government is establishing an ethanol plant with industry. The Minister for Fuels and Energy in Queensland, Ken Vaughan, thinks that this will provide tremendous opportunities for the people of Queensland. It has Government support, but not Government finance. Mr Vaughan made the announcement about the utilisation of the surplus grain, and the plant will run on the refuse from sugar cane.

Hon Fred McKenzie: What about the home consumption price of sugar?

Hon J.M. BROWN: In a regulated market, neither the consumer nor the producer gets ripped off. That may be part of the socialist philosophy that some people still embrace. As far as

fuel pricing is concerned we are tied to a system. Through the efforts of the Western Australian Farmers Federation and the Pastoralists and Graziers Association, and of Winston Crane, who is now a Senator, the Federal Government has made a rebate available to primary producers. The Chamber of Mines and Energy of Western Australia and the fishing industry were also beneficiaries of the Government's resolve to rebate the excise on fuel to farmers. When fuel cost 50c a litre, 40 per cent of that cost was rebated to farmers. Certain people want to talk doom and gloom, but we have not struck the problem as yet for the simple reason that we have the benefit of the lower prices for the cropping programs. The majority of farmers purchased their fuel requirements for their harvests before the price rises. They are very astute businessmen as are the fuel suppliers who ensured that their customers purchased before the huge price rises. No doubt Mr Wordsworth has had a distributor contact him.

Hon D.J. Wordsworth: I have not one gallon more than I will use in the next month.

Hon J.M. BROWN: I cannot understand that. Being the astute business person he is, I naturally expected that Hon David Wordsworth would be abreast of the opportunities with his business ability. Some farmers did not apply for the rebate.

Hon D.J. Wordsworth: I applied for it. However, there was a 12 month time limit and the Government gave us one month to apply. I was late and they would not pay it.

Hon J.M. BROWN: The 24 point rural survival package calls for the Federal Government to peg fuel prices and to guarantee that no dumping duty will be imposed on imported fertiliser. The dumping of fertilisers has always been a concern and the Government applied a duty on it, and it has become competitive. We argued with the Federal Government that it is not being dumped, but unfortunately we have not been able to convince the Federal Government of that. I am not too sure that the Federal Government is wrong, but I cannot substantiate that they are right either.

Point 4 of the package calls on the Federal Government to remove tariffs on chemicals. In 1972 the Whitlam Labor Government dropped tariffs by 25 per cent across the board. The Federal Government has continued to reduce tariffs, although not satisfactorily. I do not suppose we will ever reach that el dorado where we are all satisfied. It is a good intention and it is not something we would be opposed to, but we will not achieve it in the short term. In the fullness of time we will gradually erode away tariffs, but it will take time as will the removal of sales tax on farm inputs. Point 6 calls for the Federal Government to immediately instruct banks to remove penalty interest rates from farmers and small businesses. I cannot agree with the comment made by Hon Eric Charlton about Treasurer Keating's foolish demands on the banks. Mr Keating's media brawls with Nobby Clark, who seems to be the spokesperson for the banking institutions have not deterred him in his endeavours.

Only recently I spoke to a representative of the Commonwealth Bank about the interest rate on loans to farmers and I was told that it was 19.25 per cent. I told him that the prime rate was 17 per cent and he replied that that applied to big business. I suggested to him that those customers were giving the banks the most trouble, not the man or woman who runs a family farm. He said that that rate had been reduced by one per cent. For many years primary producers enjoyed an interest rate that was one per cent lower than that for the business community. However, that practice has gradually gone out the door because some farmers were duped into investing in rollover bills that incurred interest rates of between 22 and 25 per cent.

As of today the interest rate is down to 16 per cent. I agree with Hon Eric Charlton that there is a willingness on the part of the banks to negotiate a reduction in interest rates for the rural industry. I understand that the Minister for Agriculture has met with the banking association and that the task force will negotiate a reduction in interest rates with it. The effort by the R & I Bank in reducing its interest rate to primary producers to within one per cent of its prime rate is commendable.

Hon Fred McKenzie: Is that 14 per cent?

Hon J.M. BROWN: No; if the prime rate is 16 per cent the rate to primary producers will be 17 per cent. The Commonwealth Bank, which is the market leader, has an interest rate of 19.25 per cent.

I suggest to the task force, through the medium of the Parliament, that it ask the banks to consider granting the prime interest rate to primary producers because that would be a positive direction to take. The R & I Bank has led the way by granting primary producers an interest rate which is within one per cent of the prime rate, and that is second best. The best thing is that primary producers be charged the prime interest rate on their loans. I know the Minister for Agriculture is putting that question to the task force and he is mindful that the interest rate should be reduced for the industry.

As I said at the outset, every Australian will feel the effects of the downturn in the rural industry next year if the strategies I have outlined are not implemented to alleviate its parlous position.

Hon Fred McKenzie: I cannot help saying this: You are as good on farming issues as I am on railway issues.

Hon J.M. BROWN: I wonder what results we are getting?

The Rural Adjustment and Finance Corporation has received representations from the Government to lower its interest rate to farmers by three per cent - it would apply to those interest rates which are above 11 per cent. I really think it should be a three per cent reduction across the board! The corporation should be commended for the direction it is taking. I know that the Minister for Agriculture has alerted Mr Kerin to the need for additional funds for RAFCOR in order to assist primary producers. Again, I disagree with Hon Eric Charlton; perhaps I have not had the same experience as he has had with RAFCOR. Since the early 1970s RAFCOR has assisted thousands of farmers to acquire and sell land. It has also assisted farmers with debt reconstruction, at a competitive interest rate. In the initial stages of its operation the interest rate was seven per cent.

Many farmers would not have been as successful as they have been had it not been for the assistance provided to them by RAFCOR. The lower interest rate must have allowed farmers to rest easier. However, they still have ahead of them the task of repaying their loans and we must think of measures which will assist them to meet their current commitments. That is one reason I consider that there should be a reduction in the interest rate to the prime rate. It would be a great opportunity for the banks to demonstrate their assistance to primary producers. When all is said and done the interest rate is only one component of the cost of a loan to the farmer. Everyone is aware that banking institutions impose further charges on loans.

I know that the task force will give consideration to waiving stamp duty on mortgage documents - the transfer of a mortgage from one financial institution to another. It would be an additional incentive for the banks to reduce the interest rate to primary producers to the prime rate. Not only the banks, but also the building societies consolidated farmer debts into one package which has resulted in higher interest rates and associated charges. It will be an opportunity for the Government to implement a strategy which will have far reaching effects on the community and financial institutions.

The high Australian dollar and Japanese yen are affecting the rural industry. Two Chinese yuan was equal to the Australian dollar in 1982.

Hon Murray Montgomery: You'n' who else?

Hon J.M. BROWN: It is a very serious and complicated matter. The yuan is the currency of China and, as Hon Eric Charlton said, we do a lot of trade with that country. I am not insensitive to the comment of Hon Murray Montgomery; I think "you'n' who else" is appropriate. He and everyone else must be interested because the rate of exchange is now 3.5 yuan to the Australian dollar. That must impose a great burden on the Chinese people. The Australian dollar is stronger but the Chinese currency has not improved. The Japanese yen was down to 94 and closed at 90. With our trade with Japan, the value of the dollar, and the export industry, it is necessary to appreciate the correlation between currencies all over the world, and not just those of China, Japan and America. We must also consider other international currencies although we do most, if not all, of our export business in American dollars. The dollar has dropped by five percentage points in the last two weeks and no doubt that has an impact on buyers of our produce. It has an effect of which we have all been mindful from the time that serious problems arose in our wheat industry. Many people, and I include myself among them, do not decry a strong Australian dollar. It is an indication of the direction in which one's country is moving.

Hon E.J. Charlton: It is false.

Hon J.M. BROWN: That is a matter of conjecture. I hear the member loud and clear and I acknowledge what he is saying. I know what happens in the case of exports and imports.

Hon E.J. Charlton: It is because of the high interest rates.

Hon J.M. BROWN: There is a real downward movement in interest rates.

Hon Murray Montgomery: What happened to the dollar?

Hon J.M. BROWN: It went up. I do not disagree with that. These things are already happening but some media commentary, advice from within the industry, comments by the Federal Treasurer, Mr Keating, and Nobby Clark, and the media brawls to which I referred earlier have also produced some results. These developed an awareness which is starting to achieve some favourable results for the farming industry. The Australian dollar has fallen by five percentage points and the interest rate is dropping, with the likelihood that it will drop still further. It is certainly heading in the right direction. If we can encourage the banks to use the prime interest rate for primary producers, everyone will pull their weight in overcoming our problems.

The assets test for family allowances is a Federal matter. Although the value of assets taken into account when assessing the allowance has been reduced from \$300 000 to \$200 000, the family benefit has increased from almost \$900 to \$1 500, which is a very significant improvement for the rural community. Only two years ago as a result of representations from the Isolated Childrens Parents Association, the State Government increased the grant from \$250 to \$500. That is not insignificant. In those two areas the State and Federal Governments have made grants available for education.

I do not want to go into further detail on all these matters. I recognise that they have an effect on all members of the community. I have mentioned the stamp duty on loans. On a further point, it would be very difficult to reduce electricity charges for the rural sector. I know that no farmer who has a power supply from the State Energy Commission would want to revert to the alternative power system, or to the alternative to that. I see Mr Deputy President (Hon J.N. Caldwell) nodding his head, because he knows what I mean about going back to the lighting plants and the aladdin lamps. No-one wants to return to the old days and the State Energy Commission energy supply is a valuable asset to farmers. The same applies to Telecom services and the undertaking by the Federal Government that every farmer would have a telephone service. The installation of radio telephones on farms costs farmers less than \$500, although I imagine the value of the equipment on farm properties is approximately \$25 000. It was a great step forward for the rural community. Should that be deregulated also? I do not think such action would be a great help to our rural industries.

I referred earlier to the funds of the Rural Adjustment and Finance Corporation, and positive action has been taken by the Government to ensure that sufficient funds are available. I would like the Government to implement those measures as a package rather than piecemeal. The Government had the power to take that action and the Minister and the Premier introduced the measure, not as a gesture of goodwill but because we all realise that something is needed, and no-one understands the problems confronting the agricultural industry better than the Premier does. Anything we can do to assist country families will result in a better standard of living, better education and better health care for us all. I do not disagree with the issues raised, it is a question of moving in the right direction and determining the terms of reference for the task force. I can only say that of the 24 issues raised, 16 are Commonwealth matters and relate to the macro-economic programs of the Federal Government. That is an ongoing situation which has always existed. Some action has been taken on reducing interest rates and increasing the effectiveness of the Rural Adjustment and Finance Corporation. The Minister for Agriculture has set up a task force comprising a group of people from different areas who are well skilled and leaders in their own fields. I look forward to the contribution the Country Women's Association will make in that regard because it is essential for that organisation to be represented on the committee, in the same way that the rural women's task force is represented.

No magic wand can be waved to solve the problems confronting the industry. Nobody, and I include Government and Opposition members, has a monopoly on the constructive strategies necessary to ensure that the rural community continues to play a very vital and active part in the nation's prosperity.

*Sitting suspended from 6.00 to 7.30 pm*

Hon J.M. BROWN: I am glad I have had the opportunity of demonstrating to the House what the Minister for Agriculture is doing on behalf of the Government. He is aware of the need for action and has established a task force, which is already taking positive steps forward. So while I oppose the motion because it will not achieve what is required, it certainly demonstrates that the Leader of the National Party and Opposition members generally are mindful of the situation. The Minister is aware of the problem and has taken the necessary steps, and has demonstrated that this is the direction we should take. I am sure recognition will be given to many of the points raised in the motion. Sixteen of the points are Commonwealth functions. The Commonwealth Government has already taken action in some of these areas, but it will require the combined efforts of people from all political parties and all walks of life to ensure that we make progress in agricultural pursuits which will be of benefit not only to producers but also to the people who handle their products, consumers, and the people of Western Australia generally.

I oppose the motion.

HON D.J. WORDSWORTH (Agricultural) [7.34 pm]: It is not my intention to generalise on this subject. No-one has to convince me that there is a rural recession. I am well aware of what is happening because I am a farmer and live in a rural district. I would like to give one example to the House before directing my comments to one major subject. I outline the case of a farmer who is regarded as a leader in his field, is diligent and careful, and a good budget planner. There are probably hundreds of farmers like him. This farmer had a debt and was required to either roll over that debt or pay interest. He did not budget for the 870¢ that used to be the wool guarantee, nor for the more conservative 700¢. He had expected to pay an extra amount for the wool levy, so he realised that his tax would be higher, but nevertheless he put down a good conservative price for wool. He realised that he had a loan repayment to make in November so he shored the required number of sheep to cover that debt, and managed to pay the shearers from moneys that he had put aside or borrowed. However, when he took his wool to the wool store he found that he could not sell that wool in November as planned but had to wait until February. Therefore, his whole budget and debt structure was blown out. He had to carry the debt for another two months or try to roll over the loan again.

That sort of thing is happening every day to the most careful farmers. That same farmer would have expected to get something for the sheep that were shorn. They normally would have gone to the overseas export trade, to the Middle East, and he may have been conservative when he estimated that; when he sold them he would expect a price above \$10 a head. However, that market has blown out completely. The Australian Meat and Livestock Corporation is allowing only one ship at a time to go to the Middle East, so the chances of a farmer getting his sheep on that one ship are very slim. And the people who own those shipping lines do not want to pay too much for those wethers and need not because there is no competition.

So a diligent farmer can find himself in considerable strife. The farmer to whom I refer realised that wool was in a difficult position so despite the fact that he had no farm employees on his property and had 10 000 sheep he managed to plant a couple of thousand acres of crop, thinking he would put his eggs in several baskets and that would carry him through. However, he found that first payment at the gate would be between \$70 and \$80, whereas previously he would have received around \$135. Most farmers would say that the first payment does little more than cover the cost of putting in the crop and that the real profit is in the subsequent payments, but the farmer who planted this crop found that the \$70 or \$80 he received did not even cover the cost of putting in the crop, and that he would have been better off not putting in any crop because by his very effort he incurred further costs.

I assure members that there are not many farmers whose budgets have not blown out completely and who are not looking for extra money to carry them through. It remains to be seen whether they will have the security to borrow money. Many will not. The banks will be placed under pressure by the large number of farmers who will want to borrow money quickly because they did not anticipate this crisis.

I support this motion and the efforts of the Western Australian Farmers Federation and the Pastoralists and Graziers Association on farmers' behalf. The Government has set up a task



force, which we have been told about by a speaker on the other side of the House. The first thing that rather staggers one about that task force is that it does not have to report until next year. It has been given plenty of time to study the problems. I am pleased to see that the Western Australian Farmers Federation is not accepting that at all. It realises that there is a chance it has been led up the garden path, in the normal way that Governments do, by the Government saying, "We will look into it" - that is what Mr John Tonkin used to say; people used to call him the mirror because he was always looking into things - or, "We will set up a committee." That is what the Government has chosen to do, and it has made it a large committee so that everyone will have an input. One wonders what will be the outcome of that and how long it will take.

The WA Farmers Federation has said it will give the Government seven days to take action, and here are just a few things it can take action on fairly soon. One is the recently imposed tax of 1¢ per tonne per kilometre on fertiliser being carted throughout the agricultural areas, which tax I understand was imposed on 1 October. The other is the fee on the transfer of mortgages. We have heard a lot about interest rates being lowered. If a farmer - or, indeed, anyone else - found that the bank with which he had a mortgage had not reduced its interest rates the answer would be to go to the next bank and see if it had reduced its rates. However, I suggest that someone try it. If he gets a one per cent lower interest rate at the next bank, what happens? The Government says he must now transfer that mortgage, which means more money for the Government. Therefore, if someone has a \$100 000 mortgage and has obtained a cheaper loan from a bank down the road it will cost hundreds of dollars for him to transfer or re-register the cheaper mortgage. If Hon Fred McKenzie thinks that is a fair run for a person who is in trouble financially I assure him it is not fair in my books.

Hon Fred McKenzie: I am stunned. You have been here longer than me and I have never heard you agree with anything other than competition, yet now you don't like competition and you want some orderly marketing. That seems to be what you are saying.

Hon D.J. WORDSWORTH: I have not mentioned orderly marketing at all; I am talking about good government and that is why it is hurting Hon Fred McKenzie.

Hon Fred McKenzie: You are talking about interest rates and the collusion of the banks.

Hon D.J. WORDSWORTH: The banks are giving the competition. I am saying that when the bank next door gives someone a lower rate he cannot utilise it because the State Government will charge him another set of taxes.

Hon Fred McKenzie: You are promoting an interventionist policy.

Hon D.J. WORDSWORTH: I am not, I am saying that one easy thing the Government can do to alleviate the farmers' problems is to look at the cost of transferring mortgages; and it is not just a matter of transferring to another bank. Let us say that the farmer to whom I have referred has a \$100 000 mortgage and is in trouble as he cannot sell his wool until February. He must borrow an extra \$10 000 on his overdraft, so that mortgage must be increased from \$100 000 to \$110 000 and he must pay the transfer fee on the \$110 000, not just on the \$10 000. This is the way the Government is imposing taxes on the primary producers, and this is what is causing so much difficulty.

I wish to direct my attention now to the matter of the 1¢ per tonne per kilometre tax which has been announced by the State Government. For a start, I was very interested to find out how the Government would impose this tax, because I had been watching the *Government Gazette* with keen interest to see whether the new tax was announced in that publication. I have searched diligently to try to find it, and it certainly has not appeared in any *Government Gazette*. However, by courtesy of the other place I have a copy of an announcement made by the Minister for Transport, which I will read to the House. It begins -

Farmers will be able to use private carriers or rail to cart fertiliser as a result of a Cabinet decision.

The decision will take effect from October 1.

Transport Minister Pam Beggs said the move had the support of the West Australian Farmers Federation and the Pastoralists and Graziers Association.

Organisations directly involved in the manufacture, distribution and use of fertiliser also overwhelmingly supported it.

Mrs Beggs said a report considered by Cabinet earlier this year had been released widely to allow for community input.

"This decision will significantly improve flexibility and efficiency in the ordering and supply of fertiliser," she said.

Mrs Beggs said the decision would allow Westrail to continue to improve its financial performance and to concentrate on providing efficient services in competition with the road alternative.

No decision to rationalise services would be made without prior consultation between Westrail and its clients.

That sounds great: Here we have the Government trying to help farmers by allowing them to cart by road instead of by rail; but the Minister goes on to say - and here is the sting in the tail of the bee -

Mrs Beggs said the transfer of some fertiliser transport from rail to road would inevitably increase road damage.

A fee would therefore be imposed on the commercial carriage of fertiliser by road to offset the increased costs of road maintenance.

The fee of one cent per net tonne per kilometre would be charged for trucks commercially transporting fertiliser in areas served by rail.

Members all heard what I said: The fee of 1¢ per net tonne per kilometre would be charged. Just so that I cannot be accused of leaving something out of the Press release I will finish reading it -

Licences for set periods would be made available by the Department of Transport. This would avoid the need for carriers to pay the fee on a per-trip basis.

A similar charge would be imposed for the carriage of grain, which was recently deregulated.

In other words, it is not only fertiliser that has been deregulated. The Press release continues -

The revenue received would be distributed between the Main Roads Department and local authorities.

I am sure the local authorities would be very pleased about that. In fact, I think perhaps they encouraged the Government to do what it has done. However, I have been interested to note the number of letters I have received from local government asking me to do something about the removal of this 1¢ per tonne per kilometre tax.

Hon Fred McKenzie: That is only meeting the real road costs, and as a former Minister for Transport you would know that. They have had an unfair advantage.

Hon D.J. WORDSWORTH: I know that road user charges have been calculated long ago and have been imposed before. If it is necessary to have a road user charge in this case, why is it not necessary in other cases such as in the Esperance area, where road transport is not competing with rail and the tax is not going to be imposed? Will the same tonne of wheat not do any damage in that area but only where there is a railway line running beside the road? No, of course not. It is a tax being imposed on an industry that is already on its knees.

In any event, I then endeavoured to find out why this tax was going to be imposed without anyone really knowing anything about it, although the Minister has just made a Press statement. In our efforts to find this out - and I must admit many of those efforts were made in the other House where the Minister sits - the Minister was asked how she could impose this tax without its being published in the *Government Gazette*. After all, that is what we read. We were told that the Minister will do it through her ability under the Transport Co-ordination Act, and that just a few months ago, on 21 June 1990, that Act was amended and it was announced in the *Government Gazette* that it had been amended. We actually amended the Bill in this House last year, although it has yet to be proclaimed. After proclamation, notification needed to be placed in the *Government Gazette*. Although we made amendments to the Act last year, those provisions did not come into force until 29 June 1990. In case members have forgotten it, the amendment read -

Section 21 of the principal Act is amended by repealing subsection (1) and substituting the following -

In other words, we were inserting a new provision as follows -

- (1) In respect of every public vehicle licence the following fees are payable to the Director General in the prescribed manner, in relation to the term of the licence, or such shorter period as is prescribed, namely -
  - (a) for an omnibus licence . . . .
  - (b) for a commercial goods vehicle licence under Division 3 a fee determined by the Minister, . . .

I wonder how that provision passed through this diligent House, how it allowed the Minister to determine the fee. As members will realise, most fees are arrived at by regulation. We used to write fees and taxes into Acts of Parliament; however, considering the inflation factor, we did not wish to have Bills brought before us every year or two so the decision was made to fix charges by regulation. That obviates the need for the Government to bring Bills into Parliament to change fees. Such changes in fees are published in the *Government Gazette*.

The amendment has been passed; the fees are determined by the Minister. I asked the Attorney General today at question time whether he could tell us more about the determination of fees by the Minister. We have an astute Attorney General who is one of the most clever of artful dodgers in the game. I did not receive a satisfactory answer, other than that he would look into the matter. No doubt he will tell us more about that tomorrow.

I had assumed, quite fairly, that the Minister's determination would be in the *Government Gazette* so I took myself down to the Department of Transport. I thought that would be a good place to start. I walked in like a cocky and said that I had a copy of the *Government Gazette* which stated that a fee is payable in respect of a vehicle licence to cart goods and that forms 3 or 9 should be filled out. I asked again for a form 3 or a form 9. The person at the desk did not know what I was talking about. I asked for form 3. He said that he had never heard of it. He went away to get his boss. I told the boss I wanted to cart some fertiliser and I wished to fill out a form. He returned with a couple of forms which incidentally were neither form 3 nor form 9. One was, I think, form 49. That did not worry me. However, the form applied to a bus or an aeroplane - and I possess neither. I then requested the form to fill out so that I could cart fertiliser. I asked how I would pay and the officer said that it was simple, that at the top of the form a small square would be filled out with a temporary permit number. He said that I should phone and state that I was planning to cart 10 tonnes of fertiliser from Mukinbudin - about 15 miles. I should send in a cheque and I could cart the fertiliser; I would be on my honour, and would be given a temporary permit number. I said that was all right but I also asked how I would know that the charge would be correct when such information was to be relayed over the telephone. That shook him a little because he had never had someone -

Hon R.G. Pike: As difficult as you!

Hon D.J. WORDSWORTH: People who cart fertiliser know that they should not defy the authorities because the boys in blue can decide to weigh every truckload. In my ignorance I asked for the latest determination by the Minister. The officer thought that was a suspicious way for a cocky to act. The answer was that the Minister had not determined the fee yet; it was still being calculated. I told him that the Minister had issued a Press release and that he should be able to tell me the fee. He replied that the fee had not been calculated. I then asked him for the old determination and I was told that it did not apply. I insisted on seeing it. He returned with the old determination which applied to rates for commercial goods and vehicles, temporary licences and permits. It contained the relevant charges. I thought that was fair enough because at least then I knew what was the charge.

Amended section 21 reads -

- (b) for a commercial goods vehicle licence under Division 3 a fee determined by the Minister, but not exceeding the prescribed amount for each licence for each 50 kilograms or part thereof of the gross weight of the vehicle, which prescribed amount may be different for different routes -

In other words, where there is a railway.

or areas of operation or for different classes of goods or mass of goods or for any combination of those factors;

That sounded all right. However, when I received the scale of fees, no mention was made of gross weight. The scale of fees outlines the distances in kilometres travelled, and the various tonnages applying to assembled buildings, boats, carcase meat, and other goods such as cement, farm machinery, roof tiles and battens, broken glass, bricks and blocks, and includes coal, fertiliser and other materials. The fees are based on the weight carried. This has nothing to do with gross weight of a vehicle because if a truck is carrying one tonne of fertiliser and five tonnes of something else how can a charge be made on the gross weight? Other goods may not be chargeable at all, so rates are applied to the schedule of the load.

I am sure the Attorney General is taking in my comments. I believe the situation is completely ultra vires. The Act states that the charges will be made according to gross weight. The charges made by the Department of Transport are on the net transport quantity or weight of the goods. Does the Attorney General think that is legal? The Attorney General is looking lost.

Hon J.M. Berinson: I confess I have not been following the argument with my usual close attention.

Hon D.J. WORDSWORTH: It will end up on the Attorney's plate tomorrow morning because I have recommended that every person who has ever been charged by the Department of Transport for a permit should demand his money back. The charge is ultra vires. The relevant part of the Act reads -

...but not exceeding the prescribed amount for each licence for each 50 kilograms ...

The fees had been written into the Act. Originally that amount was \$2. It is now prescribed by regulation. The regulation is quite clear; it does not fool about. It states that where the fee payable is a fee payable in respect of a permit or a temporary permit, this is prescribed in section 21(1) of the Act. Subsection (b) of the regulation states -

in relation to the fee for a commercial goods vehicle licence the prescribed amount is \$5.

I cannot understand, from the section which was passed by the Parliament, whether the \$5 applies to every 50 kilograms or to every licence. That is something that the Crown Law Department should examine. The scale of fees indicates that if I want a temporary licence the fee is \$10. As I have just read out, the Bill that we passed in this House said that the fee was not to exceed \$5, yet the schedule says \$10. Admittedly the schedule is now finished because another one has been thought up although it has not been passed yet. So, it would appear that the Department of Transport has been charging twice as much for a temporary licence than it is allowed to under the regulations of the Act.

I thought I had better check up on this and I asked the Deputy Leader of the Opposition in the other place to ask a question to the Minister for Transport today. This question related to how this tax was imposed and the Minister said, "Well, I explained it all to Mr Bill McNee." She explained how - these are my words - the matter did not need to go to Parliament and how it could be handled by regulation. I have the various regulations in my hand and I have the very piece of paper she gave to Bill McNee by way of explanation. I will be happy to table the document if anybody wishes to see it. It indicates the way that the Minister thinks in that it indicates that she is able to set the fee by determination under section 21 of the Transport Co-ordination Act. That is the way she thinks she is doing it. I asked the Deputy Leader of the Opposition to ask when she made the determination that it should be 1¢ per tonne per kilometre. After all, the Press release was issued only a few days ago and this is the most controversial tax introduced for a while. I hope that members look at *Hansard* tomorrow to see her response. She said that she was not sure but her staff had looked after the matter for her and had that part right.

We should look at this matter of determinations in this House because something needs to be done. I notice that the old schedule form, which I obtained from the Department for Transport, was approved on 25 June 1990 and was signed by a sectional coordinator. So,

within the department a determination was printed on 25 June which included a determined set of scales. It is very interesting that the man handling this tells me now that the new schedule has not been determined, although the tax has applied from 1 October. In other words, the department is not yet in receipt of the Minister's determination of taxes which have been imposed on the farming community since 1 October. This is the way in which this Government moves from one crisis to another. It is too worried about WA Inc and looking after former Ministers rather than carrying out the prescribed laws of the State. It should behave in a manner which befits the occasion of the rural crisis.

I shall confine my remarks to this one issue because I believe I need to be constructive. This is one of three major issues that the Western Australian Farmers Federation wants the Government to fix. To be honest, I think I have fixed it for the federation! I hope that the Attorney General will come into the House tomorrow afternoon and tell me how I am wrong.

Hon John Halden interjected.

Hon D.J. WORDSWORTH: The member thinks that it will be easy. I thank the proposed Parliamentary Secretary for his comment. He will not be paid anything for filling his new post and perhaps that is just as well. He says that it will be easy to explain this matter and perhaps that can be his first job.

Hon Margaret McAleer: He could not be heard from the place in which he is sitting anyway.

Hon D.J. WORDSWORTH: Perhaps I use a little humour on this occasion, but I am correct on this matter. The Government has been interpreting the law in the manner I have indicated. I am confident that I am right and that the Government has been imposing an ultra vires tax on people. That is a very serious charge. I expect the Attorney General to make a ministerial statement when the House resumes tomorrow to show how I am wrong, where I am wrong and how the Minister in the other place has led us to believe that this is the case. The Minister in another place was asked how she was imposing the tax and I do not know whether she nervously giggled - I was not in the House - but she certainly was not able to give a good reply. She provided the information later to the member; it is an extract from the *Government Gazette* which illustrates, quite rightly, that the Minister can make a determination. However, she made the determination in the wrong manner and the Department of Transport did not carry it out in the right manner. It went beyond its duty. I have a feeling that those in the department knew it also. When cocky Wordsworth came in and asked for a copy of the schedule, the department did not have one. I have an idea that the Government will make a great announcement in the next few days in the light of the rural crisis. It will remove the tax in question.

Hon Fred McKenzie: Do not hold your breath.

Hon D.J. WORDSWORTH: I am hoping that the Government will do the right thing, and removing the tax would be the right thing. Does Mr McKenzie agree with me?

Hon Fred McKenzie: You might be getting your cheque back, from what you have said tonight.

Hon D.J. WORDSWORTH: I will be very disappointed if the Government does not remove the tax. It should do so whether I am right or wrong because this needs to be done. It is stupid to impose the tax as it will cause a great deal of hardship. Could members tell me why fertiliser which is carted by road will cause more damage to the road in an area where there is a railway line than to the road in an area which does not have a railway line? Why should these farmers pay 1¢ per tonne per kilometre for road wear and tear when it is not applicable to other road users?

Hon Fred McKenzie: It should have been there many years ago. You used to charge road users for maintenance when you were in Government.

Hon D.J. WORDSWORTH: We changed the whole scale because the carriers were dodging payment, and there were accusations that they were not being paid. We settled the matter down and introduced other road user charges, and this included the State tax on fuel.

Hon Fred McKenzie: Did you introduce that?

Hon D.J. WORDSWORTH: To our detriment, we did.

Hon Fred McKenzie: What an admission.

Hon N.F. Moore: You doubled it.

Hon D.J. WORDSWORTH: At least we did not spend the money on the buses. We are experiencing a rural crisis and it is very serious. It can be argued that we have had crises before, and I have even heard the proposition that it will go away because it was created by the increase in the price of oil. The major difference between today and 1982-83 when we had a small recession is that Australia's national debt at that time was between \$20 billion and \$30 billion. A very small percentage of our exports was required to cover Australia's debt. Australia's debt today is \$150 billion - it might be higher; I cannot keep up with it - and 47 per cent of our exports goes toward covering the cost our debts, be they interest or repayment. I know enough about farming and any other business to know that when the cost of servicing capital costs increases from five per cent to 40 per cent of one's gross income one is just about broke. We are not getting much left from our exports. They are going to pay for the money that the Government has borrowed.

Hon J.M. Berinson: Are you sure that that 47 per cent figure is correct?

Hon D.J. WORDSWORTH: Yes.

Hon J.M. Berinson: It is 47 per cent of what?

Hon D.J. WORDSWORTH: Of our exports.

Hon J.M. Berinson: Does that relate to the gross value of exports?

Hon D.J. WORDSWORTH: I cannot find it offhand, and it might be rural exports. However, I gather that 47 per cent of our overseas exports is paying for the cost of servicing capital costs. That is the figure that has been issued and I will endeavour to substantiate that. However, it is not hard to work it out. If the debt was \$20 billion and it is now \$150 billion, it has gone up a mighty lot.

Hon Fred McKenzie: Sixty-five per cent of the national debt is private sector debt.

Hon D.J. WORDSWORTH: Mr Hawke used to say that. He said that the Government had not borrowed it, that Mr Bond and you name them had. Unfortunately they have all gone broke since then. It was great while those people were responsible for the debt -

Hon John Halden: This is kindergarten economics.

Hon D.J. WORDSWORTH: - but they are fast disappearing. Suddenly those debts are coming home to roost and we cannot blame someone else for them.

Hon John Halden: Who are you blaming?

Hon D.J. WORDSWORTH: I have not blamed anyone.

Hon John Halden: You are using the word blame, so you apportion it.

Hon D.J. WORDSWORTH: Of Australia's exports, 47 per cent must cover the debt. Hon John Halden says that part of that is private enterprise and part is Government debt, but it still has to be found in Australian dollars out of export earnings. I have not heard Mr Keating or anyone else make a statement lately about how the companies which have the overseas borrowings, have the assets to cover the borrowings and how they are earning the money to pay for the borrowings. How much does the member reckon Mr Bond or Mr Elliott is earning lately for his debts overseas?

Hon John Halden: You must ask his Chinese bankers.

Hon D.J. WORDSWORTH: Who is picking up the bill?

Hon John Halden: You are asking the question, you can give the answer.

Hon D.J. WORDSWORTH: The bill is picked up by Australia and those who export. Someone must do it.

Hon John Halden: It does not work that way.

Hon D.J. WORDSWORTH: Tell me how it does work.

Hon W.N. Stretch: He just cranks the handle on the printing press.

Hon D.J. WORDSWORTH: It does work in that way. People get a bit confused about the complex manner in which Australia has a Budget, spends money and borrows money, but I find that if one views Australia as a company or as a family one is not too far wrong.

Hon John Halden: That is exactly why you are wrong. International finances do not work like that and never have.

Hon D.J. WORDSWORTH: The Labor Party loves to say that.

Hon Fred McKenzie: You are blaming the Government for everything.

Hon John Halden: Your analogy is wrong, unfortunately.

Hon D.J. WORDSWORTH: I have not blamed the Government for a single thing. Members opposite are so defensive. I am trying to provide facts. I am sorry; I did blame the Government for the Transport Co-ordination Act and I did blame it for the transfer of mortgages. I did those two things. I am not blaming the Government for the gross national debt and how much of our exports are required to pay for that debt. Wool is a major export which brings in overseas funds. Some parts of the mining industry are enjoying good times although one does not hear too many people in Kalgoorlie saying that gold is booming, or too many people in the mining towns up north saying that iron ore is booming. I think alumina is having a reasonable run. Wool used to be our number one exporter, but we have a year's production unsold. It was not sold, and I have a fair idea that it was put down as a credit because the wool was produced and it is listed as a goods in transit item. Wheat is our next best export earner and \$400 million worth of wheat sold to Iraq has not been paid for. That is money we did not receive and which is probably shown as an export. The at-farm-gate payments for next year will be between \$70 and \$80 a tonne - I am quoting from a Western Australian Farmers Federation publication - instead of the previous year's figure of \$135 a tonne, so there will be a lot less money coming in from wheat.

Although I have been scoffed at here and elsewhere once again I have a constructive point to make on the part the beef industry can play in the problems of the cereal industry. We have one million head of cattle being fed on grain in Australia today. Each one of those cattle would eat a tonne of grain. Western Australia produces about five million tonnes of wheat a year, which makes it the biggest wheat producing State in Australia. If the cattle can eat one million tonnes they are not doing a bad job. We have not started on the fattening of cattle with grain. I happened to look at the figures of the number of cattle fattened on grain in Western Australia. It is less than 10 000 cattle. I find that hard to believe because I have 700 of them on my farm; 700 are on a farm half a mile down the road; 3 500 are on a farm a bit further down the road; and there is another 400 further on; that is within a few miles of me. That is in Esperance, which is one of the most isolated towns in Western Australia.

HON R.G. PIKE (North Metropolitan) [8.19 pm]: I support the motion of Hon Eric Charlton, the Leader of the National Party. Having heard the substance of the motion and the detail to which it directs us, we should also direct ourselves to the real issue; that is, there should also be a motion of censure.

We should deplore the inadequacies and incompetence of what I call the Macawber Labor Government. Members who have read Dickens at school know that Macawber was "always waiting for something to turn up". Dr Lawrence and Mr Bridge did nothing for the rural community in the last State Budget. Can members believe that the Budget was brought down and, afterwards, statements were made by the Leader of the National Party, by Monty House and by Paul Omodei the Liberal Party's spokesman on the need for help for farmers? However, most overwhelmingly of all were the massive protests by the rural community which said there was nothing in the Budget for it. I ask members to bear in mind that that happened at a time when the rural community is singularly facing the greatest crisis which has occurred in this State for two or three decades. Is it not mind boggling to contemplate that Premier Lawrence and Mr Bridge, the Minister, made a big deal after the Budget about appointing a task force and nothing more? Big deal!

The points contained in the motion moved by Hon Eric Charlton contain the solution. The real issue is that this Government is forever promising the world and giving the people an atlas.

Government members interjected.

Hon R.G. PIKE: Be fair; I am having difficulties with my voice so I ask members not to be quite so loud.

Hon Sam Piantadosi: That is a change.

Hon R.G. PIKE: As we contemplate this motion tonight, we must bear in mind -

Hon Sam Piantadosi: Your voice.

Hon R.G. PIKE: I thank the member. There is a complete absence in the Budget of any action to be taken by the Lawrence Government to assist the rural community and that is the greatest sin of omission that has occurred in this Parliament for two or three decades. The people of Western Australia need to be aware of that and it needs to be rammed home to them. This is a reactionary Government. It is devoid of any initiative or ideas and it deserves not to be where it is.

HON J.N. CALDWELL (Agricultural) [8.24 pm]: I support Hon Eric Charlton's motion and the 24 point plan that he has introduced. I want to talk about three words - God help Australia. Where did those three words come from? They appeared in two or three newspapers recently in tragic circumstances. They were on the front gate of the entrance to a farmer's property. I guess most members saw the newspaper reports. That sort of thing must shock everyone in the community. It should have shocked Governments into doing something about fixing the economy, not only for the rural communities, but for everyone. The headline stated "Desperate farmer kills his family". He lived in the Riverina area of New South Wales. He was not the sort of person who would have done this terrible thing in normal circumstances. Over time, the pressures built up and he cracked. Many people cannot stand the stress and strain and do not want to put their families through the problems being experienced by rural communities at the moment. Unfortunately, I do not think this will be the last time that we will read reports of this sort of thing happening. Ironically, only a week or two afterwards, the Treasurer supported a lowering of interest rates. I do not know whether the shock journalism at that time pushed the Treasurer into doing something which should have been done some time ago. It would be ironic if what happened to this young farmer pushed the Treasurer into lowering interest rates.

Implementation of the 24 points presented to the House today by Hon Eric Charlton is much more important than the implementation of the legislation to reduce the blood alcohol content to 0.05 per cent. The implementation of the 24 points will probably save more lives, especially young lives, than the 0.05 legislation. We are desperate to see Australia's economy pulled into shape. The 24 points, if implemented, will provide assistance to farmers.

In talking about farmers and rural people, I refer mainly to the wool, sheep and wheat growers. Hon Sam Piantadosi said that some rural people are doing reasonably well. I admit that the horticultural industry is finding new markets and is working very hard as it always has done. I suppose the wine industry is fairly successful at the moment as is the cattle industry. Of course, other areas of rural life are maintaining equality in their cash reserves and living from hand to mouth. However, tonight we are talking about the agricultural industries which I represent in this House.

I wish to refer to only three of the 24 points introduced by Hon Eric Charlton. The first relates to the instruction to banks to remove penalty rates for farmers. Some years ago, before I came into this place, bank managers were rather liberal with loans to farmers.

Hon E.J. Charlton: They are labouring a bit now.

Hon J.N. CALDWELL: Yes, they are labouring in Perth because they do not own their farms any more. Penalty rates have had a detrimental effect on all people who have borrowed over their limits. As soon as they get into any difficulties, the banks put up interest rates excessively. I have often wondered why they keep doing that because they bring the borrowers unstuck and they are then forced off their farms. Penalty rates are iniquitous and should be immediately banned.

I wish also to refer to the assets test. The Government provides assistance to people who get into trouble as farmers are today. Part of that assistance is the family allowance. However, if the total net value of two people's assets is less than \$300 000 and their combined taxable income for 1989-90 was under \$62 057, they continue to receive the family allowance. The assets test is causing hardship to families in the rural community. For instance, if a farmer in a wheat or sheep area did not have assets to the value of \$300 000 he would not be considered to be in a viable position. Everyone who lives in those areas has assets valued at greater than that amount. The point I am making is that if they do have assets valued at more



than \$300 000 they are not eligible for the family allowance and that is where the assets test falls down. One section of the application form for the family allowance refers to the net market value of one's property. The value of properties is decreasing at an alarming rate these days and this time next year the net value of properties will be half of what they are now and the taxable income of farmers will probably be zero. Perhaps there should be a provision on the application form which will assist people in obtaining the family allowance next year. The application form contains a provision for a person who is anticipating a reduced income. I urge all people in the rural area who are anticipating financial difficulties in the forthcoming year to read the application form carefully in order that they can give consideration to whether they will be eligible for the family allowance.

I have spoken at length on several occasions about the enormous quantity of wool which is currently in storage. In the immediate future we must find some way of getting that wool into the processing countries of the world. Previously I referred to a possible bartering system with, for example, Russia which produces eight tonne trucks which would be adequate for our use and I am sure that the Russians would be happy for us to take those trucks in return for wool. I am assured that the Chinese make very good musical instruments and perhaps we could swap bales of wool for pianos. Our wool is available at give away prices and the situation would be even worse if it were not for the 700¢ market support scheme. We must forget about our differences with China which has many textiles factories which are not operating. We could supply those processing plants with wool from our stockpile and if they make a profit from the goods they manufacture we could come to some arrangement whereby we could share in that profit.

I refer again to the article about the poor unfortunate farmer who shot his wife and family and then committed suicide. At the end of the article Detective Senior Constable Danny Sharkey, who attended the scene of the tragedy, is reported as saying -

"I'm no economist - I'm just a dopey copper - but it just doesn't seem fair that blokes like this can work their guts out without making a living wage," . . .

It is unfortunate that the Commonwealth Treasurer had to wait this long to lower interest rates; if interest rates had been lowered earlier this unfortunate tragedy might not have occurred.

**HON BARRY HOUSE** (South West) [8.35 pm]: I support the motion moved by Hon Eric Charlton and I will refer to a couple of the aspects which have been alluded to by Hon John Caldwell. The general thrust of this motion is that the Government should be doing a little more than it is in a time of crisis and I will use a couple of examples to demonstrate that the Government's actions, perhaps unintentionally, are causing additional hardship to people in rural areas. The first example relates to the Federal Government's policy which has been alluded to by Hon Eric Charlton when he referred to the 24 point survival package for the rural industry. Item 10 referred to the removal of the asset test for family allowance assistance and this point was also referred to by Hon John Caldwell.

People around Australia, including members in this House, recently received notices from the Department of Social Security relating to family allowance payments and they learnt, probably for the first time, that a means test is to be applied to family allowance payments. Many rural families will be severely disadvantaged by the new asset test ceiling of \$300 000. It will mean that many, in fact, most, rural families will be ineligible for family allowance payments because of the assets test.

**Hon Sam Piantadosi:** So will many of the people in the metropolitan area.

**Hon BARRY HOUSE:** That may be true, but there would not be many people in the metropolitan area who are not receiving an income. Currently, many families in rural communities are sitting on large assets, and will not receive any income this year.

**Hon Murray Montgomery:** Outside their family home.

**Hon BARRY HOUSE:** One cannot equate the family home with a farm. To a person living in a rural community the farm is the family home.

**Hon Sam Piantadosi:** Are you including rural towns in the rural area. You have not qualified it at all. What about bank managers in rural towns?

**Hon BARRY HOUSE:** What does Hon Sam Piantadosi think will happen to rural towns as a

result of a crisis of this magnitude in the rural area? The people in rural towns will be out of work and the multiplier effect which usually flows from farmers spending money will not occur.

Hon Sam Piantadosi: Will the incomes of the managers of Wesfarmers and banks be affected as well?

Hon BARRY HOUSE: The whole society will be affected.

Hon George Cash: Including machinery dealers.

Hon BARRY HOUSE: I understand that already 300 machinery dealers' employees have lost their jobs. Many rural families rely on the family allowance for basic things such as food, clothing, school fees and shoes for their children. It is another vicious swipe and another kick in the head at a sector of the community which is already down on its knees. These people are under personal and financial pressure and they are being forced to take on an additional burden.

The family allowance is important to the independence of women in the rural community and that fact should not be overlooked. The family allowance gives women in those areas a small amount of money to spend at their discretion and often it is the only money that is available to them to spend on their children's needs. It appears they will now be deprived of that. There are alternatives and I hope the Federal Government will address them. First, it could give consideration to abolishing the assets test as it applies to the family allowance. It is discriminatory and people who have children should be entitled to the family allowance regardless of their financial situation. If that issue cannot be addressed by the Federal Government and it is determined that the test should be applied, a hardship provision should be included on the application for family allowance payments.

Hon J.M. Brown: That is a different argument.

Hon BARRY HOUSE: I am giving a series of first, second and third preferences. My third preference, if it is to be applied, is that it should be applied to annual net incomes and not to assets. That would be a fairer way of assessing people in need.

Hon John Caldwell stole a little of my thunder because I had intended to refer to the article to which he referred as the harsh face of the rural crisis as we see it in Australia. I am sure everybody was shocked by the front page article of the *Sunday Times* on 7 October which carried the heading "Grim sign of the times" and the continuation of that article under the heading "Desperate farmer kills his family". It is worth repeating the sign on that farmer's gate which read -

Will Bob Hawke shed a tear for primary producers? P. Cheating can't manage his own bowl movements. God help Australia! Keep out!!!

That is an indictment of the Federal Government and its treatment of the whole crisis. It illustrates the desperation point that has already been reached by many people in rural communities and, regrettably, will probably be reached by others before the crisis is overcome and reversed.

I give a current example of actions by the State Government that may be contributing further to the problem. It relates to the funding granted to the Rural Youth Federation of WA. In the 1990-91 Budget introduced by the State Government the funding for the RYF has been reduced from \$32 000 to \$20 000. As an aside, I mention how difficult it is to find details on any aspect of spending in relation to youth affairs, and I certainly have not been able to find much at this stage although I have not yet been through all the papers. I shall ask further questions later on. The Rural Youth Federation was informed of the cut in its funding in a telephone call, which seems a little strange. The cut in funding from \$32 000 to \$20 000 does not sound much in the context of the overall Budget but the effect is potentially disastrous for this organisation which is performing a very worthwhile and important role. That source of funding is the only assistance the federation gets from the Government, and in all other ways it is a self-financing and a self-help organisation.

At present it operates from an office at the Claremont Showgrounds and employs a full time officer, Julie Cole, who does a fantastic job as facilitator, coordinator and organiser for the federation. In addition, a part time secretary and casual typist are employed. In all other ways the organisation is run by voluntary help from a very capable, dedicated group of

people, including people such as Cynthia Anderson and Patricia Slee. It is a very efficient operation and it revolves very much around the central position occupied by Julie Cole. She provides skills, continuity and a full time link for the RYF to continue its activities. The effect of the loss of \$12 000 in funding will mean the position will be placed in jeopardy. It must either be abolished or reduced to a part time position, and the organisation will lose the thread that ties the movement together. It may be said that this is no big deal. However, I believe it is important because the ramifications go a lot deeper than would appear. It might be said that the organisation could approach sponsors to make up the shortfall, since it will be looking for only \$12 000. However, the main sponsors of a rural based youth organisation would logically be corporations involved in the rural industry such as Wesfarmers Rural and Elders Pastoral. Every member knows that these companies are facing difficulties, along with the rest of the rural community. Therefore, the federation is in a difficult situation. It cannot go to the piggy bank and ask for corporate sponsorship because it will be very difficult to obtain. It could be said that this organisation must take its share of the burden of cost restraints and perhaps that is fair enough. However, one must look deeper at the effects of the funding cuts.

In times of rural recession, more than at any other time, the support services and mechanism of such organisations are more important than ever before and at those times the Government should give assistance to these groups and not run a thousand miles away from them. These groups provide an outlet for many young people. Without them young people will find their social activities severely restricted and their communication with others will be more difficult and also severely restricted. Because many young people will not be able to afford the fuel to follow up social activities, many will be forced to stay at home. That creates further difficulties, that are often not appreciated by city based people, where families are living and working together in an isolated situation and they have no outlet. That can lead to severe stress and personal problems. It is regrettable that often the first alternative some people consider, especially young people, is suicide.

For those people who may not believe me, I quote figures to support the concerns expressed by many. I refer to an article in *The Australian* on 24 July 1990, reporting on a youth suicide conference held in Adelaide from 24 to 26 July 1990, which was run by the Australian Institute of Criminology. The article is headed "Suicides of young men soar". The statistics quoted refer to New South Wales.

Suicides among young males in country NSW have increased 500 per cent in the past 25 years, . . .

. . . in rural shires, which contain about 15 per cent of the State's youth population, the suicide rate among males aged 15 to 19 years had risen from about 3.5 per 100,000 in 1964-68, to more than 20 per 100,000 in 1984-88.

Figures for the State as a whole show that among 15 to 19-year-old males, deaths by suicide have almost doubled in 25 years (from 7 to 12 per 100,000) but among females the rate has dropped slightly (from 3.8 to 3.3 per 100,000).

The article continues -

Commenting on the deaths among young people in country areas, researchers said that although suicide prevention programs were being introduced around Australia, most targeted urban youth and were better received by girls than boys.

"The roots may lie in the depth of isolation and hopelessness experienced by country boys surrounded by a collapsing rural youth employment market, who are steeped more than most Australian males in a value system which endorses self-reliance and productivity as the sole road to manliness," they said.

Although the article refers to New South Wales, I believe it is an Australia wide phenomenon which is not confined to New South Wales. Another paper presented at the conference in Adelaide reinforces that trend in Western Australia. Under the heading "Completed Suicides in W.A. Youth: A study of 96 cases aged 15-24 years" the paper states that over two thirds - that is, 69 per cent - of the suicides occurred in the Perth metropolitan area and that that figure corresponds to the proportion of the overall youth population aged 15 to 25 years living in the metropolitan area of Perth - that is, 72 per cent. The article went on to say that when the teenage group were considered separately it was found that non-metropolitan cases

accounted for 41 per cent of the cases in the 15 to 19 year old age group. That is really the crucial figure. The paper continued that that compared with 28 per cent of the 15 to 19 year olds who live in non-metropolitan areas of the State.

Therefore, 41 per cent of suicides come from non-metropolitan areas when only 28 per cent of the population lives in those areas. The paper continued that the highest rates occurred in the more remote and isolated areas of the State and that the Kimberley and great southern regions recorded age specific rates of 30 and 26.5 suicides per 100 000 youth aged 15 to 24 years respectively, which is in contrast to the Perth metropolitan rate of 12.8 suicides per 100 000 youth. I mention these figures to illustrate that the pattern is similar in Western Australia to that in New South Wales, on those figures. I believe the phenomenon is Australia wide.

Suicide, particularly youth suicide, is tragic. Since I have been a member a young man I used to teach committed suicide. I did not enjoy attending his funeral and assisting his family with certain arrangements. It was a situation where I felt helpless, but it was a tragedy all the same. That was further reinforced for me when a 16 year old lad from the country town I come from, and who was well known to my children, also committed suicide. It was not easy to tell my children about that because they knew him well. I am not suggesting that the rural youth organisation has all the answers, and it would not say that it has; it does not have access to all rural people, either. However, it is a support organisation for young people in rural communities and performs a valuable role.

The effects of the Government's action will be far reaching and were possibly unintentional. Those actions will have greater ramifications than the Government probably imagined. I do not like predicting these sorts of things, but we should admit that this reality exists. At the moment the rural areas cry out for assistance to be at least maintained at a respectable level and not be reduced. I have highlighted two problems related to young people in rural areas which could be addressed or corrected by the Federal Government or the State Government easily and at little cost. I appeal to the Federal Government to reassess its asset test on family allowance payments for families caught up in the rural crisis. I appeal strongly to the Minister and all Government members in the Chamber to reassess this cut in funding which, although it amounts to only \$12 000, is a not insignificant amount in the present situation and will affect rural youth organisations.

I support the motion.

**HON SAM PIANTADOSI (North Metropolitan) [8.56 pm]:** I wish to clarify a few matters raised by Hon Eric Charlton. I recognise that problems exist in agricultural areas. I ask Hon Eric Charlton to clarify whether it is agriculture as a whole or certain sections of it that are facing problems. Some sections of the agriculture industry such as the horticultural area are doing well. In fact, that sector is increasing by some 300 per cent every year, which is significant as it brings in much needed income for Australia.

Hon Eric Charlton raised the matter of the lowering of the Australian dollar and interest rates going part of the way towards resolving the problem, not only in agricultural areas but in the community as a whole. That is being looked at, I think. Hon Barry House raised the matter of criteria to be used for the asset test and suggested that test be removed for all country people without qualification.

Hon Barry House: For all people.

**HON SAM PIANTADOSI:** If there is no qualification that could lead to problems. That needs to be qualified in certain areas. Those who can substantiate hardship may be the people to look at. However, to say this should be done across the board for all country people is wrong.

The two other areas I will refer to relate to subsidies and the lower prices that industry has to face. Members must realise that the horticultural industry faces the same barriers but has been able to break them down. This is something that the people wheat and sheep farming need to look at with some self analysis to ascertain what is happening in other industries and why the horticultural industry has been able to capture markets while competing against the Americans and the European Economic Community and when faced with the same subsidies and fuel and chemical costs mentioned by Hon Eric Charlton. Despite those things it has still been able to break into those markets.

One should look at the way in which the industry has revamped itself in recent years and looked at how it could capture other markets. It has, despite adverse competition from the EEC and the Americans, made inroads into South East Asian, Japanese, European and Middle East markets. They are probably suffering as much as people in the wheat and sheep industry at the moment and if someone were to speak to Jack Sumich he would tell them that.

A point was made about negotiating the sale of wool to China and Russia. I point out that this industry was found wanting two years ago. I think I raised with Hon John Caldwell the fact that some Chinese people came here looking for a particular kind of wool but were unable to find it. That is something the industry should consider as there is a market there. It should make the necessary changes to ensure it can meet that demand. We have spoken of China and of moving the existing wool stockpile to overseas mills for spinning into tops.

Recently I had some contact with people in Shanghai, where a number of companies are entering into joint ventures with new technology. A number of mills in China are not operating, and I am sure they would entertain that idea, but it is up to the industry here to promote those ideas and it is unfair to point the finger in one direction and say it is someone else's fault when this industry has done very little in the past, unlike other sectors of industry, to be innovative, to find new markets and to develop new ideas about how to trade in that commodity.

Hon E.J. Charlton: Do you acknowledge that China was taking 25 per cent of the total consumption and that stopped overnight because of their problems? That is a large proportion of the total market.

Hon SAM PLANTADOSI: Yes, but the feedback I have had from friends who have entered into joint ventures with some of the Chinese people is that one must appreciate how they trade and enter into negotiations, which take place at a local government level rather than a centralised level. There are many examples of companies which have provided technology, raw materials, and plant and equipment, so it is quite feasible to enter into such ventures, but there has been no action from the local market to look at the possibilities.

Hon E.J. Charlton: A modern wool processing plant has been built in China under those arrangements.

Hon SAM PLANTADOSI: But what have the local growers done to tap into that market?

Hon E.J. Charlton: It is sad that that mill is now idle because of the lower floor price for wool, which has taken that company out of the market.

Hon SAM PLANTADOSI: There are many other mills in other regions and the trade will not stop because of one venture going sour. We need to concentrate on those areas as well as some of the other areas I have outlined. There are certainly problems with the industry and the industry needs a shake out, but some people in the industry need to point the finger at themselves for their failure to overcome the problems, because I can remember talking about similar problems two or three years ago. Will we be talking about this again in three years' time? The people whom the member represents have more contact with people in the industry than I. I have an interest in one section of the agricultural industry, the horticultural area, but I have been on two Select Committees which have looked into the industry and the member knows my interest in agriculture generally. I do not say this with any malice because I recognise that there are problems but I believe that some of those problems are internal problems which can be ironed out and that the industry needs to come up with more innovative ideas, as the horticultural industry has done, and it will then be able to capture those markets and become more viable than it is at the moment.

HON W.N. STRETCH (South West) [9.04 pm]: In supporting this motion I want to start off with a quotation from a publication called *Imprimis*, which says -

The . . . farmer has been one of the most important and enduring symbols of our independent heritage. He has also played a significant role in the development of our economy for over two hundred years. Yet today, ironically, he is less independent and less influential than members of most other constituent groups. Charity drives and calls for emergency legislation have been made on his behalf; he is on society's endangered species list and no one, least of all those in government, feel that he is capable of surviving on his own.

That was a reference to American farmers, made by a person lecturing on the American agricultural scene, yet ten years' down the track we will hear the same words about Australian farmers if urgent measures are not taken very soon to address the downturn in the general viability of the Australian family farmers.

Recently, through the generosity of the Commonwealth Parliamentary Association and this House in allowing me leave of absence, I visited farms in the United Kingdom, Canada and Zimbabwe. Farmers all over the world are experiencing the same sorts of restraints on their operations. Ironically, the farmers who appear to be doing best of all are the farmers in Zimbabwe, where the declaration of independence and the changes in the ownership of farms has led to the efficient producers now reaping the benefits of their expertise, while many other nations who were previously producers and exporters of food are now net importers. This may not go on forever because the more enlightened and advanced nations of Africa are finding that independence is a question of partnership with the earlier settlers, be they black or white, and not just a question of getting rid of all the big landowners, and are realising that without a core of large and efficient producers they cannot maintain a viable industry.

I also visited farms in Canada, where farmers are suffering the same economic restraints on their operations. They are also facing competition from the European Economic Community and the United States. Britain is experiencing the same problems. At least one truckload of British lambs has been set alight in France, and the lambs were burnt alive in that incident because the French farmers believed the threat of international trade, even though it was in the European Economic Community, was a direct threat to them, and that they had to take violent and cruel measures to protect their livelihood.

I support the general thrust of the 24 point plan moved by Hon Eric Charlton on behalf of the National Party, not so much for the specifics mentioned but because it is a useful motion to have before the House now because it focuses attention on the growing plight of our rural community. It was rightly pointed out that it is a rural community problem, not just a farming community problem. While I support the objectives, I believe there are other specific problems which have not been properly addressed. While at the CPA conference I spoke at a panel discussion about the possibility of the Commonwealth's setting a lead in the reduction of tariff protection within countries and establishing a freer trade environment around the world. The Queensland Government, which put forward this resolution, felt that if we could break down tariff barriers and permit free trade between countries at a Commonwealth level we could well set an example to the rest of the world.

The point I made in Zimbabwe was that the success of a country depends upon its ability to manage debt. This is where Australia has let itself down over the last few years. No attempt has been made to manage the public debt, be it created privately or by the Government. In the long term it all amounts to the same thing. The debt has to be repaid. Any nation, any farm or any family which neglects to manage its debt very soon ends up in the poor house. That is exactly where we are heading now. The tragedy for Australia is that Governments have not fully accepted the major factor by which we managed debt, and that is our production of the wherewithal to keep the debt down, to reduce it, and hopefully to build up an overseas balance on the positive side of the ledger rather than, as we have seen in the last 10 years, an accumulating debt and accumulating service charges.

Any Government which neglects its debt management is letting down not only the exporters but the entire community. We have seen this happen - it is happening now - and the time has now come for Government at all levels to take a very firm hold on the general management of the economy and recognise that without a major reduction in debt Australia will lose all its competitiveness overseas, and this will inevitably lead to a decline in our standard of living. We do not want to see that.

Hon John Halden: I have agreed with a lot of your speech, but I want to know how the Government will control private sector debt. You made a statement that we should do that. How do you go about it?

Hon W.N. STRETCH: There is an Australian overseas debt. It does not matter whether it is made up by the butcher, the baker or the candlestick maker; , and that has been contributed to by both the Government and the private sector. I would like to know what the Government will contribute towards a reduction in the debt, because the Government produces nothing; not a brass cent. The Government only manages other people's money.

Hon John Halden: I understand that.

Hon W.N. STRETCH: So the whole of the debt will be repaid by the private sector.

Hon John Halden: The Government owes the money and it is paying that money back.

Hon W.N. STRETCH: The Government is not paying back one brass razoo because the Government has no money of its own. This is where socialist Governments have absolutely no idea of basic economics. The Government manages the money of the community. The Government is the leech of the community.

Hon John Halden: Thatcher has the same problem. You cannot suggest that Thatcher's is a socialist Government.

Hon W.N. STRETCH: Has the honourable member tried to trade an Australian dollar for sterling?

Hon John Halden: Yes, I have.

Hon W.N. STRETCH: What did the honourable member get?

Hon John Halden: About \$2.40.

Hon W.N. STRETCH: What is the pound sterling doing in comparison with the Australian dollar? It has been rock solid for years.

Hon John Halden: Yes, it has.

Hon W.N. STRETCH: Is the honourable member saying that that indicates the failure of Thatcherism?

Hon John Halden: We are talking about debt, not the dollar. You cannot confuse the two.

Hon W.N. STRETCH: If the member does not see the correlation between the strength of a currency and -

Hon John Halden: Yours is worse.

Hon W.N. STRETCH: I have stopped trying to explain basic economics to people who are either too dull to understand, or who refuse to accept the basics.

Hon John Halden: The only difficulty is that you have not got the basics either.

Several members interjected.

Hon W.N. STRETCH: I am a reasonably patient man.

Hon John Halden: But you are wrong.

Hon W.N. STRETCH: The point I wish to make to those who have an interest or some intention of learning something -

Hon Kay Hallahan: Are you a teacher?

Hon W.N. STRETCH: Governments have absolutely no potential to pay back anybody's debt. Every repayment made by the Government is made with money taken out of somebody else's pocket. It is not repaid by the Government itself.

Hon John Halden: What does the private debt do?

Hon W.N. STRETCH: The Government has no potential to produce money. In recent times a few Governments in Australia have thought that they could make money. They thought they could run businesses better than business could. The Burke Government in Western Australia thought it could generate finance on behalf of the taxpayer and thereby reduce taxation levels and bypass the need to ask Parliament for money. This was taken up with great enthusiasm by the Victorian Government. But what happened? We now have two of the most disgraceful regimes in Australian political history. Rather than reducing taxation, the Victorian Government has added to the burden of its average family approximately \$7 000 a year and Western Australia almost \$2 000 a year.

Hon John Halden: Your accounting is about as good as your economics; it is wrong.

Hon W.N. STRETCH: Governments do not generate anything positive; they are merely the legislative vessels by which private money is managed for the benefit of the community. I hope that explains a little about how debt is repaid. It is not repaid by Governments, although some of it is incurred by Governments.

The point I am getting to is that unless we accept the role of the overseas export-producing goods in managing this debt, and unless we give the producers of those goods the incentives to keep producing, we will end up with an ever-increasing debit balance overseas. It is a long roundabout where we will produce less, get more into debt, and have less with which to repay that debt. We will finally arrive at the position where our dollar is so deflated that nobody wants to deal with us. That is when we will become one of the so-called banana republics which the socialist Treasurer warned about some years ago. He said he did not want ever to preside over a banana republic, yet the Commonwealth is ensuring that that very thing will happen.

Certain basic things must be done. Priorities at all levels of government, family farms, businesses and family businesses, must keep expenditure within generated income.

Hon John Halden: Not many households do that.

Hon W.N. STRETCH: Governments make no attempt to do this. Not only that, the Government has positively worked against the viability of those people who will ultimately lead the recovery and the reduction of debt in the long term. It is therefore essential that Governments decide their priorities regarding the assistance to and survival of those industries that will help to produce this income. There are many ways in which this can be done. We must ensure that all assistance possible is given to those industries which sell on a free, international market to purchase as well on a free, international market. It should not be beyond the wit of man to devise a system of export credits, where a person producing export income and selling on an open market purchases his inputs on an open market. That is just a question of tariff adjustment. I have raised it several times before, not only with Labor Governments but also with Liberal Governments, and no-one has ever bitten the bullet, but unless we do bite the bullet and ensure that the playing field for exporters is level and as fair as it can possibly be made we will not make major inroads into this mountainous debt which is growing to calamitous proportions.

I was interested in the first point put forward by the National Party, about pegging fuel prices to meet Australia's requirements. I agree with the general thrust of that proposal but we must remember that if there is not a price incentive for oil exploration and development we will not find any oil. That is what happened in Alberta, Canada, which is an oil rich state. I understand that some years ago primary producers there were paying about two cents a litre for farm fuel. That was great; but, strangely enough, at two cents a litre nobody bothers to go out and find oil. There is no incentive for development because there is very little profit margin in it. I therefore believe that, as with the export credits, we must give incentive assistance to those who are using scarce resources like petroleum in the public interest; that is, in export production.

Coming back on a plane recently, we were informed by the captain that it took 68 tonnes of fuel to lift our jet from Sydney to Perth. I calculated that 68 tonnes of fuel is approximately what it takes to run an average mixed farm for a year. Is it right that the price of aviation fuel should be pegged? Is it right that the price of fuel should be pegged for a car which is driven to Perth for work with only one person in it? Is it not perhaps more realistic for there to be a sliding scale of taxation or a levy on fuel which encourages those who are working in the public interest, in a farmer's case to stay viable and help produce income to aid our export drive, or for our essential industries which are producing import replacements? There are two ways we can reduce Australia's debt. One way is to export more, and the other is to encourage local production of essential imports. That is where there has been a slight change of thinking, and that is really what downstream processing is all about. If we make those two objectives our priorities in taxation and allocation of resources we will get growth in the areas which will do something to help the Australian effort generally but which will also help those industries which have a major contribution to make in the recovery of the Australian economy as a whole.

Given those incentives, and given the general removal called for by the National Party's rural survival package - the removal of tariffs on chemicals, the removal of dumping duties on imported fertiliser, and so on - many of the other economic factors will fall into place. It is well accepted that it is not easy to drop interest rates overnight and at the same time avoid unnecessary difficulties in other sectors of the economy. By the same token, it is accepted that it is not easy to drop the Australian dollar down to its probable genuine float level of



about 65¢ to 67¢, because that will cause a considerable outflow of capital and lead to other difficulties. However, if the basic economic indicators are put right, and if recognition is given to the needs of certain basic industries, we will have a leaner, healthier economy which could put right so many other things which have gone wrong. The tragedy of the Australian economy, and what has brought about the tragedy of the Australian farmer, is that resources have been reallocated out of the productive sector and into the sector where they will attract votes. Democracy is a wonderful system but it does have some shortcomings, and unless we have a fair and open system where people feel involved in the general overall national goal, people can be diverted away from real objectives with a promise of an easy dollar and an easier life. That is where Australia, and Western Australia in particular, are now lacking the visionary leadership to make people care about where their economy is heading, stop looking for the quick fix and start making some of the hard decisions. A famous Australian once said that life was not meant to be easy, and life is not particularly easy just now. Every person needs a challenge and, believe me, we have one now in putting Australia right.

The reason we are in such deep trouble in the primary producing and mining industries, and the primary industries generally, is the failure by recent Governments to recognise the importance of managing debt. It is so basic. I have mentioned this before, and I will do so again: We must look at running the country as we run our own family finances. There is no easy way to pay back debt. With the taxation systems we have, anyone who has borrowed knows he must produce \$2 of income to pay back \$1 of debt, so an escalating debt just means an escalating and doubling burden. Unless Governments recognise that and give some incentive to people to produce in the productive sector, to produce in the export producing sector or to invest in the essential import replacement sector, Australia's debt will grow and, as I said earlier, there is no way to avoid a gradual drop in standards of living. There is no easy way out of this. The 24 point plan put forward by the National Party is a mixture of Federal Government, State Government and industry bodies cooperating together and looking at ways of assisting farmers. I support the proposition put forward but I believe that unless these are wrapped into a general recognition by Governments and promulgated under a package of major reforms on the economic front they really will not achieve much in the long term.

Now to a couple of other points. Hon Sam Piantadosi commented on the Chinese situation. It was pointed out to me recently that China has not bought any wool at all since the events in Tiananmen Square. The same person said that it is also significant that the Chinese have not bought a bale of wool since the day the Australian Prime Minister cried on television and told the Chinese people they were a mob of barbarians. Our leaders must be very careful about what they say. The Chinese are a very great and a very proud nation. I do not think it insignificant that that market has collapsed. Hon Sam Piantadosi correctly stated that Chinese marketing and purchasing is very structured; it is done at Government level and is directed all the way through. We must never forget that trade and foreign policy go hand in hand. China had major difficulties in its economy so it sold a lot of its processed or semiprocessed tops to Japan. Therefore Australia lost not only the Chinese market but also a significant portion of the Japanese market because Japan had picked up the surplus wool from the Chinese industry at the semi-processed level. It was also stated correctly, I think by you, Mr Deputy President, that a massive increase in vacant processing capacity has occurred in Russian, Italian and Chinese mills. We need to get the wool industry moving again; whether it be by trade credits or by creating stockpiles overseas is a matter for those people far more versed in the finer points of marketing than I.

I do not agree with Hon Sam Piantadosi that the wool industry is not making an effort. I believe that the Wool Corporation is making major efforts with international promotions. It is very much driven by the growers; it is financed by them on a rapidly increasing basis. The decline in the wool industry is a major problem. The point has been made by previous speakers that it is a massive problem for the Australian economy because wool has been a major contributor to the economy, especially over the last couple of years of high prices. The fact that the Government looks like losing possibly 40 to 50 per cent of export income must be a matter of great economic concern generally at a national level.

The fact that wheat prices will follow the world trend for some time will also cause major difficulties. However, I agree with Hon Sam Piantadosi that some bright stars appear in the horticulture industry.

I have great faith in the Australian farmer and his ability to adapt to the economic

environment. A great number of farmers will survive, particularly on family farms. But make no mistake; the effect of the rural recession will be felt throughout the community. Farmers will have to stop spending. As most members are aware, I am involved in the farming community. We have a farm, and we have considered our budgeting. When farmers have no money coming in, unlike Governments they stop spending. That has happened and that will continue to happen probably for the next two years. Yes, farmers do that. In good years, farmers build up their superphosphate levels, stock, and so on; if things go bad, farmers cut back. The only other alternative is to borrow. Unlike Governments, we do not re-borrow when we cannot see that repayments can be made. That effect of the rural decline will accelerate in country towns. Service industries will suffer, and widespread unemployment will occur in country towns with a gradual drift to the city. Again, that is an unfortunate consequence but it is one which will have to be faced. Therefore, I agree with the National Party points. If we can assist with relief from taxation and tariffs and levies at the farm level we will reduce many of the horrific social costs of rural unemployment and the slow strangulation of country towns.

Europe recognised these facts long ago. America is recognising now that the best place to keep farmers is on the farm, that the best thing to do is to keep them producing export oriented products. I therefore urge the Government to consider carefully this shopping list. Some worthwhile items have been placed on it. I will add a couple more. We should consider a sliding scale of duties on petroleum products rather than an overall pegging of prices. I do not believe we can remove all taxes on fuel and oil because the removal of all taxes leads to profligate use of the product. This world does not have the luxury of providing cheap fuel to everyone in unlimited quantities. Certainly we have to avoid dumping anything, particularly fertiliser, but we must also be aware of the cold wind of competition. It is always very difficult to draw a fine line between a dumped product and the cold wind of competition. In other words, is Mexico producing fertiliser at a quarter of the cost at which we can produce it? Any fertiliser company would say that is dumping but farmers say that is the cold wind of competition and they want more of that. This is what Australia has to face. The Government must be particularly careful when assessing the import of these products because while difficulties could be caused in certain sectors of industry, such as fertiliser production, it could also result in massive benefits to the user community in rural areas which in the end means better and more competitive rural products to sell on the open market. The more competitive we are on the open market, the more we can sell and the more impact we will make on our overseas debt, and the more benefits will flow to Australians generally - not only to the farming community.

The Australian dollar, and lower interest rates, follow automatically when we adjust the basics of our economy. I agree with most points made about the State Government shopping list. It is essential that the Government review the taxes and charges applied to country businesses, including farmers. All Government taxes which are disincentives to export production should be lowered, if not thrown out altogether. In the cruel, hard world outside in the international arena of trade there is no place for a featherbedded industry, no place for a product overloaded with internal taxes before it leaves our shores. There is no room for a product which is handled inefficiently anywhere between the farm gate and the final user. We have witnessed too much of that, and too much featherbedding of transport and the waterfront industries in Australian ports. We must pare our costs to the bone and the Government should play a supportive role in all these matters to help Australia fight back, because we must keep in our minds the overall importance of our international debt; we should not become sidetracked by whether the debt belongs to Alan Bond or anyone else - the debt belongs to every one of us. We cannot avoid it now. But only one sector can make an impact on and bring about a reduction in that debt, in the final analysis, and that is export earnings or essential import replacement industries. We should all work towards achieving that. If we do not accept that challenge we will not fight our way back and become a competitive nation once more.

Australia is an island nation and we must trade. We have a small population and we will never produce competitively all the essentials we need for survival. We will remain a trading country. We have to support the industries in this country which produce a quality product at a competitive price. We must give those industries every encouragement. We should look to trade with our neighbours. We should consider the 189 million people in Indonesia who live,

to us, in such a strange land. Massive markets and opportunities exist in that area. We will not be able to compete in that area until we put our own house in order.

I applaud the National Party for bringing forward these matters, not so much for the content but for the fact that this debate has focused on the enormous challenge facing the Australian community, the farmers and their ability to fight back, and on the urgent responsibility of all Governments at all levels in Australia to give all the support they can to this very important sector. Without this, Australia will not retain its place in the sun and things will be very hard for the community from the top to the bottom.

With those words, I generally support the thrust of this motion.

**HON MURRAY MONTGOMERY** (South West) [9.40 pm]: I support the motion. I shall take up a few points that are within the motion and refer to some of Hon Eric Charlton's recommendations. The first thing done by the Government to meet the rural crisis was to set up a task force. We have a Department of Agriculture which is well structured and represented right across the State. This department has information at its fingertips, but rather than taking on board that expertise to be used to make decisions quickly the Government has set up another task force. The President of the Western Australian Farmers Federation, Mr Peter Lee, said that unless the Government could start making decisions he would pull out of the task force. I believe he gave the Government until this Friday to do so - and rightly so. The Government needs to start to indicate where it stands and how it will support the rural community in this State.

For the last six months or so comments have been made in the Press and within this Parliament indicating that this problem would arise. This was started when the Federal Minister for Primary Industries, Mr Kerin, indicated that the reserve price for wool would have to be lowered. The situation has certainly snowballed and it can be seen where it has taken our wool industry. It can be seen that the problem has flowed across the whole spectrum of the community and it is starting to be reflected in our urban areas. For that reason, the Government needs to make decisions now and not in three months' time. That is why the points raised by Hon Eric Charlton in this place, and introduced into another place by my colleague in the National Party, Monty House, need to be acted upon. As was indicated by the previous speaker, those points will not be the be all and end all of the problem, but they certainly go a long way toward showing the Government that it can take steps immediately to alleviate the problem. The implementation of those points will have a dramatic impact.

As was indicated by Hon Bill Stretch, interest rates and the dollar are linked. It was indicated today that grain sales depend on when the contract was written with the overseas buyer. A 5¢ drop in the value of the dollar would mean, if all contracts were written before that fall in price, that an extra \$20 000 would go to every farmer. That amount of money will not take the farmers out of the problem, but it will make them feel that they are on the right road and it will give them some confidence. So, the matter is dependent on when the contracts are written and how big is the drop in value of the dollar. This does not follow the same curve with value variations as there is a flattening out effect. However, it would certainly assist the grain farmers.

One of the good things about grain is that we could see a turn around fairly quickly. We have a stockpile of wool and we need that to be taken up by overseas buyers. How do we do that? I am not an expert in the marketing of wool, but the making of any product involves its promotion. The more promotion we have overseas the more we will improve our chances of gaining new markets. These markets certainly exist. One has only to look at products such as Coca Cola and Pepsi to see how promotion can win a share of the marketplace. We should be promoting our grains, wool and mutton because these are the parts of the rural sector which are going through such difficult times.

Another point which has been raised in the debate is the marketing of surplus mutton as foreign aid. This could involve the shipping of frozen carcasses to markets in Asia. It was interesting to see the experimentation carried out in the transportation of mutton. This involved all the air being drawn out of a nylon bag with it then being filled with nitrogen. This was so successful that the Australian Meat and Livestock Corporation will give a guarantee of a 12 week shelf life for the meat provided that the bag is not punctured and is kept refrigerated. These are the sorts of areas that we can start exploiting to gain overseas

markets. This could involve using containers on ships.

The rural community as a whole is resilient. It is certainly the backbone of the country and is one of our major wealth producers. As Hon Eric Charlton indicated, the other main producer is mining. These are the industries which can get Australia back on track and which can remove the debt which we have managed to run up over the years. Even though we are having problems, one of the things we can be proud of is that at least when the turnaround comes we have not subsidised our industry to the extent of our overseas trading competitors. A friend who has recently returned from the United Kingdom saw prime lambs - they are much heavier than the lambs we produce - being sold for sixty pounds over there. This would relate fairly closely to \$140 or \$150 per head, yet the person in the street in the UK is buying meat at a price similar to what we pay. That gives some indication of the subsidies being applied in the United Kingdom farming scene. That means they wish to keep their farmers on the land. I am not suggesting that Australian farmers are looking for handouts and subsidies, but they want a few level playing fields.

The plan suggests that the Federal Government should remove tariffs on chemicals and sales tax on all farm inputs. I will read out a quote which is relevant not only to the rural community but also to the wider community. It was written by Vincent McNabb and reads -

Some people wrest a living from tilling the soil and that's called work. Some people wrest a living from those who wrest a living from tilling the soil and that's called trade. Some people wrest a living from those who wrest a living from those who wrest a living from tilling the soil . . . and that's called finance!

That sums up those people, including those in the finance area, who are making a great deal more money not only from the farming sector, but also from other areas in the rural community. I support the motion.

**HON E.J. CHARLTON (Agricultural) [9.52 pm]:** When I moved this motion at approximately 2.30 pm today I did not expect we would still be debating it at 9.50 pm. This motion will have severe ramifications for people directly involved in this industry, and for those townspeople, service organisations and other businesses in this State. We have heard from speakers on this side of the House and from Hon Jim Brown and Hon Sam Piantadosi. Comments from both sides have either supported the motion or put forward alternative views on the current financial situation that confronts the rural sector.

It is time for the people of this State to acknowledge that the agricultural industry is an export industry that the State has always been dependent upon. The Governor's Speech given at the opening of Parliament acknowledged that 30 per cent of this State's income was derived from agriculture. This Government must ensure that the agricultural industry is safeguarded. This is not just a matter of the social impact on farmers who are forced to the wall - as important as that is. The most important thing is to have an industry that has the capacity to fire up and take advantage of the upturn that will inevitably come. People who talk about doom and gloom should also recognise that the agricultural industry benefits the whole population of this State.

I will emphasise two points which stand out above all the points listed: The first is fuel. It is time our irresponsible Federal Government stopped using the fuel system and what is taking place around the world today as a windfall operation to rake off massive fuel taxes to the Federal Treasury. The Middle East crisis has nothing to do with the fuel sold in Australia because most of Australia's fuel is produced in Australia and it is the parity pricing policy of the Federal Government that has enabled the Government to receive that money.

The second point is the value of the Australian dollar. In the last few days the Federal Treasurer decided to do something about interest rates. The Board of the Reserve Bank, I am advised, is made up of people who represent import ventures. The whole basis of their economic thinking is that a high dollar value benefits Australian importers. The Federal Government wants a high interest rate to discourage public spending. The reverse has happened; it has allowed foreign capital into Australia at the expense of the exporting industries. The effect of reducing interest rates by one per cent is a 3¢ effect on the value of the dollar. That is worth \$600 million to the agricultural industry of Australia for trade that would have taken place over a 12 month period. From that one can imagine what has been lost to Australia in export income simply by a stroke of the Federal Treasurer's political pen.

Anything I can say beyond that will be repetitive.

We must attack the principle being applied to fuel pricing in Australia; it must be brought down to a realistic price. Australian industry should not be burdened with an inflated cost of fuel. Export industries out of Australia should be attracting only approximately 70¢ in the US dollar. Australian export industries would then be back on a level playing field, regardless of all the subsidies that are provided around the world, and 75 per cent of Australia's industry problems would be over. That is the sort of action in which this Government and the Federal Government should be involved. If they do not act they will be walking away and burying their heads in the sand and ignoring the problems besetting Australia.

Hon Sam Piantadosi commented on the problems in the horticultural and vegetable industries. With no disrespect - he is right about the action they have taken - he does need to understand the broad and basic interference that has taken place by this Government in those other massive industries which take their place on the world market. We are not talking about minor industries - while the sectors the member mentioned are important, and we should have more of them, they do not have the same impact on the world scene.

I thank those members who have spoken and I trust that Hon Jim Brown, who led the debate on behalf of the Government, will put it fairly and squarely on the Premier and the Minister for Agriculture. Hon Ernie Bridge has a great name and a lot of popularity in this State. I warn him that he will lose his popularity overnight; and he will not be able to save his position by singing a song or by going out and saying all the positive, goodwill things to people that he usually says but does not mean. This is a time for action. He can fool all of the people some of the time and some of the people all of the time, but he cannot fool all of the people all of the time. We have reached the decision-making stage and action has to be taken. The Premier should stop using the diversionary tactics that she has been using over the last four months. She must make a few positive decisions for the long term benefit of the State.

I thank those members who contributed to the debate and I call on all members to support the motion.

Question put and passed.

### **MOTION - CENTRAL PARK DEVELOPMENT**

#### *Westralia Square - Business Dealings Documents Tabling*

Debate resumed from 25 September.

**HON J.M. BERINSON** (North Metropolitan - Attorney General) [10.03 pm]: The Government has no objection to this motion.

Question put and passed.

### **EDUCATION AMENDMENT BILL**

#### *Committee*

Resumed from 16 October. The Deputy Chairman of Committees (Hon Garry Kelly) in the chair; Hon Kay Hallahan (Minister for Planning) in charge of the Bill.

#### **Clause 4: Section 9B inserted -**

Progress was reported after the clause had been partly considered.

**Hon KAY HALLAHAN:** A question was raised last night about this clause and reference was made to the Financial Administration and Audit Act which I did not have a copy of but a copy of which I was loaned. It was rather difficult to tease out the point the member made at that time. I have sought advice on the matter. Proposed section 9B(4)(e) provides for the proceeds of any investment under proposed subsection (5)(c) to be credited to the school bank account and that provision enables principals to retain such interest in their bank accounts. The Crown Law Department has advised that amendments to the principal Act will override the general requirements of sections 38 and 39 of the Financial Administration and Audit Act.

Last night the member was anxious about school accounts being invested and interest being

accrued and that, perhaps, only the invested money would be available to the school with the interest going into the Consolidated Revenue Fund. At the time I thought it was a most unlikely proposition, but I was not in a position to reassure the House technically as I have been now able to do. I hope we all now fully understand that moneys invested plus interest will be available to school accounts under the provisions of this Bill and thereby to those items that the schools may decide to spend their money on.

Hon N.F. MOORE: The point raised by Hon Derrick Tomlinson related to the Financial Administration and Audit Act which says that additional funds accruing in an account, such as interest, are required to be paid into the Consolidated Revenue Fund or an account specified by the Treasurer. The Minister is now telling us that proposed section 9B(4)(e) which allows the proceeds of any investment under proposed subsection (5)(c) to be credited to the fund overrides the FAA Act. I accept the Minister's word for that because I do not know whether that is correct. I assume the advice is correct. When two Acts are in conflict, one wonders which is right. Clarification was necessary because, while the Treasurer can, under the FAA Act, determine that funds are paid into the CRF, he can also determine that they be paid into any other fund. It would be crazy if the Treasurer of the State had to decide every time a school earned some interest that it be paid into the school account. I accept the Minister's assurance that proposed section 9B(4)(e) covers the problem raised by Hon Derrick Tomlinson.

Clause put and passed.

Title put and passed.

### *Report*

Bill reported, without amendment, and the report adopted.

### *Third Reading*

Bill read a third time, on motion by Hon Kay Hallahan (Minister for Planning), and passed.

## FINANCIAL ADMINISTRATION AND AUDIT AMENDMENT BILL

### *Second Reading*

Debate resumed from 18 September.

HON J.M. BERINSON (North Metropolitan - Leader of the House) [10.10 pm]: At the outset I appreciate the general support of the Bill by the Opposition and I propose to respond in turn to a number of significant issues which were raised by Hon Max Evans and Hon Peter Foss.

Hon Max Evans referred to the comments of the Auditor General in volume 1 of his 1990 report on the difficulty he has in expressing an opinion on performance indicators included in the annual reports of agencies. I am advised that the Treasury is preparing a paper to allow this issue to be considered by the Public Accounts and Expenditure Review Committee as recommended by the Auditor General. The question will be referred to the committee by the Minister for Finance and Economic Development.

Both Opposition speakers referred to ministerial directions and expressed a preference for implementing the recommendations of the Burt Commission on Accountability by way of omnibus legislation, rather than by progressive amendment of the relevant enabling legislation which is the course adopted by Government. The reasons for this are fully canvassed in the second reading speech and I will not repeat them now except to again emphasise that the decision was made on the advice of Treasury and Crown Law officers. Hon Peter Foss also advanced a statutory corporations Bill as the vehicle for not only implementing ministerial directions to statutory corporations, but also for defining all aspects of responsibility by a statutory corporation and in respect of agencies' obligations in respect of Government guarantees and imposing duties and obligations of directors of statutory corporations.

Hon Peter Foss drew an analogy with the Companies (Western Australia) Code and this analogy is worth discussing as it draws attention to some important and relevant issues. It should be recognised firstly, that the Companies Code creates a broad framework within which corporations can operate with great freedom as to what they may do and how they

may do it. Statutory authorities, by contrast, are created by legislation for quite specific purposes and to give them the freedom allowed by the Companies Code would be entirely inappropriate. The Burt commission supported this view. The powers, functions and limitations of statutory authorities are both very specific and diverse. To include all of these in a central Act would be neither sensible nor feasible. Crown Law has advised that it is a fundamental tenet of sound drafting practice that responsibilities, powers and the like should, where possible, be specified in the relevant enabling Acts of individual statutory authorities.

In relation to the specific question of directors' liability, Treasury is working on a discussion paper for consideration by the Standing Committee on Government Agencies. Similarly, a report on guarantees is being prepared for presentation to Parliament in the near future.

Hon Max Evans proposed the amalgamation of the Consolidated Revenue Fund and the General Loan and Capital Works Fund into a single consolidated fund. The purpose of separately operating and reporting the CRF and General Loan and Capital Works Fund has been to maintain the integrity of borrowings and other capital sources and to separate sources of capital funding from general revenues. Even if a consolidated account were in fact adopted, responsible financial management would demand the separate identification of borrowings and revenues. To not do so would undoubtedly raise serious questions about the use of borrowings to fund recurrent outlays. I would suggest that members' concerns are related not so much to consolidation of the funds, but rather to consolidated reporting so that the whole picture in relation to appropriated moneys is available. In this respect I draw members' attention to the "Consolidated Account Summary", presented in part I of the Budget paper titled Supplementary Budget Information, which achieves precisely this objective.

Hon Max Evans also indicated a concern that not all statutory authorities are producing budgets as is required of all departments under the Act. There may be some misunderstanding of what agencies are required to provide and to report on by way of budgets. Section 42 requires statutory authorities to produce annual estimates - that is, budgets - and submit them to their Ministers. The Bill currently before the House includes an amendment to section 42 of the Act which will impose a deadline for the submission of those estimates.

On the question of public access to these budgets, I would again refer members to the Supplementary Budget Information document which contains, in part IV, five year comparative tables on self-funding authorities including estimates for 1990-91. Estimates and financing data on budget dependent agencies are included in the CRF estimates.

Hon Peter Foss queried also the extent to which the Financial Administration and Audit Act will apply to subsidiary, related and affiliated bodies. The main objective in respect of these entities is to ensure they are fully accountable. The Acts Amendment (Accountability) Act achieved this for subsidiaries in implementation of the Burt commission's recommendations. In this respect Hon Peter Foss' contention that sections 62, 66 and 78A are minor parts of the Financial Administration and Audit Act, is not correct. Together with the relevant Treasurer's instructions, these sections contain the key requirements for accountability to Parliament through reporting and audit.

The present Bill extends coverage also to related and affiliated bodies. The reason that the general operational provisions of the Financial Administration and Audit Act are not specifically applied to such entities, is to avoid a conflict of jurisdiction. Subsidiaries are by definition, companies incorporated under the Companies Code, or equivalent, and must therefore comply with relevant legislation. To the extent that related and affiliated bodies are incorporated under a written law, the provisions of that law will apply. If they are formed by administrative action then they will automatically be embraced by the Financial Administration and Audit Act in the same manner as it applies to the parent agency.

Finally, it is necessary to refer to the series of amendments proposed to be moved by Hon Peter Foss. While the particular clauses will be dealt with in Committee, the proposal for a "revenue equalisation account", which affects a substantial part of the Bill -

**The PRESIDENT:** Order! There is far too much audible conversation: The Leader of the House is trying to conclude the debate on a very important piece of legislation and he would find it disturbing. I suggest honourable members come to order.

**Hon J.M. BERINSON:** The proposal for that account affects four clauses of the Bill and

needs to be dealt with as a general issue.

In its present form the Bill proposes to create a separate trust fund account specifically for the purpose of holding interest earned from short term investment operations. This will ensure separate accounting for, and full disclosure of, both the moneys earned and their disbursement. The Auditor General has been asking for this to be done.

The Bill also limits payments out of this account to the Consolidated Revenue Fund, the General Loan and Capital Works Fund and payments of interest earned on statutory authority and trust fund accounts maintained at Treasury. The Opposition's proposal to replace this account with a "revenue equalisation account" adds a new and largely incompatible element into the equation. In effect, it seeks to legislate for a balanced Budget out turn by requiring transfers between the CRF and the revenue equalisation account at the end of each financial year to produce a nil net balance in the CRF. There is a serious conceptual problem with this. The Constitution Act, in particular sections 64 and 72, provides that all revenues of the Crown are to form one Consolidated Revenue Fund which is to be appropriated by Parliament. It would seem to follow that any surplus funds should remain in the CRF until appropriated by Parliament. The proposed amendment would remove such moneys and place them in the revenue equalisation account where their disbursement is at the discretion of the Treasurer. This appears contrary to the arguments for greater parliamentary control which members opposite have put on other occasions.

Members will also be aware that, in practice, the State does not normally allow a deficit to occur in the CRF. Any available revenues would normally be brought in to ensure a deficit does not occur. The proposal to compel the transfer of moneys to avoid a CRF deficit would therefore change little.

In summary, the proposal for a revenue equalisation account would compromise the aim of clearer accountability for investment earnings and potentially reduce parliamentary control over the CRF without adding anything useful to the Financial Administration and Audit Act.

Because of the generalised nature of that question I thought it might be helpful in advance of the detailed Committee consideration to provide that response to members. It is my intention, having done so, to move for the adjournment of the Committee consideration to a later day. I again thank members for their general support of the Bill and I commend it to the House.

Question put and passed.

Bill read a second time.

## **SOUTH WEST DEVELOPMENT AUTHORITY AMENDMENT BILL**

### *Second Reading*

Debate resumed from 16 October.

**HON BOB THOMAS** (South West) [10.20 pm]: The Bill before the House seeks to make five amendments to the South West Development Authority Act of 1984. Those amendments are to increase the size of the board from three to seven members; to allow for the establishment of area advisory committees; to clearly define and separate the roles of the chairman of the board and the executive director of the authority; to allow for the Boddington Shire to come into the area of responsibility covered by the South West Development Authority; and to review and evaluate the effectiveness of the Act after five years. There has been ample discussion on the five amendments by members who have spoken before me, so I intend to speak on only two of those amendments; that is, the increase in the size of the board and the establishment of the area advisory committees.

Before doing so I want to remind the House about the social conditions that applied in the south west when this State Government came to power in 1983. The economy of the south west was stagnant, as a result of three main factors. First, the economy of the south west took a lot longer than the rest of the Australian economy to recover from the recession of the early 1980s. Second, the timber industry in Manjimup and other areas was depressed because the housing industry throughout Western Australia was depressed and that had an effect on the demand for timber. Third, there was a drought, and the agricultural industry was in a depression at the time.



Hon N.F. Moore: There was a worldwide recession at the time.

Hon BOB THOMAS: That rural recession had an effect on the economy of the south west. In Bunbury, Manjimup and Margaret River the level of unemployment was significantly higher than the State average, and there were large pockets of unemployment among alternative lifestyles in places such as Margaret River, Northcliffe, Nannup and Balingup. The effect on Manjimup, the area I moved to in 1985, was significant. The timber industry had closed down its second shifts and only one shift was operating in the Manjimup timber mills. Hundreds of people were thrown out of work and that had a devastating effect on business in the area. People were moving to the cities of Perth and Bunbury in search of employment and training opportunities. That had a contracting effect on the local economy. More importantly, we found that people who had qualifications and skills were leaving the area, and it was particularly hard for us to attract fitters and turners, mechanics, welders and other similarly qualified people to places such as Manjimup and Pemberton after they left during the depressed period.

The State Government decided it was imperative to set up the South West Development Authority to plan, coordinate and promote the economic and social development of the region. It was felt important for the authority not to concentrate its activities around Bunbury but to radiate its activities to all the regions within the south west, to places such as Collie, Boyup Brook, Manjimup, Margaret River, Bridgetown, etc. because the wealth of the region is created in those places. The South West Development Authority was set up to try to build a much more diversified economic base in those regions, as well as to maintain healthy communities so that the wealth could continue to be created. The South West Development Authority took an integrated approach, along with all the other State Government departments, to coordinate that sort of Government approach to developing the region. I would like to relate to the House a few things that happened in the area with which I am most familiar - the Manjimup area.

Julian Grill, as Minister for The South West at the time, became personally involved in the development of new markets for horticultural products in the South East Asian region. He and Dave Evans went to various countries in South East Asia to promote vegetables such as cauliflowers, in an effort to increase trade from places such as Manjimup and to increase the export dollars earned from that activity. Along with that, the South West Development Authority and the Department of Agriculture placed a lot of emphasis on the work being done by the horticultural research centre in Manjimup in developing certain lines of cauliflower which were suitable for that market, and other vegetable lines for which there was a market in the area. One particular vegetable which is now being exported from the Manjimup area, and which previously was not even grown in the area, is the Chinese cabbage. Millions of dollars of export income is coming into Western Australia as a result of the work done in Manjimup by the horticultural research centre, partly through the encouragement of the South West Development Authority, but also from the integrated approach taken by Julian Grill when he was Minister for The South West.

Another example of that approach is the research being done into grapes growing in the Harvey area. A market exists in Japan for a particular grape which grows well in the conditions and climate prevailing around Harvey. Apparently this plant grows a berry half the size of a golf ball. When exported to Japan each berry fetches \$1, and there is a huge market for that product. The South West Development Authority has been supportive of that project, together with the Department of Agriculture, and has encouraged development along those lines.

Hon Barry House: What sort of contracts have been signed?

Hon BOB THOMAS: I do not know, but I have spoken to Peter Proctor and he has told me the South West Development Authority is very supportive of the project.

Hon Barry House: What sort of contract has materialised?

Hon BOB THOMAS: I told Hon Barry House a second ago that I am not aware of that. The Manjimup office of the South West Development Authority sponsored the establishment of the Warren Blackwood enterprise agency and put up \$40 000 capital in 1988 to employ a facilitator who could work with the wealth of creative talent and business potential in the area. To date it has helped facilitate the establishment of 22 new business enterprises in the region which, in turn, have generated 37 new jobs.

Hon Murray Montgomery: Is the Manjimup office of the South West Development Authority still open?

Hon BOB THOMAS: Yes it is.

Hon Barry House: It is not staffed full time.

Hon BOB THOMAS: It will be staffed three days a week by Mr Sanford. From 1 November he will spend Mondays and Fridays in Bunbury and will retain the premises in Rose Street because of the contractual arrangements the South West Development Authority has there. The secretarial and administrative support will be provided from the Bunbury office. The South West Development Authority will still have a shopfront in Manjimup and will endeavour to provide a level of service to the community.

Hon Barry House: Are you happy with the changes?

Hon BOB THOMAS: I am not. I made that clear to Hon David Smith, but the South West Development Authority was required to reduce its staff by six and did that by reducing the number in Manjimup, Collie and Bunbury.

Hon Barry House: It has not reduced the staff by six; the member should read the Budget papers.

Hon BOB THOMAS: It was to reduce the staff by six this year.

Hon Barry House: The goal in the Budget papers is to reduce the staff from 38 to 35, which is not six.

Hon BOB THOMAS: I understand the staff number will be reduced by six over the course of this year. I think the member will find the number will be 32 at the end of this Budget year.

Another area that the South West Development Authority helped establish was the fine wood craft industry in Manjimup through the agency of Dr Karen Keeley, the project consultant, and Angela George. They have provided much assistance to people in the craft industry in the south west. One of their success stories is the Arbortech company in Nannup. Kevin Inkster was assisted by the fine wood craft project with an invention of his which he uses for wood sculpting. He received productivity grants and some capital assistance through the fine wood craft project and was able to develop this tool. It is a circular disc with chainsaw teeth welded to it. It is used in an electric drill to carve wood sculptures. Through the assistance of the fine wood craft project he was able to find business assistance to develop a prototype and the product which he now exports overseas. He employs several people in his operation at Nannup.

Those examples are some of the reasons why the economy of the south west region has been diversified in such a way that it has remained relatively buoyant as other areas of the Australian economy have begun to slow down in line with the Federal Government's national economic strategy of damping down the economy to try to solve our balance of payments problems.

An interesting article appeared in the *South West Times* yesterday which brought it home to me. On the front page it states —

Bunbury will be largely insulated against a recession flowing from harsh times in the rural sector, according to local business representatives.

Despite predictions of wide scale small business closures and higher unemployment, some Bunbury businessmen say that the city is in a unique position to face the nation's growing economic hardships.

That is quite different from the effect that the economic downturn had on the south west at the beginning of the 1980s. During that recession the south west was particularly hard hit. We now see some optimistic reports in the media suggesting that the south west will be able to remain relatively buoyant during the present economic downturn.

Hon Barry House: I think Hon Bob Thomas should read the Program Statements on page 843 where it states that full time equivalents are being reduced from 38 to 35.

Hon BOB THOMAS: I will look at that later, as I have not read it.

Hon Barry House: The member should have a close look as somebody is telling him a different story.

The PRESIDENT: Order!

Hon BOB THOMAS: I stand corrected. There are two reasons why I support the first amendment to increase the size of the board from three to seven members. Firstly, the population of the south west is increasing rapidly. Secondly, the economic base is becoming much more diversified than it was in 1984 when we first passed the Act. Members from the south west would be aware of how fast the population there is growing. It grew at seven times the rate of Tasmania last year and at the same rate as the whole of South Australia. The population growth in the Peel area was such that the city of Mandurah will next year be equivalent in size to Bunbury and will be larger by the time we go to the next poll. A larger board makes sense.

I spoke earlier about the diversification of the economic base in the south west. I will walk members through the sorts of industries that are represented in the south west region. There are dormitory cities and towns for a large retirement population in places like Mandurah, Busselton, Augusta and Walpole. A lot of recreational industries are growing up around those populations. The south west has extensive mining activity, the largest being the mineral sands activity which in the 1988-89 year grew by 36 per cent. That is principally contained around places like Capel. A couple of new mines will come on stream at Jandabup and Beenup.

Alumina is a significant industry in the south west and last year was responsible for \$2 billion in exports for this State. There are tin and lithium operations around Greenbushes and coal is significant in the Collie region with 890 people employed in direct mining operations. There is a large gold mining operation at Boddington. The timber industry is spread through the whole of the region and is particularly renowned for high grade jarrah products from around Collie, Kirup, and Greenbushes areas and there is a large timber industry around Manjimup, Pemberton, Nannup based on jarrah, karri and marri. I think 1 500 people are employed directly in the timber milling and logging operations.

Fishing is represented from Mandurah south to Geographe Bay and Windy Harbour. We know there is a large agricultural industry ranging from dairying and beef in the north around Harvey and Bunbury through horticultural activities and vegetables in the Myalup area. Grapes, strawberries and other vegetables are grown around Margaret River. There are apples, stone fruit and extensive potato, Chinese cabbage and cauliflower operations around Manjimup.

Interestingly, a lot of new settlers around the Manjimup area are moving into new horticultural lines. Tim English and the Priddis' in that area have developed kiwi fruit operations which are responsible for about 60 per cent of the State's kiwi fruit production. It has replaced most of the imports we received from Queensland. There is some manufacturing in the south west. The Manjimup production centre employs several hundred people producing timber frames and outdoor furniture. The Edgell potato chip factory employs 100 or so people and more than that in season. There is also the Westralian Forest Industries Ltd plant at Dardanup and, as I mentioned earlier, Arbortech in Nannup. Tourism is also a significant industry throughout the whole region.

It is important and appropriate that more people be appointed to the board of the South West Development Authority so that in its decision making processes the authority will have the benefit of the expertise and local knowledge which is available in the region. The board already has three extremely high quality members. Everyone in this House would be aware of Sir Donald Eckersley, the chairman of the board, who is an eminent identity in the south west. He is a very high profile person and is readily recognised in the Harvey-Bunbury area. He has an extensive farming and business background. He was considered so highly by the National Party that he was endorsed as No 1 on the Senate ticket several years ago - I think in 1987. Also on the board is Mrs Rosanne Pimm from Collie. She also has an extensive business and farming background, and extensive experience in local government, and is currently the shire president. The third person on the board is Mr Malcolm Wills from Mandurah, the manager of the Hedges Goldmine in Boddington, which is owned by Alcoa, who brings to the board both business and mining engineering qualifications.

There are other people in the south west with the same level of competence and qualification whose experience would be valuable on the South West Development Authority's board, and increasing the size of the board to seven will allow the authority to utilise that experience. I can name several people in the Manjimup area who would make excellent members of an expanded board. I refer to people like Eddie Rose, who has extensive experience in the horticultural industry and is very active in the community. His was one of the founding businesses which participated in the horticultural traineeship program in Manjimup in 1988. Keith Liddelow is well known in the agricultural and farming areas. John Sanders and Eddie Valom from the timber industry would also be valuable contributors. Joshua Ledger from Northcliffe has a lot of experience in the tourism industry and the environmental movement, and is very active in community groups in that area. He was a member of the advisory committee last year or the previous year. Karen Keeley, the consultant with the fine woodcraft project, has not only done an excellent job in that industry but was previously the coordinator of Joblink in Manjimup and has extensive contacts in the area in the employment and training areas. David Reid from Bridgetown has local government and farming experience, as do also Norm Eaton and David Rees. So there is a wealth of people from Manjimup alone who would contribute to the South West Development Authority, and I support the amendment to increase the size of the board.

The second amendment provides for the establishment of area advisory committees. I would like to commend Hon Barry House, Hon Muriel Patterson and Hon Murray Montgomery for taking the opportunity to go out to the local government authorities which will make up the Peel advisory committee to consult with them about their views on this issue, but I must point out -

Hon Barry House: We thought we had better do it because none of you had done it.

Hon BOB THOMAS: That is not correct. This Bill has taken 18 months to get to this stage, and before the last State election Hon Julian Grill, the then Minister for The South West, consulted with the local government authorities and spoke to them about the prospect of establishing an area advisory committee in the Peel region. Peter Murray, the director of the South West Development Authority office in Mandurah, continued that consultative process and had numerous discussions with the executive officers of those local government authorities over the period of a year leading up to the introduction of this legislation.

Hon Barry House: But not one of those people showed the shires the actual legislation, which does not mention the Peel region but is very general.

Hon George Cash: There is no answer to that. It was a mistake, which your Minister acknowledged.

Hon BOB THOMAS: They had not seen the Bill but they were consulted and some of their views were actually taken into account and used to formulate the legislation which has now been introduced.

Hon Murray Montgomery: The Bill was introduced in May.

Hon BOB THOMAS: Yes, into the lower House, and Hon David Smith had gone to those shires and spoken to them about this legislation.

Hon Barry House: But he conveniently forgot to tell them what was actually in the legislation.

Hon BOB THOMAS: I accept that they were not given a copy of the Bill but at least they were consulted.

Hon George Cash: At least we have established that. The Minister admitted it a month ago.

Hon BOB THOMAS: As a Government we are required to consult with the people who will be affected by the legislation we introduce, and we did that.

Hon George Cash: You did not. Why didn't you do that?

Hon BOB THOMAS: The member was not listening. We did that. The legislation was introduced into the Legislative Assembly in May this year. It would be wrong for the Government to begin consultations with those local government authorities after the legislation has been introduced. The right time to do it is before the legislation is drafted, and we did that.

Hon Murray Montgomery: But they still did not know what was in the Bill.

Hon BOB THOMAS: I have conceded that they did not receive a copy of the Bill but they were aware of the sorts of things that would be in the Bill. I spoke with Hon Beryl Jones yesterday and she said that over the last week or two she had spoken with some of the representatives of local government in that area and that they said they were quite happy with what was in the Bill and there was no reason for concern.

Hon Barry House: Let Mrs Jones produce some letters that say that. Can she do that?

Hon BOB THOMAS: She had lunch with those people and they said they had no concerns about the Bill.

Hon Barry House: They will be pleased to hear that.

Hon BOB THOMAS: I find it paradoxical that the Opposition is opposed to the establishment of an advisory committee for the Peel region but will support the introduction of the Goldfields-Esperance Development Authority, which will have two advisory committees, one based in Esperance and one based in Kalgoorlie.

Hon Barry House: Have you actually read that legislation? There is a vast difference. The goldfields legislation specifies that there is to be a separate area advisory committee for the Esperance-Ravensthorpe area.

Hon George Cash: You can't talk about the Goldfields-Esperance legislation. We are talking about the South West Development Authority legislation. You are out of order.

Hon BOB THOMAS: Hon George Cash has a propensity for being irrelevant. Yesterday he berated me for thinking it was okay for the State Government to increase in the Budget the FID tax by 10¢ per week per family, and said he should come to Albany and campaign against me on that issue. He is now trying to say there is no relevance in the proposed Goldfields-Esperance Development Authority having two advisory committees and -

Hon Barry House: There isn't because that is specific and this is not specific. This is very general.

Hon T.G. Butler: Why do you not let him make his point?

Hon BOB THOMAS: The Minister has given a commitment that this amendment will allow for the establishment of a Peel advisory committee.

Hon Murray Montgomery: It does not say that in the legislation.

Hon BOB THOMAS: The establishment of a Peel advisory committee will be a precursor to the establishment of a separate Peel development authority when the population of that region reaches 60 000. The establishment of a separate authority will then pose no threat to these local government authorities.

Hon Barry House: Where in the legislation does it say it is a Peel area committee?

Hon BOB THOMAS: The Minister has given a commitment that it will result in the establishment of a Peel advisory committee. Some time in the future we may see a need to establish a further separate advisory committee.

Hon Barry House: You have just broken your commitment.

Hon BOB THOMAS: The Minister has given a commitment that this will lead in the near future to the establishment in the short term of a separate advisory committee in the Peel region.

I want to comment on the argument put up by Hon Barry House and Hon Murray Montgomery that there is no need to allow for the establishment of separate advisory committees by the South West Development Authority because the advisory committees already have the power to establish subcommittees. They have the power to form subcommittees, but they do not have the power to form subcommittees in those regions using the wealth of experience, knowledge and expertise which exists in those areas. It would be valuable for the South West Development Authority to be able to utilise those qualities in the decision making process in that area.

Hon Murray Montgomery: Are you saying they do not have the power to coopt other members?

Hon BOB THOMAS: They do not have the power to take on other people to form a separate subcommittee in that area. They cannot bring on other people and act as a separate advisory committee.

Hon Barry House: Have you read the legislation? Do you have a copy of it?

Hon BOB THOMAS: I spoke with an officer of the South West Development Authority today, and he told me that the authority did not have the power to take on those people with experience and expertise which it would like to utilise on those subcommittees. Those subcommittees can be made up only from people from the existing committee.

Hon Barry House: That is rubbish!

Hon BOB THOMAS: I have spoken to the South West Development Authority and I have been told that.

Hon Barry House: We will show you a copy of the Act.

Hon BOB THOMAS: There are people in that area, and in the Peel area, with the expertise and skill which the authority would like to utilise but it cannot under the Act as it stands. I therefore support the amendments and commend the Bill to the House.

Debate adjourned, on motion by Hon Fred McKenzie.

#### ADJOURNMENT OF THE HOUSE - ORDINARY

HON J.M. BERINSON (North Metropolitan - Leader of the House) [10.52 pm]: I move -  
That the House do now adjourn.

#### *Adjournment Debate - Standing Committee on Estimates and Financial Operations - Sitting Times*

I take the opportunity of this motion to advise the House of two matters which may reasonably be brought within the small housekeeping category. I refer to my earlier advice to the House about the agreed arrangements for the meeting of the Standing Committee on Estimates and Financial Operations next week. I said at that time that the meeting of the subcommittees of that committee would commence at 3.30 pm on Tuesday of next week. By agreement between the leaders of the Opposition and the National Party and myself, they will, in fact, commence at 2.30 pm on Tuesday.

In order to help members with their future arrangements, I also draw attention to the fact that it has been agreed that the House will adjourn at 4.30 pm rather than at 6.00 pm on Thursday, 22 November.

Question put and passed.

*House adjourned at 10.54 pm*

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## QUESTIONS ON NOTICE

## SGIO AUTOCHECK - UNANSWERED QUESTIONS

811. Hon P.G. PENDAL to the Leader of the House representing the Premier:

- (1) Is the Premier aware that on 22 November 1988 the then Treasurer provided answers to questions asked on the 1987-88 operations of the SGIO owned autocheck but that similar questions pertaining to their operations for years 1988-89 and 1989-90 were declined by the Minister for Finance and Economic Development on 4 July 1990?
- (2) Is the Premier aware that the unanswered questions read -
  - What number of staff are currently employed either full time or part time by franchise in providing this service?
  - What was the net operating financial result for the year ended 30 June 1989, for autocheck?
  - Do the results referred to in (3) include all expenditures to provide this service including all forms of advertising undertaken by autocheck to promote the service?
  - How many vehicle inspections were provided by autocheck for the year ended 30 June 1989?
  - What is the projected financial result for the year ended 30 June 1990 and the estimated number of inspections to be performed this year?
- (3) Will the Premier advise why such information should be withheld from the Parliament?

Hon J.M. BERINSON replied:

The Premier has provided the following reply -

- (1) The Premier is aware that answers were provided to question 539 on 22 November 1988. However, some of the questions asked in question 525 of 4 July 1990 were not the same. In particular, parts (2), (3) and (7) were not asked in question 539 and these questions relate to commercially sensitive areas.
- (2) Yes.
- (3) SGIO Autocheck is a division of the SGIO and as such operates in competition with private companies. The SGIO is required to report to Parliament each year and that report included a report on operations. It is not appropriate for information which could jeopardise the profitable operations of the SGIO to be tabled in Parliament.

## MINES DEPARTMENT - \$5 SERVICE CHARGE

*Public Counter*

877. Hon GEORGE CASH to the Leader of the House representing the Treasurer:

- (1) Is the Minister aware of the introduction of a service fee which is charged by the Department of Mines to members of the public attending the public counter at the Department of Mines?
- (2) Is it intended to charge a service fee to members of the public who attend and seek advice at the public counter of any of the following departments -
  - (a) Department of Land Administration;
  - (b) Land Titles Office;
  - (c) Water Authority of Western Australia;
  - (d) State Energy Commission of Western Australia;
  - (e) Department of Conservation and Land Management;

- (f) State Taxation Department; and
- (g) Environmental Protection Authority?
- (3) Is it intended to apply this charge for being served at any other departmental or statutory authority public counter?
- (4) If so, will the Minister provide details of the proposed charges?

Hon J.M. BERINSON replied:

The Treasurer has provided the following reply -

- (1) Yes. A \$5 service charge was introduced from 1 July 1990 in regard to the retrieval of archival, underground mine plan and survey information. At the same time some product charges have been reduced as a result of removing the service charge component from those products. The charge does not apply to general inquiries, to the purchase of standard maps or at the department's main public counter. Where consultation or research is required to be undertaken which exceeds 30 minutes, an hourly charge of \$37.70 is applied. The charge for this service has applied for many years and is a seven per cent increase on last year's charge of \$35 per hour.
- (2) (a)-(g)  
No.
- (3)-(4)  
No. The only department that could be construed as charging a fee for advice is the Legal Aid Commission that applies a means test to those seeking legal advice from a lawyer at the Legal Advice Bureau. The fee is \$10 for those who indicate they can afford to pay.

**PLANNING AND URBAN DEVELOPMENT DEPARTMENT - FOOTHILLS  
STRUCTURE CONCEPT PLAN  
*Gray and Associates Report***

939. Hon DERRICK TOMLINSON to the Minister for Planning:

- (1) Was a foothills structure concept prepared by Gray and Associates, consultants to the Department of Planning and Urban Development part of the planning for the future growth of the metropolitan region?
- (2) Was the report submitted to the Department of Planning and Urban Development by Gray and Associates in May of this year?

Hon KAY HALLAHAN replied:

- (1) Yes, the department is preparing a concept plan for the foothills area as part of the structure planning for new urban areas of the metropolitan region. Gray and Associates were retained to prepare a planning report as a major input to this concept plan. The plan is currently being reviewed in response to recent public submissions on the urban expansion policy statement.
- (2) Yes.

**DEFAMATION ACTIONS - MINISTERS OF THE CROWN  
*Legal Costs - Outstanding Payments***

946. Hon GEORGE CASH to the Leader of the House representing the Premier:

With reference to the answer to question on notice 654 of 22 August 1990 in which the Minister advised that an amount of \$56 667.68 had been paid to the legal firm Freehill, Hollingdale and Page -

- (1) Are there any other amounts outstanding or yet to be paid in respect of the provision of legal advice and other services provided or to be provided on behalf of Mr Peter Dowding or the State?
- (2) Will the Premier provide an "itemised" statement of all funds paid to date including such additional amounts referred to in (1)?



Hon J.M. BERINSON replied:

The Premier has provided the following reply -

- (1) I am unaware of any outstanding amounts in respect to the matter referred to.
- (2) No.

**STATE GOVERNMENT INSURANCE COMMISSION - SPEDLY SECURITIES LTD**  
*Rothwells Ltd - \$30.5 million Back to Back Arrangement*

954. Hon PETER FOSS to the Attorney General:

- (1) Is the Attorney General aware of the suggestions made on "The 7.30 Report" on Tuesday, 25 September 1990 that \$30.5 million which the SGIC had invested with Spedleys could in fact have been subject to a back to back arrangement so that Spedleys would be acting as agents for SGIC in placing the money with Rothwells?
- (2) Is the Attorney General also aware it was alleged that, if that were the case, a greater dividend would be recovered by the people of Western Australia in the liquidation of Rothwells than with the liquidation of Spedleys?
- (3) Will the Attorney General ensure that his department investigates the matter as soon as possible and advise whether the people of Western Australia can recover those moneys?

Hon J.M. BERINSON replied:

(1)-(2)

Yes.

- (3) I am advised by the Deputy Premier, as Minister responsible for the SGIC, that he has sought legal advice on this issue.

**PORTS AND HARBOURS - VICTORIA QUAY, FREMANTLE**  
*Redevelopment - Fremantle Port Authority Non-availability Claim*

966. Hon GEORGE CASH to the Minister for Planning:

Further to the Minister's answer to question on notice No 804 of 4 September 1990 which sought advice in relation to planning issues linked with Victoria Quay -

- (1) Is the Minister aware of the rationale adopted by the Fremantle Port Authority for making its claim that Victoria Quay is not available for redevelopment?
- (2) Given that the Minister acknowledges the significant planning implications and opportunities which will be created by redeveloping Victoria Quay, will the Minister undertake to instigate a planning study to identify the full extent of the planning impact of the concept and make recommendations as to the planning mechanism needed to be put in place to implement the plan?

Hon KAY HALLAHAN replied:

(1) Yes.

- (2) Any decision on the need for a planning study will be made in the light of current proposals relating to the further operations of North Quay (and any alternative container port site), the future road network and the future economy of Fremantle.

**MINING REGISTRAR - LEONORA OFFICE REVIEW**

1023. Hon P.H. LOCKYER to the Leader of the House representing the Minister for Mines:

- (1) Will the office of the Mining Registrar in Leonora remain open?
- (2) If not, why not?

Hon J.M. BERINSON replied:

- (1) Yes. A review of the workloads and staffing levels of the Mining Registration Division's Perth and outstation offices is being undertaken, but there are no plans to close the Leonora office.
- (2) Not applicable.

## QUESTIONS WITHOUT NOTICE

### SOUTHSIDE TERRACE PROPERTIES - SALE *\$180 million Deferred Payment - Put Options*

715. Hon GEORGE CASH to the Attorney General representing the Minister for Finance and Economic Development:

Some notice has been given of this question. Southside Terrace Properties was sold by the SGIC/GESB to Skeat Pty Ltd and Sharland Pty Ltd on or about 30 June 1988. Given that the \$270 million purchase price included \$180 million subject to deferred payment, will the Minister advise -

- (1) What is the security for the unpaid \$180 million?
- (2) If it is a mortgage, is it a first mortgage and, if not, is it a second or third ranking mortgage?
- (3) What parent guarantees for the obligations of Skeat Pty Ltd and Sharland Pty Ltd are extant?
- (4) Do all or any of the following: Skeat Pty Ltd, Sharland Pty Ltd, Consolidated Press Holdings or Tipperary Developments Pty Ltd, have a put option over any portion of the land securing the \$180 million option to either the SGIC/GESB in their own or joint capacity, or any other Government department or agency?

Hon J.M. BERINSON replied:

I thank the Leader of the Opposition for his advance notice. The Minister for Finance and Economic Development has provided the following reply -

(1)-(4)

I refer the member to question on notice 1169 replied to in the Legislative Assembly.

### FEES - TRANSPORT COORDINATION ACT SECTION 21 *Determinations - Public Notification*

716. Hon D.J. WORDSWORTH to the Attorney General:

As the Attorney General is aware, most fees under State Acts are by regulation and therefore the public are well aware of that because the regulation is printed in the *Government Gazette*. Where a Minister makes a determination under an Act such as the Transport Coordination Act, section 21, the Minister is allowed to determine the fee.

- (1) Having determined that fee, how are the public notified of that determination?
- (2) Does it still have to be implemented by *Government Gazette* or is the Minister allowed to make a determination every five minutes and file it in his bottom drawer?
- (3) How do determinations work under the Act?

Hon J.M. BERINSON replied:

(1)-(3)

As this question is in general terms I am reluctant to go too far into detail without having an opportunity to consider the specific legislation on which the question is based. I can only answer by way of initial or interim response

that my understanding is that determinations are not required to be implemented by regulation and the way in which any particular determination is brought to the attention of the public would be a matter of the practice of the department concerned. I will take an early opportunity to have my response checked against the particular Act that Hon David Wordsworth referred to and if I need to make any amendment to my reply I will do so to him directly.

#### FREMANTLE - TRAFFIC STUDY FUNDING

717. Hon GARRY KELLY to the Minister for Planning:

Can the Minister advise whether funds have been approved to undertake a traffic study in Fremantle?

Hon KAY HALLAHAN replied:

I thank the honourable member for giving some notice of his question because it is of considerable interest in Fremantle. Funds have been approved. Two studies are proposed, one a regional one and the other specifically relating to Fremantle. Funding of \$120 000 is proposed, \$50 000 coming from the Federal Government, \$50 000 from the State Government, and \$20 000 from the City of Fremantle. The terms of reference for the study are currently being finalised.

#### PETROCHEMICAL INDUSTRIES CO LTD - GOVERNMENT PURCHASE

*\$13.8 million Liabilities*

718. Hon GEORGE CASH to the Attorney General representing the Treasurer:

Some notice has been given of this question.

- (1) At the time of the purchase of Petrochemical Industries Co Ltd by the Western Australian Government and interests associated with Bond Corporation for \$400 million, did PICL have liabilities of approximately \$13.8 million?
- (2) If not, had such liabilities been discharged prior to the completion of the purchase?
- (3) If PICL had liabilities of approximately \$13.8 million, were those liabilities paid directly or indirectly by the purchasing parties, being the Government and Bond interests, in addition to the \$400 million purchase price?
- (4) Were any further funds paid out by the purchasing parties or PICL after the completion of the purchase to any creditors of PICL, being creditors of PICL in respect of liabilities incurred at or prior to the purchase of PICL by the purchasing parties and, if so, to whom were those funds paid and what amounts were involved?

Hon J.M. BERINSON replied:

I thank the Leader of the Opposition for advance notice of his question. I indicate by way of preliminary comment that although the question was directed to the Treasurer it falls within the portfolio of the Minister for Finance and Economic Development, who has provided the following reply -

(1)-(4)

This question has been asked on notice in the Legislative Assembly as question No 1161 and I am currently having the issue examined to enable me to respond.

#### PERTH THEATRE TRUST - ACCOUNTS 1988-89 TABLING

719. Hon MAX EVANS to the Minister for The Arts:

A paper tabled yesterday, No 59 relating to the Perth Theatre Trusts's annual report, shows a date suggesting the report is for 1989-90.

- (1) Is the Minister aware that the accounts tabled were for 1988-89 and were over 12 months old?

- (2) Is she also aware that they were signed by Hon David Parker in August 1989 and by the Auditor General in August 1990?
- (3) Has she an explanation why it has taken so long to table that report in this House and why the date has been misrepresented on the front page?

Hon KAY HALLAHAN replied:

(1)-(3)

I thank the honourable member for bringing the matter to my attention. I had no notion there was a misrepresentation of the date on the front page of the report and will certainly seek an explanation for that.

**ROADS - CAMBOON ROAD, MORLEY**

*Closure Commitment - Northern Districts Business Association*

720. Hon GEORGE CASH to the Leader of the House representing the Premier:

Some notice has been given of this question. I refer to the Premier's reply and offer of assistance to Mr Max Begley, president of the Northern Districts Business Association at a luncheon sponsored by the Osborne Park/Balcatta Business Association on Wednesday, 10 October 1990.

- (1) What action has the Premier taken following her commitment to assist with the closure of Camboon Road, Morley?
- (2) Has the Premier been able to determine why the Minister for Transport refused to meet with representatives of the Northern Districts Business Association to discuss the matter?
- (3) If yes, what are the reasons for the lack of courtesy by the Minister for Transport in responding to correspondence and telephone calls from the association?

Hon J.M. BERINSON replied:

(1)-(3)

Although I accept Mr Cash's indication that advance notice of the question was given my papers do not include any reference to this matter.

**POLICE - JOONDALUP POLICE COMPLEX**

*Construction Delay*

721. Hon GEORGE CASH to the Minister for Police:

- (1) Has the construction timetable of the Joondalup police complex been delayed?
- (2) If so, what is the extent of the delay and the reasons for it?

Hon GRAHAM EDWARDS replied:

(1)-(2)

I am very pleased to let the member know that the construction of the Joondalup police complex is ahead of schedule.

**PASTORAL LAND TENURE BILL - INTRODUCTION DATE**

722. Hon P.H. LOCKYER to the Minister for Lands:

Can the Minister inform this House when she anticipates that the Pastoral Land Tenure Bill will find its way to this House?

Hon KAY HALLAHAN replied:

I know that there is a lot of interest in this matter, and the Bill is very important to the industry. I have given an undertaking to consult with industry organisations and with conservation groups. My suspicion is that depending on the length of that consultation the reality may well be that the Bill will be introduced in autumn next year. I am sorry about that.

Hon Barry House: Just debate our Bill.

Hon KAY HALLAHAN: The Opposition's Bill is not much good.

Several members interjected.

Hon KAY HALLAHAN: We could get into terrible trouble with that Bill. In December 1988 a Bill came before the Parliament which I think the pastoral industry was very unwise not to press ahead with. Instead it requested the Minister to withdraw that Bill from the Parliament. Times have changed quite a lot since then, and we will need a lot of consultation before arriving at a new Bill. I am well aware that some people have difficulty with their financial arrangements, and banks are not being very helpful to some individual pastoralists. I am well aware of those difficulties. Despite that, I am being honest with the honourable member -

Hon D.J. Wordsworth: You are always honest, I hope.

Hon KAY HALLAHAN: I am glad the honourable member recognises that fact. It may be possible this session, but we are starting to look at small miracles to achieve that objective.

#### PASTORAL LAND TENURE BILL - LEGISLATION PROBLEM

723. Hon P.H. LOCKYER to the Minister for Lands:

Can the Minister inform the House where the problem with the legislation lies? Is it with the pastoralists, or is it as a result of pressure being applied by conservation groups?

Hon KAY HALLAHAN replied:

I am not sure if this could be described as a problem. However, a number of demands have been made on the pastoral industry and by the conservation movement. It is taking the wisdom of Solomon to find a pathway which can satisfy the reasonable aspirations of both those groups. Matters will move very rapidly in the next few weeks. I do not think this can be regarded as a problem.

#### PASTORAL LAND TENURE BILL - PASTORALIST ORGANISATIONS

##### *Urgency Meetings Undertaking*

724. Hon P.H. LOCKYER to the Minister for Lands:

Will the Minister give an undertaking to this House that as a matter of urgency she will, in the next week, or in a shorter time if possible, have urgent meetings with the Pastoralists and Graziers Association and the Western Australian Farmers Federation with a view to informing them of what she has just told the House about the delay in this Bill, and seek some way to honour the promise which Premier Brian Burke gave to the pastoral industry - that pastoralists would have tenure to their properties? He gave that undertaking in 1983. Will the Minister inform this Parliament what is the problem with the conservation lobby as regards pastoral tenders?

Hon KAY HALLAHAN replied:

I shall give no such undertaking, because I have already met with the two groups to which the honourable member refers, and with representatives of conservation groups. I understand there have also been meetings between pastoral organisations and conservation groups. I understand a third organisation in the pastoral industry has also just been formed.

Hon P.H. Lockyer: Which is what?

Hon KAY HALLAHAN: I do not have the detailed name, but I understand it has 30 new members. I had been advised of that in the last week. I have met with the organisations concerned and discussed the matter with them.

On the matter of the promise given by the former Premier, Mr Burke, that was in the days when there was an attempt to achieve better land tenure for both Aboriginal people and the pastoral industry.

Hon Barry House: You made the same commitment as Minister for Lands.

Several members interjected.

Hon KAY HALLAHAN: Is there any indication that I am not going to deliver it? Members should hold their horses. There was a debate going on about giving Aboriginal people and the pastoral industry better land tenure. The reality is that at this point neither has achieved it. Members should not be one sided in their criticism of what was hoped to be achieved. Sadly neither group achieved what it wanted.

**PASTORAL LAND TENURE BILL - FINANCIAL INSTITUTIONS**  
*Security Guarantee*

725. Hon E.J. CHARLTON to the Minister for Lands:

In view of the comments and the ongoing statements of the Minister on this subject, and the problems associated with getting the legislation into this House, will the Minister take the appropriate and immediate action to give a guarantee to the financial institutions associated with that industry that they will have the necessary finance to carry on and secure the future of their industry?

If the Minister is not going to be able to bring this legislation on this session, she will have to make an appropriate interim decision and take another measure to ensure the security of the industry. Will the Minister take that action in the meantime?

Hon KAY HALLAHAN replied:

I understand the pastoral land tenure leases as they now stand run until 2015. That stands. That is the circumstance in which we find ourselves. I have never had it put to me that further supplementary financial arrangements should be put in place.

Hon P.H. Lockyer: What about the Bill?

Hon KAY HALLAHAN: The Bill we will get.

Hon P.H. Lockyer: Some of these people will be pushing up the daisies.

**LAND AMENDMENT ACT - PRIORITY LEGISLATION**  
*Order of the Day No 30*

726. Hon GEORGE CASH to the Leader of the House:

I remind the Leader of the House of the meeting which he had with Hon Eric Charlton and myself last night in which we discussed the priority of certain legislation now on the Notice Paper. May I ask the Leader of the House to ensure that Order of the Day No 30 on today's Notice Paper, the Land Amendment Act, which was introduced by Hon Barry House on Tuesday, 28 August, is dealt with in this Parliament as a matter of priority? That is the first priority of the Bills we discussed last night.

Hon J.M. BERINSON replied:

The Leader of the Opposition, the Leader of the National Party and I did have a preliminary discussion yesterday about some matters affecting the business which the House would be expected to deal with during the remainder of the session. In the course of that discussion I requested the Leader of the House to list six outstanding private members' Bills by his members in order of priority. I think I undertook that at least five of those would be dealt with in the five weeks we are listed to sit after next week.

If, as Mr Cash now indicates, he proposes to nominate Order of the Day No 30 as having the first priority on the list which he presented to me yesterday, that Bill will be dealt with in the first week after our committee session next week.

**SUNKEN GARDEN - OLD GREYLANDS TEACHERS COLLEGE**  
*Retention Undertaking*

727. Hon N.F. MOORE to the Minister for Planning:

- (1) Is the Minister aware that the sunken garden at the old Graylands Teachers College is to disappear when LandCorp carries out residential development on the site?
- (2) If so, will she give an undertaking to take action to ensure the sunken garden is retained as part of the development and as a perpetual monument to the Graylands Teachers College?

Hon KAY HALLAHAN replied:

(1)-(2)

The matter has been put to me in correspondence. It might be better if the question is put on notice. My understanding is that preservation of the sunken garden is not a possibility. People should look at some other way -

Hon N.F. Moore: It would be a possibility if the Minister put her mind to it.

Hon KAY HALLAHAN: Would the member like to put the question on notice?

Hon N.F. Moore: I am asking the Minister in this House to put her mind to the matter.

Hon KAY HALLAHAN: Consider my mind put to it. Where does that get us?

Hon N.F. Moore: It is a start.

**LAND RELEASE - MINISTER FOR LANDS**  
*Further Policy Statement*

728. Hon GEORGE CASH to the Minister for Lands:

- (1) Has the Minister made any policy statement following the major policy statement concerning the release of land, which statement was made by the Chairman of the Environmental Protection Authority, Mr Barry Carbon, indicating that no further major land releases should be made?
- (2) If so, can the Minister indicate when she made that policy statement?

Hon KAY HALLAHAN replied:

(1)-(2)

No further policy statement has been made.

**LAND RELEASE - FUTURE POLICY STATEMENTS**

729. Hon GEORGE CASH to the Minister for Lands:

My question is supplementary to the previous question. Is the Minister's lack of issuing a policy statement an indication that a member of the Public Service will in future issue Government policy statements, and that the Minister herself will not be involved in determining whether land releases will be made?

Hon KAY HALLAHAN replied:

No such assumption can be made. That statement was a contentious one and certainly did not find favour with a number of people. I said I would follow it up and give the House the Government's position on it. With regard to policy statements generally, in my view that statement was a major one and, again in my view, was the sort usually made by a Minister. However, many policy statements are released by both Ministers and departmental heads. I presume that will continue to be the practice. Policy statements will be released sometimes by Ministers and sometimes by chief executive officers.

**SPEED LIMITS - TOLERANCE LEVEL**

730. Hon E.J. CHARLTON to the Minister for Police:

It has been reported to me that the Minister made a public statement to the

effect that there is a tolerance by the police of speeds up to 15 kilometres an hour in excess of the speed limit. Would the Minister inform the House whether he was accurately reported?

Hon GRAHAM EDWARDS replied:

I have already reported to the House what is the policy in relation to police tolerance of speeds in excess of the limit. That was by way of a statement by Len Thickbroom, Assistant Commissioner (Traffic), which I quoted. He indicated that the tolerance level is about five kilometres per hour. The next few kilometres above that level would expect to receive a warning rather than an infringement notice. It is evident that such warnings are issued. I have also put to the House information about the number of warnings issued over the last 12 months; they run to many thousands. The reported reference to a 15 kilometre per hour tolerance resulted from some confusion between myself and a journalist when the story was reported.

Hon E.J. Charlton: In other words, it was not correct.

Hon GRAHAM EDWARDS: That is right.

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