

# Legislative Assembly

Thursday, 26 May 1988

THE SPEAKER (Mr Barnett) took the Chair at 10.45 am, and read prayers.

## PETITION

### *Pornography - Sex Shops*

MR READ (Mandurah) [10.48 am]: I have a petition couched in the same terms as petitions presented last week relating to the banning of the operation of sex shops and adult video-book shops within shopping centres.

The petition bears 93 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 21.]

## PETITION

### *Conservation - Shark Bay*

MR HASSELL (Cottesloe) [10.49 am]: I have a petition which reads as follows -

To: The Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned respectfully showeth:

That following the Hon. Minister for Planning's promises, made at the public meeting at Shark Bay on 24 March 1988, in which he said "if the local people do not want Heritage Listing of the Hamelin Pool then the State Government will not proceed to nominate it and will oppose that Listing . . . in the most unequivocal terms that the State Government will oppose the total listing of Shark Bay for World Heritage at all . . .", that the people of Shark Bay and other citizens are deeply concerned that the Government has agreed that further consideration be given to World Heritage listing for Shark Bay, and

- (a) believe the special features of the region can be best protected through finalisation, of the Shark Bay Plan in consultation with local people,
- (b) do not want transfer of control of the area to the Commonwealth or overseas influences,
- (c) call on the State Government and Parliament to cease consideration of World Heritage listing,
- (d) call on the State Government to oppose and fight against any World Heritage listing.

Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

The petition bears eight signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

[See petition No 22.]

## SUPPLY BILL

### *Second Reading*

MR PETER DOWDING (Maylands - Treasurer) [10.50 am]: I move -

That the Bill be now read a second time.

This measure seeks the grant of supply to Her Majesty of \$2 200 million for the works and services of the year ending 30 June 1989 pending the passage of Appropriation Bills during

the Budget session of the next financial year. The Bill seeks an issue of \$2 000 million from the Consolidated Revenue Fund and \$200 million from moneys to the credit of the General Loan and Capital Works Fund. The amounts sought are based on the estimated costs of maintaining services and works at existing levels and no provision has been made for any new programs which must await the introduction of the 1988-89 Budget. Before dealing with the formal requirements of the Bill, I comment briefly on the current year's budgetary position.

As members will recall, the 1987-88 Budget presented to Parliament on 10 September 1987 provided for a surplus of \$1 million with expenditure estimated at \$3 546.9 million and revenue at \$3 547.9 million. Given the magnitude of the total figures involved there will, not surprisingly, be variations to the estimates of both revenue and expenditure.

A recent review of the Budget indicates that estimated receipts and outlays will be above budget with the prospect of a surplus being achieved for the fourth year in succession. Revenue collections in total are expected to be above estimate, due principally to higher than estimated receipts from taxation, attributed mainly to stamp duty collections. The estimated additional stamp duty reflects, in the main, increased collections from conveyancing and mortgages as a result of higher levels of economic activity than anticipated in the Budget.

On the expenditure side, every effort is being made to contain overall outlays to the amounts appropriated by Parliament. However, it has been necessary to fund some inescapable or unavoidable additional commitments which have emerged since the Budget was introduced into Parliament. As indicated, these commitments are being managed to ensure that overall outlays are contained within the total funds available.

As members will be aware, excess expenditures approved after the Budget has been passed are required by law to be resubmitted as part of the Appropriation Bills for Parliament's approval.

At this stage I do not propose to go into a lot of detail about the outcome of the Premiers' Conference and the implications for our financial positions in 1988-89. I will have more to say on these issues when I present the Budget to Parliament in August. However, most members will now be aware that the Premiers' Conference and Loan Council meeting resulted in a financial package comprising the following major elements -

- A reduction in general revenue grants to the States and Northern Territory of \$650 million;

- new hospital funding arrangements;

- guarantee arrangements to ensure that each State and the Territory receives at least the same nominal level of general purpose payments and health grants as in 1987-88; and

- a further reduction of State authorities' global borrowing limits from \$5 293 million in 1987-88 to \$4 750 million in 1988-89.

So far as Western Australia is concerned, these measures will result in a reduction in real terms of 5.2 per cent in general purpose payments. In addition our global borrowing allocation is \$6.7 million below the 1987-88 level although, in recognition of our funding need for capital works, the reduction is the lowest imposed on any State.

Clearly the funding reductions I have just outlined will make our budgetary task in 1988-89 much more difficult than it would otherwise have been. However, the Western Australian Government fully acknowledges the need for continued restraint in public sector outlays and Government borrowings if the nation is to build upon the major economic improvements that have been made in recent years. While the adjustment process may be painful, we recognise that the State must play its part in addressing the macro-economic problems confronting the nation so as to ensure soundly based and sustained economic growth.

I have already described the formal provisions of the Bill. I commend the Bill to the House.

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

**LOCAL GOVERNMENT GRANTS AMENDMENT BILL***Second Reading*

**MR CARR** (Geraldton - Minister for Local Government) [10.56 am]: I move -

That the Bill be now read a second time.

Before addressing the substance of the Bill before the House, I consider it appropriate to provide members of the House with some background to the present system of allocating funds to local governments through the Local Government Grants Commission.

The origins of the present system rest with the recognition by both major parties that local government's revenue position was suffering. In 1974 the Whitlam Government, through the Commonwealth Grants Commission, began making general purpose grants to local governments. The Fraser Government, through the establishment of local government grants commissions in each State, provided local governments with an opportunity to be involved in the process of allocating funds.

Mr George Strickland, a former South Perth City Councillor, was the first chairperson of the Local Government Grants Committee, which later became the Local Government Grants Commission. He oversaw a period in which the commission based its decisions on data which was often inadequate and in circumstances where the existing Commonwealth legislation provided no substantial guidelines for the grants commissions. Despite these difficulties the commission served local government well and its grants contributed to improvements in the position of local governments right around the State.

In 1984 the Commonwealth Government initiated an inquiry into local government finance which was chaired by Professor Peter Self, and which included in its committee membership Mr Noel Dawkins, then the Town Clerk of the City of Canning and presently the Chairman of the WA Local Government Grants Commission. The Self inquiry recommended the adoption of the principles for the distribution of Commonwealth funds to local government based on criteria of equalisation. Basically the Self inquiry recommendations sought to equalise the financial capacities of local governments around Australia.

At the same time the database on which Grants Commissions could base decisions was improving and the local government accounting system itself was reviewed and new methods put in place.

The Western Australian Local Government Grants Commission decided in 1984, before the Self inquiry had undertaken or completed its work, to adopt a mathematically based method of allocating grants. It also decided that it was important for its methods to be opened to public scrutiny and for the local governments to have an opportunity to disagree with the commission about its recommendations.

I am happy to say that those decisions have been put in place and are supported by the work of the Self inquiry. Members on both sides of this Chamber have attended hearings of the Grants Commission and will have noted that the tone and level of debate between the commission and local governments is very constructive.

In effect, the Grants Commission is improving its methods and its judgments with the assistance of local government. While local governments will face reduced grants in some parts of the State in both rural and metropolitan areas, there are other local governments which, in response to the new method, will receive increased grants and have their financial capacities improved.

Mr Speaker, I believe that background, while it has taken up the time of the House, was important for members on both sides of the Chamber because of the fundamental importance of local government within their electorates.

I turn now to the substance of the Bill. The Bill proposes changes to reflect the requirements of the Commonwealth Local Government (Financial Assistance) Act 1986, which established new principles for the distribution of Commonwealth funds to local governments. This provides for the removal of the element "A" per capita grants and the element "B" needs related grants and ensures that all funds are distributed on a full horizontal equalisation basis; that is, on the basis that all municipalities are able to function by reasonable effort at a standard not lower than other municipalities in this State.

The Bill also deals with two other minor matters. At present there is no requirement for the Grants Commission to complete an annual report, and the Bill now provides that a report be prepared for the Minister and it be laid before both Houses of Parliament. Also, provision is made for the commission to report on any matter related to local government finance which the Minister may require. Over the years the commission has built up an enormous amount of information about financial matters and has developed considerable expertise on this subject.

I commend the Bill to the House.

Debate adjourned, on motion by Mr Court (Deputy Leader of the Opposition).

## ADDRESS-IN-REPLY - SIXTH DAY

### *Motion*

Debate resumed from 25 May.

MR HOUSE (Katanning-Roe) [11.00 am]: Like the other members in this Chamber who have spoken on the Address-in-Reply, I add my congratulations to the new members for Dale, Balga, and Ascot and hope that they have long, interesting, and rewarding careers in this place.

Today I wish to mention a number of things that affect my electorate, and to touch on the economic statement made by the Federal Treasurer last night and how it will affect rural areas.

It is interesting that the area I represent in this Parliament has largely been declared drought-affected for the last 12 months and very little of it has had a good season; yet in a short, five-day period at the beginning of this month all that changed when a great deal of that area received eight inches of rain and people telephoned me to suggest that the Government should offer some assistance for flood damage. That is how quickly things can change in agricultural areas. It is good to see the country down there in such good heart, and basically it is set for a very good season.

Mr Peter Dowding: There is nothing like having a Labor Government.

Mr Wiese: You are right about that - there is nothing like it!

Mr HOUSE: I do intend to make some reference to the Minister for Water Resources' contribution to our area later; but for the moment I hope the Premier remembers that many of us have a crop to put in and do not want any more rain for another week.

While I am talking on that subject, I do think Governments of the future will have to make some determinations about what sort of assistance will be given to areas that are drought affected, or flood affected, or fire damaged. To give an example, we now have a situation where Governments will help areas if they are called "disaster areas", but no assistance is meted out to small pockets of people who may be severely affected by a natural disaster. One area in my electorate last year suffered a very bad fire which came out of a reserve and burnt virtually every acre belonging to a certain farmer. That was an absolute disaster for him - he lost a number of stock and all of his pasture - yet there was no assistance for him. Had that fire continued to spread and affected a number of people over a wider area, it would have received great publicity and brought the attention of the State to the area, and I am sure the State would have afforded some assistance to those affected. It is just as great a disaster for the individual to suffer such a loss as it is for a group of people to suffer.

It is time we had a bipartisan approach to Government assistance for drought and flood affected areas and for other natural disasters because all of us, in all areas of this State, have been in a position where some parts of our electorates have suffered in one way or another at some time and all of us have had to ask the Government for assistance for our electorates. If we had some better ground rules by which to establish whether this assistance could be made available and what form it should take, we would be in a better position to tell our constituents what they can expect rather than their having overly high expectations and hopes. The subject of Government assistance to farmers and agriculture, and to country people in general, will always cause some debate. I hope the Minister for Agriculture - and perhaps the Minister for Transport, because roads are severely affected - will take some

notice of what I have said and establish a committee of the Parliament to look at implementing a bipartisan approach.

I turn now to a subject which has interested me greatly since I have been in this Parliament; that is, the presentation of petitions by citizens through their members of Parliament to the Legislative Assembly. All I can say about the petitions presented to this Parliament is that they seem to be something of a farce. A lot of time and effort by people in the community goes into compiling those petitions in order that this Parliament is made aware of the interests and views of certain sections of the community. As we have seen, those petitions are wide ranging - from people who are interested in the Shark Bay area or the fishing potential of the streams of the south west, to problems in our schools or with our roads - yet it seems to me that absolutely no notice is taken of them by this Parliament, or this Government, or the Ministers to whom those petitions are addressed. I do not know of one instance where a Minister has replied to a petition, or where the Cabinet has said, "We have taken notice of the petition that was presented to the Parliament and we will act in a certain way." I may be wrong, and if I am I hope a Minister will point out to me where a particular petition has had a dramatic effect on his or her thinking and on the actions of Government. It is a procedure by which the people of this State can have their views directly represented in the Parliament in a collective way, and we must review the procedure.

Mr Carr: There is a procedure whereby the Premier's office always makes sure that copies of the petitions go to the offices of the Ministers who have an involvement in the subject area, and they are usually replied to by the Minister. I do not say that the Ministers always agree with them, but the petitions are responded to in accordance with their merits as the Minister sees them.

Mr HOUSE: I accept that - I was not aware of it. However, there does not seem to me to be any public response by Ministers or the Government to petitions. Perhaps, at the time a petition is presented, the Minister responsible should be required, maybe after having a period of days to consider it, to make a response to the House in regard to the petition, or at least to acknowledge and recognise that a complaint has been made. I am not asking for Ministers always to agree, but surely the views of the people should be responded to. It would then be very easy for a member of Parliament who presents a petition with which the Government does not agree to be critical of the Minister involved.

I have presented a number of petitions to this Parliament and I can honestly say I have never had a response from any Minister directly to me about any of them - not one. It is a function of this Parliament that needs to be looked at. We acknowledge that we encourage people collectively to make their views known to us, as members of Parliament, by way of petition to the Parliament, so we should improve that process. I was not here in the days of the last Government but I suspect that much the same thing happened with the petitions it received; so I am not being critical of the Government in this instance but rather of the procedure, by which we do not seem to be achieving anything. It is an area we should examine on a bipartisan basis to see whether the Cabinet can come up with a way in which we can be more responsive to the people's wishes as presented by way of petition to the Parliament. I repeat that it is a very important function of the Parliament and we should be in a position to respond to the views and wishes of the people.

While talking about petitions, it was my pleasure to present to this Parliament last week a petition gathered by people in the south west of my electorate in response to a suggestion by the Director of Fisheries that the Pallinup, Bremer, and Gairdner Rivers be opened for more professional fishing. In other words, the Director of Fisheries was suggesting that more professional fishermen be allowed access to those rivers. The amount of net allowable was to be doubled from 500 metres to 1 000 metres at any one setting; and they should be allowed access at all times of the year. I was very much against that proposal because I believe Parliament should legislate to make recreational fishing recognisable and achievable as we have fewer fish in some streams due to overfishing by professionals. We can no longer talk about the fishing industry without recognising the tourist industry or the needs of families which wish to catch a few fish for their tea. Fishing is one of the more pleasant recreations for families and the rivers and streams of the South West Land Division are safe areas to take children to fish. The Bremer, Pallinup and Gairdner Rivers which are closed completely in the summer by a sandbar contain a limited number of fish. If we allow people to overfish these rivers with nets, the average recreational fisherman will be hard pressed to

catch a fish. I support the petition which was presented in this regard, and I hope the Minister will at least acknowledge the fact that 500 people support the point of view outlined in it.

Commenting on the Federal Treasurer's economic statement last night I draw attention to the rural employment situation and the problems faced by agricultural people. Small business people, as well as farmers, have difficulties employing farm labourers, shop assistants, truck drivers and so on, who are willing to live and work in country areas. The industry has experienced a trough but I believe it is now climbing up the other side. I see positive signs that the industry will be rewarded a little more for its efforts.

One problem that has become evident during the depression in country areas is the drift of people in support industries to cities and coastal regions. We need to encourage those people to return to the country areas, and to encourage young people to stay and make their homes in places such as Gnowangerup, Tambellup and Katanning. We can achieve this by ensuring that people other than farmers' sons have access to agricultural schools in country areas - people who wish to be involved in different areas of agriculture, such as shearers or truck drivers. Quotas of, say, 25 per cent should be set at agricultural schools for these people. It is difficult to convince people from the cities to come and experience rural life if they have no prior knowledge of that lifestyle. We should actively encourage people to make their homes in country areas. Great emphasis has been placed by this Government on the coastal areas of Bunbury and Albany; in future emphasis will be placed on Geraldton, and to a lesser extent on Esperance. We should also target places such as Narrogin, Katanning and Merredin, together with Kojonup and Gnowangerup and other places dear to my heart. Assistance should be given to these areas for the establishment of rural industries to ensure that people live and work in those areas.

A law and order problem exists in my area. We have held a number of meetings in Katanning, the last of which attracted 220 people. A great deal of concern has been expressed about the many juvenile delinquents, breaking and enterings, and the unlawful use of motor vehicles in the area. The average person in these areas believes that a more active part should be taken to rectify the situation. I applaud the efforts made and I hope the Government will recognise the citizens' concern. The people apprehended for these crimes should be made more accountable and punished more severely by the courts. Also the parents of the juvenile delinquents should be made accountable and responsible for the actions of their children. Problems may arise with this line of action but we should ensure that the family is a more recognised and responsible unit; mothers and fathers should take more responsibility for the actions of their children. If this means they have to carry out community work to rectify the vandalism by their sons and daughters, so be it. I would support such a scheme.

We have reached the stage where we cannot even protect our own property; we are not allowed to use any force to protect our own property, and that is ridiculous. Recently a man apprehended three young people, just outside my electorate, who were stealing fuel from his bowser. The same three young people had previously terrorised the man's wife with a knife; they had escaped but the woman recognised them the second time they turned up. When the man heard the three young people at the fuel bowser, he was angry and ran out of the house with a shotgun and let a shot go. In hindsight, perhaps he should not have done so. One of the young men now claims that a pellet was embedded in his body, and has laid charges of unlawful assault against the farmer. The three young men, without exception, when brought before the court were let off without any great penalty. The most severe penalty was a 150 hour service order. The man's wife and child had been terrorised, the man had taken action to protect his family and property, and he now faces a court appearance on a charge of unlawful wounding. I do not condone the use of a shotgun in that instance, but I bring it to the attention of this Parliament because the day will come -

Mr Watt: I do, in the circumstances that he used it. He shot it in the air.

Mr HOUSE: That may be so, but we have to be careful about going too far in these cases. I understand how angry that man must have been. The unfortunate thing in this case is that nobody could prove the incident of the week before. If they could have done, those young people could have been apprehended and dealt with.

Mr Watt: The psychological damage to his wife and child is tremendous.

**Mr HOUSE:** Absolutely, I could not agree more. This fellow started life as a farmhand in my region, and worked his way up to where he now runs a very successful business. Everything that man owns he has earned with his own hands, and I take my hat off to him. He is a solid member of the community. Parliament will have to consider allowing people to protect their own property.

In that connection I emphasise that the call for more police officers in the country is a very real and necessary move. More particularly, I would like to see police officers get out of their motor cars, and come out from behind their desks, for a change. We have reached the stage where the higher echelons of the Police Force are forcing the officers who work under them into desk jobs, writing a report every time they do something. I do not know how long it is since I saw a police officer walking the beat in the country. It is a long time since I saw one strolling the streets of country towns like Lake Grace, Gnowangerup or Katanning, talking to the people.

**Mr Carr:** Senior officers are constantly emphasising that they should get out of the vehicles and walk the streets.

**Mr HOUSE:** I am pleased to hear a Government Minister prepared to say that; however, the message has not filtered down to the police officers, because they are not doing it. I am not being critical of the men who ought to be on the beat, I am being critical of the senior officers who want them to write a report every time they blow their noses. That is nonsense; the Police Force cannot operate like that. We have to allow these police officers to get out of their motor cars and offices, away from the bookwork, and achieve something on the streets. If we do that we might achieve more in solving law and order problems in the country.

**Mr Carr:** You do know that we gave the Police Force a considerable number of extra administrative people, to take over the work of the police officers in typing up reports and so on, so that more could get out into the streets?

**Mr HOUSE:** I commend that, and add that there should be more of it. It is a step in the right direction.

I shall touch on two subjects in the time that is left to me. One concerns the Treasurer's economic statement of last night. According to a report in *The West Australian*, the Treasurer said that industry must pay its own way more. That is a commendable statement, and I could not agree with it more, but it seems to me that the Treasurer has decided that the statement should apply to agriculture, and those involved in it, but not to a lot of other areas.

Agriculture has fared badly in the May economic statement. The promotion of wool has been one of the greatest things in the Australian economy in the last two years, and to reduce support for the wool industry is crazy. I cannot understand why, when we have a product which is turning the Australian economy around every day - the increase in the last fiscal year was 50 per cent in net terms to this country's economy - we should reduce the level of support in promoting wool around the world. A single commodity which is bringing in \$7 billion or \$8 billion in a fiscal year should be encouraged, not discouraged. I am not saying the industry cannot stand on its own two feet, as I am sure it can. This is an example of where the Treasurer has taken assistance away from an industry that is actually producing real results for the economy of this country, and great benefits to all agricultural people.

**Mrs Beggs:** What has he done?

**Mr HOUSE:** The Treasurer has reduced the support for the promotion of wool and woollen products around the world. It is a topping-up contribution because we already pay by way of the wool fund towards helping ourselves. I do not think anybody objects to it. We are quite pleased to pay because the results and returns have been very beneficial.

It is a pity that the Treasurer has not taken the opportunity to increase more substantially the amounts available for soil conservation, and the encouragement of people in that respect. There has been some increase, and I acknowledge that, that is marvellous. However, it is time that the people of Australia realised that the soil does not belong to the individual farmer who farms it at any one time. It is time that Australian people, including some farmers, realised that they have been given that soil, not as a right, but as a privilege, to use for their lifetime and that they should leave it in better condition than that in which they found it, for future generations of Australians. The amount of erosion in agricultural areas because of over-farming is enormous. The Government will have to take steps to, in some

cases encourage and in others force, farmers to be more responsible in their actions with regard to soil and erosion control.

There are a number of other things about the economic statement which I could mention, but I wish to touch on something that happened to me last week, relating to the reduction in pharmaceutical benefits for people in the community. I do not think anybody in this House will be affected by it. I was in a doctor's surgery last week, and noticed that the doctor was charging \$20 a visit. I remarked to the pensioner lady beside me, whom I know very well, that it was a lot of money. She said to me, "It doesn't matter. Last week I told my daughter she should take her child to the doctor and she said, 'Mum, I can't afford that.' I told her she would get it back from Medicare and she said that she cannot afford the drugs which the doctor would prescribe for her child."

The time has come to take a good look at the assistance for pharmaceutical benefits to people on low incomes, because we will reach the stage where mothers will not want to take their children to the doctor because they cannot afford the drugs which the doctor will prescribe to treat them. That is disgraceful. It is a great shame that the Treasurer has seen fit, in his economic statement, to increase what will be an impost on the average family in this country.

I have only one minute left, and I gave an undertaking to some people that I would mention, at my first opportunity in this House, the fact that I was fortunate enough to be chosen to represent this country on an all-party delegation to Canada last year. I acknowledge the work done by the young political leaders in this and other Commonwealth countries. That trip was of immense benefit to me and the other members of all parties who were part of it. I hope, at a later stage, to be able to speak in this House at greater length about the benefits that we gained by having people from all over Australia on that exercise.

I urge all members of Parliament, if they get an opportunity to encourage young people in the community to be involved in such trips to other countries, please do so and recognise the young political leaders' organisation in this country, because it is performing a very valuable service for the future betterment of the political life of Australia.

**MR CASH (Mt Lawley) [11.30 am]:** My contribution to this debate will deal with road funding as it affects Western Australia and Australia generally. However, before doing so, I congratulate the three new members who have joined us in this House as a result of recent by-elections. They are Mr Fred Tubby, who won the seat of Dale, and the new members for Balga and Ascot. I know Fred Tubby is a man of tremendous energy and I know that he will represent his electorate in the proper manner.

It is important that this Parliament recognise that Western Australia now faces a crisis in road funding. Some roads in Western Australia, especially in rural areas, face the prospect of being graded and returned to an unsealed condition. I think that is a disgrace which reflects particularly on the Hawke Labor Government in Canberra and on the former Burke Labor Government and the Dowding Labor Government in Western Australia. That reduction in road funding has not just occurred in recent months. There has been a continual reduction over a number of years and, in particular, since the Hawke Labor Government came to power. The statistics relating to road funding indicate that, in real terms, there has been a decline of almost 40 per cent in funding during the term of the Hawke Labor Government. I believe that is a national disgrace, a comment with which most members of the Opposition, and particularly country members, would agree.

Last night, the Federal Treasurer made a statement known as the May mini-Budget. Many shire councils throughout Australia hoped that the Federal Treasurer, in that statement, would recognise the call by various automobile clubs throughout Australia to increase funding for roadworks. Regrettably, that did not happen. In this morning's newspaper, the Federal Transport Minister, Mr Morris, acknowledged that, in real terms, there will be a reduction in funds available for roadworks over the next three to five years. The State Minister for Transport will have to take that matter up with his Federal colleague.

**Mr Grill:** He has already taken it up with him.

**Mr CASH:** Has he taken it up with him since the statement last night?

**Mr Grill:** No, not since the statement last night.

**Mr CASH:** The State Minister for Transport needs to discuss with his Federal colleague the



matters relating to road funding announced in the Treasurer's statement last night, particularly as they relate to Western Australia, because Western Australia will suffer as a result of that statement. I understand that the Minister for Agriculture agrees with that proposition.

Mr Grill: I do. It is something to which we agree on an impartial basis.

Mr CASH: A 40 per cent reduction in funds in real terms for roads during the term of the Hawke Labor Government is a national tragedy.

Mr Grill: Sure, but we have always had a bipartisan approach on this matter. The Minister has taken up that reduction with his Federal colleagues. We are happy to cooperate with you on this matter.

Mr CASH: I am pleased that the Minister acknowledges the tremendous reduction in those funds across Australia. I hope that there is a bipartisan approach to improving the situation because there is no question that, unless we do something about the level of funds in Western Australia, some rural roads will deteriorate to the condition of roads in third world countries.

Recently, the member for Murchison-Eyre, whose electorate covers a huge expanse of this State, was reported in the newspaper as saying that, because of the lack of both State and Federal funds, roads in his electorate could deteriorate to the state of those in third world countries. That is very disappointing. I know that the member for Murchison-Eyre would want that corrected as soon as possible.

Mr Pearce: The statement requires correction.

Mr CASH: It is good that, after I have spoken for about six minutes, the Minister for Transport has returned to the Chamber. Has he taken the opportunity this morning to speak to his Federal colleague and to make it clear that Western Australia is not prepared to accept the statement of the Federal Treasurer which was delivered in Canberra last night?

Mr Pearce: I was in Canberra six weeks ago and argued for an improvement in the level of road funding.

Mr MacKinnon: You failed.

Mr Pearce: What did you do? We went to Canberra to try to convince the Federal Government that it should at least maintain the level of funds for roads and that has been achieved.

Mr CASH: A few minutes ago the Minister for Agriculture agreed that road funding should be a nonpartisan issue. The Minister for Transport has now told us that he was in Canberra six weeks ago after I asked him whether he had spoken to his Federal colleague last night and put a proposition to him in the interests of this State. It is obvious that the Minister for Transport failed six weeks ago, given the statement that was delivered last night.

I am prepared to make road funding a political matter if that is what the Minister for Transport wants. Clearly he has not listened to the Country Shire Councils Association which has said that the level of funding in this State is a monumental disgrace. Does the Minister agree with that?

Mr Pearce: I don't agree that it is a monumental disgrace. That is an exaggeration.

Mr CASH: Does the Minister support the Country Shire Councils Association in its attempts to improve road funding in this State?

Mr Pearce: I support its effort to improve road funding, but I do not accept that every last statement I make supports it.

Mr CASH: The Minister should make up his mind as to whether he supports the association and the Royal Automobile Club of Western Australia in their attempts to gain additional road funds because there is no question that the roads in Western Australia are deteriorating rapidly.

Mr Pearce: There is a problem, but it is not as great as you are trying to make out.

Mr CASH: All the Minister for Agriculture and the Minister for Transport have to do is to read the last annual report of the Main Roads Department and, in particular, the Commissioner for Main Roads' comments to see that we have a problem in this State. I do

not believe that it behoves the Minister for Agriculture to say that, by pointing out the problem of road funding, one is knocking one's State. I raised this matter in an attempt to bring this serious problem to the attention of the Minister for Transport.

Mr Pearce: While you are here talking, we are out working for these things.

Mr Lightfoot: Is it possible that, with a reduction in road funding, the roads are better?

The SPEAKER: Order! I will - perhaps for the last time - just advise members about the way interjections should proceed. As members know, interjections are highly disorderly under the Standing Orders. However, if I were to rule every interjection out of order, as I should, and if I were to stick strictly to the Standing Orders, debate in this place would be boring and would not get anywhere. So I do not intend to do that; but I intend to disallow interjections across the Chamber between members who do not have the call to make the speech. If members want to make an interjection, they should make it to the person on his feet or keep it until it is their turn to make a speech.

Mr CASH: We do not want to see the situation develop in Western Australia where we end up having to downgrade our roads; that is, grade the sealed surfaces off our roads and return them to an unsealed condition. That is occurring in at least three Eastern States areas: New South Wales, Queensland and Victoria. I had the opportunity yesterday to speak to a Liberal member of the South Australian Parliament, who told me he believed that in South Australia some sealed roads were being downgraded by country shire councils and returned to an unsealed condition.

I mention this because I am led to believe that councils are now faced with the prospect of looking at their future funding, and they do not believe they can impose greater financial burdens on their ratepayers, especially in rural areas. So they have made a conscious decision to grade the top off the sealed roads and return them to an unsealed condition. That is not the sort of thing we want to see occurring in Western Australia.

Mr Pearce: It is not occurring and it will not occur. Can you tell me where in Western Australia it is occurring?

Mr CASH: I have been given a couple of examples where country shires believe some sealed roads may have to be returned to an unsealed condition. If the Minister cannot run his portfolio and has to run to me to seek information so that he will then be able to do something about the problem in the country, his Government is in a pretty desperate situation. If the Minister spent more time understanding what his portfolio was, instead of getting the Transport portfolio and tipping it upside down - as he has done with education and planning - we might all achieve something, especially when I raise things that the Minister does not want to recognise as fact. We are facing a crisis in this State in respect of road funding, and I ask the Minister and his Government to recognise that.

Mr Clarko: He is the only one who does not.

Mr CASH: I would have thought that because of the Minister's responsibilities for planning and because he claims he is relatively close to local government in Western Australia, he could understand the pleas of the Country Shire Councils Association and the RAC.

Mr Pearce: I have no problems with the association. I have been working for increased road funding from the Federal Government while you have just been yapping in Parliament and everywhere else. You have not done anything concrete.

Mr CASH: I raise this issue to highlight the failure of the Minister for Transport to address the situation. If it is true that the Minister has been out there working, the comments made by the association and the RAC indicate that the Minister has failed.

Mr Pearce: Do you support the proposition put by the association to increase the Western Australian levy on fuel?

Mr CASH: If we are going to talk about the revenues that are derived from fuel taxes perhaps the Minister would be interested to know that the Federal Government raises \$6.5 billion each year from fuel taxes.

Mr Pearce: Through a system initiated by the Fraser Government.

Mr CASH: The Minister wants to justify why his Government raises that tax. If he listened

for a few minutes, he might learn something about the road system in Western Australia. The \$6.5 billion collected by the Federal Government returns about \$1.25 billion in the form of road maintenance and road construction grants to the various States around Australia.

Mr Pearce: That is under the system set up by the Fraser Government.

Mr CASH: I have made the point before in this House that as soon as members on this side touch on some of the soft spots of this Government, Government members - and particularly Ministers - start to howl. The Minister for Transport howls every time anyone mentions education, planning, or now transport.

Mr Pearce: You are just a talking head - Mr Ed, the talking head from Mt Lawley.

Mr CASH: Let the Minister for Transport carry on with his pathetic interjections while I raise the important point of road funding in Western Australia. If the Minister is not prepared to listen to the pleas of the Country Shire Councils Association and the RAC I will advise them accordingly. Someone in this House must take positive action to try to get additional funding for the road system in this State. If the Minister is not prepared to do that, the Opposition will do it when it returns to Government after the next election. It is a pity that the first three or four months of a MacKinnon Liberal Government next year are going to be spent in sorting out the failures of this Government.

Mr Pearce: Tell me about the roads in Western Australia that have to be graded down.

Mr CASH: The Minister clearly has not been listening to me; he was too busy interjecting. I said that a country shire councillor had mentioned to me that some councils -

Mr Pearce: You said you were going to mention what they were.

Mr CASH: The Minister is like a little yapping dog. The Transport portfolio is too big for him. He should get serious and start addressing the question.

Some rural councils believe that unless road funding in this State is increased they may have to grade sealed roads and return them to unsealed conditions. If the Minister believes that is the right thing to do, I pity rural Western Australia. We will see a situation where the rural roads in this State are similar to roads found in third world countries.

In 1986-87 the Main Roads Department in this State received grants and revenue in the order of \$282.3 million. About 18 per cent of that revenue came from Commonwealth ABRD funds; and 36.3 per cent from ALTP funds. On the State level, vehicle licensing fees made up 24.5 per cent, or \$69 million of its revenue; and the Transport Trust Fund made up 15.9 per cent, or \$45 million of its revenue. The State Transport Trust Fund raised in the order of \$100 million for the year out of the State's fuel levy, but regrettably the Government determined that the Main Roads Department and the road maintenance and construction area of this State should receive only about 50 per cent of those funds. That is, about \$45 million of those funds, as members would be aware, was transferred across to the Metropolitan Transport Trust, or Transperth, as it is now known.

Mr Pearce: That reduces the pressure on the roads, you goose.

Mr CASH: If the Minister believes there is adequate funding for roads in Western Australia, so be it. I disagree with him and I believe he is required by the Western Australian community to address the problem more effectively than he is at the moment.

Mr Pearce: It is being addressed.

Mr CASH: The Minister has not been doing it too well. Given his Federal colleague's statement last night we will see, in real terms, a decline in road funding over the next few years. Surely that is not the sort of thing the Minister wants to see?

Mr Pearce: Of course it is not.

Mr CASH: I thank the Minister; at least he has acknowledged that it is not good enough.

Mr Pearce: We are trying to improve the situation with the Commonwealth; you are doing nothing. You could join with me in a bipartisan approach to Canberra.

Mr CASH: At least I am raising this matter in the Parliament. If I had not raised it, we would have the situation where the Minister for Transport continued to sit on his hands doing nothing. I am not particularly interested in what the Minister is doing; I am more interested

in what the country shires, the Royal Automobile Club and councils generally throughout the State say to me in respect of the conditions of their roads and the pressures now being placed upon them as a direct result of inadequate road funding, both from the Commonwealth and from the State. On behalf of those associations and on behalf of the rural community of Western Australia in particular, I ask the Minister to recognise this problem and to address it.

Mr Pearce: The problem was recognised and addressed a long time before you even heard of it, my friend.

Mr CASH: If that is the case, I can tell the Minister -

Mr Pearce: Tell us what your attitude is to the Country Shires Association's desire to increase the levy?

Mr CASH: Rural Western Australians quite clearly do not believe that the Minister for Transport is doing an adequate job in respect of road funding. As to the revenue collected by the Federal Government - and I have mentioned this before - why does the Minister not go to the Federal Government and put a proposition to it that it spend more than the current \$1.25 billion, of the \$6.5 billion raised, on road grants, construction and maintenance? Why is it that every time a problem occurs, the Minister for Transport wants to increase taxes?

Mr Pearce: No, I don't. The CSA wants to increase the taxes on people.

Mr CASH: Does the Minister not believe that the Federal and State Governments already raise sufficient revenue? I believe they do, and I do not believe that this State Government has recognised the priority that ought to be attached to road funding in this State. For the benefit of the Minister for Transport - someone who by his interjections has clearly shown he has very little knowledge of the road system and very little rapport with the Western Australian rural councils - I point out that there are some benefits that the community generally, and the State, derive from good roads.

Mr Pearce: They have good roads. We are going to make sure they keep good roads.

Mr CASH: It seems that the Minister for Transport believes we have good roads in Western Australia. I invite the Minister to spend a few minutes with Peter Kyle from the Local Government Association and with the CSA in order to listen to what they feel about the current level of road funding in this State. They clearly do not believe that the level of funding is adequate. I will read from a letter which was sent to one of our colleagues from a country shire. In part the letter reads -

Here we have a situation where some 800 odd Municipalities, the Oppositions in Western Australia, Victoria and South Australia, the State Governments in New South Wales, Tasmania, Queensland and the Northern Territory, as well as all the Local Government Associations, Road Federations, and dozens of other organisations literally bombarding the Federal Labour Government with opposition to their meagre grants - AND GETTING NOWHERE.

How much representation do Federal and State Governments need by these various groups before they try to improve the situation and before they acknowledge that we have a problem with road funding in this State?

Mr Pearce: Which shire wrote that letter? They are grossly uninformed if they are not aware -

Mr Watt: It is a reasonable assumption that the Minister never gets off the major arterial roads.

Mr CASH: I agree.

Mr Clarko: You wouldn't want to answer his question and tell him which shire.

Mr CASH: I am not going to even answer his interjections because they are so pathetic that they indicate quite clearly that the Minister for Transport does not understand the portfolio he is supposed to administer.

Mr Clarko: They should give him bike planning.

Mr CASH: Does the member not think that the Minister would destroy bike planning as well?

Mr Clarko: Yes, I do.

Mr CASH: The point was made that the Minister does not get off the major arterial roads. He does not understand the local road system in Western Australia at all, nor does he understand the way in which it is deteriorating.

If we turn to the Federal Treasurer's statement last night, I point out that insufficient funding has been set aside for the road system in Australia, and Western Australia will suffer as a result of that. This Minister for Transport has not addressed the situation; he has not contacted his Federal colleague -

Mr Pearce: I have so.

Mr CASH: He admitted he had not contacted his colleague this morning to discuss the road funding situation and in not speaking to Canberra the Minister has not addressed a number of other things that quite clearly came out of last night's mini-Budget. The Federal Government has seen fit to reduce the first home owners' scheme by \$1 000. Only last night in this House we were talking about the land shortage faced in the metropolitan area, something that this Minister for Transport denied existed. We now find that on top of that problem, we in Western Australia are now faced with the Federal Government's decision to reduce the first home owners' scheme across Australia. That will affect young couples in this State. I suggest that this is something the State Government should take up with its Federal colleagues. We almost have the situation now where the State Government comes out every day saying it disagrees with decisions made by the Federal Government. In fact I refer to the Premier's statement last night on television when he was opposing the Federal Government's intention to introduce a gold tax in 1991. I think that is an absolute disaster. I think the Prime Minister and the Treasurer were encouraged by the Minister for Police and Emergency Services, the Minister for Agriculture and the Deputy Premier, who clearly all support the introduction of a State gold levy. The Prime Minister took his lead from their comments and decided to impose a gold tax on the goldmining industry. I find that reprehensible and I hope it will be redressed by the State Government.

#### *Amendment to Motion*

In view of the mini-Budget statement last night, I move the following amendment to the Address-in-Reply -

That the following words be added to the motion -

But the Parliament regrets to advise your Excellency that the State Government's support of the Federal Government's May mini-budget is not in the best interests of Western Australians, who will suffer as a result of,

- (a) the imposition of a tax on gold which will significantly damage investment in the gold related industries and hence affect employment;
- (b) the failure of the Federal Government to deliver tax cuts to Australians who are facing declining living standards with the current tax regime;
- (c) the reduction in the First Home-Owners Scheme which, together with rapidly escalating land and home prices, is putting beyond the reach of many young Western Australians their first home;
- (d) the significant changes to road funding and rural assistance programmes so imposing greater burdens on rural Western Australia, and
- (e) has failed to do anything to address labour market reform which is essential to the future success of Australian industry;

and as a result your Government deserves the most severe censure and condemnation.

MR MacKINNON (Murdoch - Leader of the Opposition) [12.01 pm]: I have pleasure in seconding and speaking to the motion. On the face of it one could say that the economic statement made by the Treasurer last night is not all bad and that it contains some welcome reforms. Although that seems to be the case on the surface, a closer examination reveals that in all cases except one such an observation must be qualified; for example, the welcome reduction in company tax must be very heavily qualified by the changes made to fund that

cut. The freeing up of restrictions on public enterprises are welcome but it overlooks the fact that the Government turned away from opening up enterprises such as Australian Airlines, Qantas, and the like to any privatisation program.

I can support only one area of that statement without qualification; I refer to that pleasant move by the Government on tariff reforms. These reductions in tariff will be made over a period which will allow industry to account for that change, and they will open up the Australian economy in a better and far more competitive way than has been the case in the past. I support the Government's statement on tariff reforms without qualification.

However, in almost all other areas of so-called reform, the Federal Treasurer has tried to pull the old pea and thimble trick. He has created the illusion of change but the bottom line is that little change will take place, for example, in the company tax area. The Treasurer had to act because a failure to do so would have resulted in a flight of industry across the Tasman to New Zealand, which has introduced new tax laws, and the continued flight of major corporations to the United Kingdom and the United States. The Treasurer was forced to act and he reduced the company rate of taxation. What has been the cost of that reduction? It has been a significant cost, particularly to Western Australians. The gold tax will mean that Western Australia will shoulder most of the burden for the imposition of the tax cuts. As my colleague, the member for Mt Lawley, said, the Western Australian State Government must bear all the blame for the introduction of that tax, because it has supported the gold levy at a State level. The Premier gave the Government away last night when he said that the gold tax would be okay for large producers and that the State Government would fight it only for the smaller producers. The Opposition will continue to fight the gold tax on both small and large producers.

A reduction has been made in the depreciation allowances, as part of the trade-off, and in my view this is not a forward step. Investment in plant and equipment will decline. A significant reduction will be made in the granting of allowances for expenditure on research and development. I welcomed the introduction of those allowances in 1985 because historically Australia has a low level of expenditure on research and development. That reduction will cost companies in taxation terms, and our nation will suffer because of the effect on the future return on investment which research and development brings.

A further increase will be made in the prescribed payments tax - I think it has doubled since it was introduced in 1985 - and, of course, the rural sector will be significantly affected by cuts in the areas of fertiliser levies and road funding.

Although on the one hand the Government has given a reduction in company tax, it has taken it away with the other hand. Western Australians particularly will bear more than their fair share of that load, especially with regard to the gold tax. There is no doubt - and I am sure all members will agree - that this is the fastest growing industry in Western Australia. The tax will have a significant impact in the community and I quote from an article in the Australian Goldmining Industry Council publication under the heading "Gold tax: its effects on other sectors of the economy" to give an indication of the extent of that impact -

It is conservatively estimated that a gold tax will result in direct expenditure reductions of:

- \$522m in capital investment expenditure;
- an immediate annual reduction in exploration expenditure of \$100m; and
- a reduction in potential annual operating expenditures of almost \$150m.

As Western Australia produces 80 per cent of Australia's gold, it can be seen that we shall bear the brunt of that tax, a benefit that has been passed to companies in Australia. I repeat that the Treasurer has pulled the pea and thimble trick on the community and Western Australia will carry the heaviest load. An immediate impact will be felt and I am sure my colleagues, the member for Murchison-Eyre and the Deputy Leader of the Opposition, will outline in greater detail the impact on the gold industry. The goldmining industry in this State will hit its most difficult times in the 1990s, as most of the easy, open cut mines will be worked out and the industry will have to develop underground mines. That is the time when we should support the industry, but the Commonwealth will be following the lead of the State Government and imposing a tax. A significant impact will be felt in Western Australia now, but the severest impact will be felt in the 1990s at a time when we should be providing assistance to that industry to develop long term, underground mining operations.

A further area of great concern to the Opposition in this Budget is the impact it will have on families and taxpayers in this State. The statement contains nothing for the benefit of families in Western Australia. The tax paid by the average taxpayer in Western Australia has increased from the marginal rate of 30 per cent five years ago to 40 per cent today; that is, he pays one-third higher tax than he did five years ago. Also the tax paid on average weekly earnings by a taxpayer with a dependent spouse and two children has increased from 18.8 per cent in 1985 to 20.8 per cent in 1988. In raw terms the taxpayer paid \$76 a week in 1985 and pays \$98 in 1988, an increase of 29 per cent over the last two or three years. From 1982-83 to 1986-87 taxes in Western Australia have increased by 89 per cent compared with an increase in Victoria of 46 per cent. Victoria is not the State with the lowest rate of increase and I chose it because it has a Labor Government. From 1985-86 to 1986-87 Western Australian taxes have increased by 25 per cent compared with an increase of 12 per cent in Victoria.

My comment at the outset is true; the failure of the Federal Treasurer to give relief to families in this State means that Western Australian taxpayers are now worse off than any other taxpayers in Australia. They are not only facing the imposts of the Hawke Government, but also they are living in a State with the highest rate of taxation increases in Australia. The increase is almost double the increase of taxes in Victoria. The families in Western Australia will not only be hit by the cost of the gold tax, the loss of jobs, the loss of investment, and by the tax structure - we are all aware that many people who are not paying the marginal rate of taxation will come into that group this year as inflation takes them by tax creep into higher levels; they will also be affected by the impact the statement will have on housing, a topic we debated last night.

First home owners and people aspiring to own their first homes in this State were last night dealt a savage blow by the Federal Treasurer. The facts make interesting reading. The facts are that 75 per cent of first home owners have average yearly earnings below \$24 500. That is, 75 per cent of all people applying for the first home owners' grant - three out of every four - have average earnings below \$24 500.

Secondly, land and home prices in this State are escalating at greater than 20 per cent per annum. That must be compared with how average earnings are increasing. The income of a person on \$24 500 would be increasing at about six per cent per annum. Land and house prices are increasing at greater than 20 per cent per annum. I predict that this Government's inactivity in the area of land will result in a rapid increase in the next 12 months.

Mr Peter Dowding: What is the Federal Liberal Party's policy on the first home buyers' scheme?

Mr MacKINNON: We have totally supported it. In 1983 the first home owners' scheme was \$6 000, in raw figures. We have supported it at State level quite actively, as my colleague the shadow Minister for Housing will confirm. The first home owners' scheme in 1983, at \$6 000, was 11 per cent of the price of a typical first home. Today the maximum grant represents but six per cent of the price of that same home. On top of that the Treasurer last night predicted that interest rates would again rise.

So we have first home owners whose income is increasing at much less than the rate at which land and housing is increasing. Secondly we have a first home owners' scheme which represents but half of the value of the scheme in 1983 when compared to the price of a typical first home. Thirdly, we have a Federal Treasurer who predicts that interest rates will rise. Everything is working against the first home owner. He has no tax relief, he has a reduction in first home owners' grants, and in fact prices in this State are booming, fuelled by the inactivity of a Government insensitive to the needs of ordinary, everyday Western Australians and more in tune with the needs of the people in St George's Terrace who need the Government's assistance from time to time.

Mr Peter Dowding: Do you think demand was overheated at all? Do you think that played a part in the marketplace?

Mr MacKINNON: In terms of prices of land?

Mr Peter Dowding: Yes.

Mr MacKINNON: I would have thought that the Premier knew the basic law of economics was supply and demand. There has been an increase in demand, but there has also been a

dramatic reduction in supply, and that is directly the result of State Government inactivity - inactivity for which the Premier will be blamed when those prices continue to escalate over the next few months and when people continue to fail in their quest to buy their first block of land and own their first home at an affordable price.

In summary let me say this: The Federal Treasurer has attempted a restructuring program in Australia but has failed. He has failed because he was not prepared to make the tough decisions necessary to provide that restructuring.

**Mr Burkett:** Have you seen how the share market has responded to that failure? The biggest individual rise this morning was 17.5 points since the October crash. Even your colleague, Mr Peacock, said it was a good mini-Budget.

**Mr MacKINNON:** I wonder how the people in Scarborough battling to make ends meet will react to the fact that the stock market went up today by 17 points, yet they will continue to pay tax at the highest level in Australia? I wonder how those people will react to interest rates on their homes increasing? Will the fact that the stock market increased by 17 points be of any solace to them? I doubt it.

To return to what I said before that inane interjection, the Federal Treasurer failed in his restructuring; he failed to deliver in the area of personal tax cuts because he was not prepared to make the necessary tough decisions. He was prepared to cut back the States by more than he was prepared to cut back himself. He was not prepared to make any effort to attend to the side of the equation which has been ignored again at a State and Federal level - the labour market. He was not prepared, because of the left wing lunatics within the ALP, to address the very important question of public sector efficiency in any realistic or reasonable way.

In his attempt to restructure Australia he has also mounted a clear attack on Western Australians by the foreshadowed imposition of the gold tax, by his reduction in the first home owners' scheme, and by the failure to deliver tax cuts in the State facing the greatest increase in taxation across Australia, which means that Western Australians have been the hardest hit by this insensitive May mini-statement.

To top it all off, we have a State Government which is too busy with its investment deals to realise that the gold tax, which it has let in by its support of the gold tax levy in the goldfields, will cost this State dearly, both now and in the 1990s. By its support of this Federal Budget, and because of the inactivity in the home building area and the land supply area, this State Government has pushed the first home owning dream of many Australians beyond their reach. This Government has a tax record in this State which is hurting more and more Western Australians by the day; hurting them in a way of which Paul Keating and Peter Dowding have not the faintest realisation.

I have the greatest pleasure in supporting the amendment.

**MR PETER DOWDING** (Maylands - Treasurer) [12.18 pm]: I suppose the mark of a strong leader is his ability to give credit where credit is due; to be critical and analytical where that is appropriate; but above all, having identified a clear economic and political path, to stick to it. None of those qualities is evident in the statement from the Leader of the Opposition today. I am disappointed that the Liberal Party was not more supportive of the State Government and the goldmining industry's attack over the last five years on the attempt by the Federal Government to remove the exemption. No Government has worked as hard and as long to achieve that objective as we have. It was only last week that the Leader of the Opposition was carping and whingeing about the former Premier, Brian Burke, going to Rumania; yet the Leader of the Opposition said, "You are able to send Julian Grill and David Parker to Canberra for a stunt."

**Mr MacKinnon:** And they failed miserably.

**Mr PETER DOWDING:** The Leader of the Opposition should think of the contribution he made to the debate last week when he accused Ministers Parker and Grill of going to Canberra for a stunt. It was a very serious and very important issue which the Leader of the Opposition should have had the strength of character to support fully, but he does not have that strength of character. He is unable to give credit where credit is due.

**Mr MacKinnon** interjected.

**Mr PETER DOWDING:** The Leader of the Opposition had 20 minutes to make his speech



and he made a pretty pitiful effort. He has had his go and should just take the criticism for a minute. It is a mark of his inability to lead his party that he cannot even take any criticism now - he wants to shout people down. The Leader of the Opposition could not even join with us last week in treating seriously the very energetic and proper actions of Ministers Parker and Grill in going to Canberra to continue lobbying against the introduction of a gold tax.

Mr Clarko: They failed, didn't they?

Mr PETER DOWDING: Of course we failed. As an industry, as a State, and as a political party we were unable to persuade the Federal Government that there should be a continuation of the exemption past 1991.

Mr Clarko: Because you would introduce your own tax.

Mr PETER DOWDING: That is absolute nonsense. Not even the wildest imaginations outside this Chamber would suggest that.

I am reminded of a comment which appeared in *The West Australian* newspaper after the Leader of the Opposition's famous - or infamous - very unsuccessful policy launch. The newspaper's leader said "Mr MacKinnon's instinct for political opportunism is clouding his judgment." It then went on to deal with other matters, but that is exactly the way he approached our efforts to continue the gold exemption last week and that is exactly the way he has approached his comments on the mini-Budget.

Let us hear some comment about the massive restructuring of the Australian economy that has been embarked upon by the Labor Government in Canberra since 1983 and which is continued in this May economic statement. Let us look at a variety of comments in the Press today. A report by Paul Austin in *The Australian* read -

The Business Council of Australia (BCA) last night welcomed the mini-Budget as "another step forward in the right direction".

The BCA's president, Sir Roderick Carnegie, said good points included the company tax reduction, the emphasis on discipline and restraint in wages outcomes, the promised personal tax cuts, a start on the commercialisation of public enterprises and continuing steps in the structural adjustment of the economy.

Tim Treadgold said in *The West Australian* today -

Pressure groups such as the goldmining industry and superannuation funds will complain bitterly about last night's mini-budget but their moans will not dim the fact that business has much to be pleased about.

On any view of the matter there are a variety of issues here on which to commend the Federal Treasurer. In the *The Australian* Bryan Frith reports -

The economic statement is an impressive effort on all counts.

It represents a major policy commitment and thrust towards genuine, and significant, structural reform.

At the same time, it is a skilful political document, which is likely to be well received in most quarters. It would not surprise if it resulted in a stronger dollar and a stronger sharemarket.

*The West Australian*, in its leader, is restrained but nevertheless mildly approbative of the Budget and it is critical of the non-introduction of tax cuts immediately - a matter I will go into in a moment. But the Leader of the Opposition will never be seen as a credible alternative Premier. He will never be seen even as a leader of his own party if he cannot have the guts to give credit where credit is due and acknowledge the real direction that is created by this economic statement.

I have made my position clear on the gold tax exemption. I have been vigorous and condemnatory of the Federal Government -

Mr MacKinnon: While supporting the gold tax levy in Kalgoorlie. It is absolute hypocrisy.

Mr PETER DOWDING: I am sure it would be of great advantage to the debates in this place if the Leader of the Opposition could at least get his facts right.

Mr MacKinnon: Didn't you support the gold levy in Kalgoorlie?

Mr PETER DOWDING: The Leader of the Opposition is almost whining now.

Mr MacKinnon: Did you?

Mr PETER DOWDING: I did not support the imposition of a gold levy; I made that quite clear in a number of forums, most of which, because of the Leader of the Opposition's own shallow reputation, he was not invited to. It is the shadow Leader of the Opposition who receives invitations to most of the forums I go to.

Mr MacKinnon: Didn't you support the move in Kalgoorlie for a gold levy?

Mr PETER DOWDING: The Leader of the Opposition should just get off his barrow for a moment.

Mr MacKinnon: The Deputy Premier did.

Mr Parker: That is not true. I made my position clear in this House last night.

The ACTING SPEAKER (Dr Gallop): Order! The Treasurer is on his feet addressing the Chair.

Mr PETER DOWDING: The Leader of the Opposition has not even had the wit to understand the enormous economic benefit that there is in this statement for Western Australia. Western Australians will be about \$1.5 billion better off as a result of the tariff reform proposals.

Mr MacKinnon: Which I support.

Mr PETER DOWDING: Well, the Leader of the Opposition did not even say so. Why did he not say that?

Mr MacKinnon: I did, and you were not here.

Mr PETER DOWDING: Oh, go on! The Leader of the Opposition did not even know about it.

Mr MacKinnon: Yes I did, I supported it. You had better read *Hansard*.

Mr PETER DOWDING: The Leader of the Opposition is as weak as water. Western Australians will be \$1.5 billion better off. We have been saying to the Federal Government for many months that it is time we addressed the issue of tariffs because it continues to hurt Western Australia. They are tariffs built up during the Liberal Government's years of indolent economic management and giving in to small sectional interest groups without regard for the benefit of the general community.

Mr Evans: And the agrarians.

Mr PETER DOWDING: And the agrarians as well - but even the agrarian socialists have come to the view that the Federal Government has got the economic mix right. I refer to an article which appeared in *The Weekend Australian* newspaper last Saturday, headed "Lavish praise for Labor from former NFF chief". The article read in part -

Mr McLachlan told the National Rural Press Club in Canberra he was delighted at the present thrust of the Government's management of the economy.

"It seems to me that if the ALP is coming around, it's likely to be a hell of a lot more permanent than if the so-called right-hand-side parties are doing it."

He has it worked out, all right.

Mr Parker: He is the guy who refused to be a Liberal candidate.

Mr PETER DOWDING: The Opposition could not even get the member for Mt Lawley to stand for an election and put his name in the ring. He just runs like fury. Members opposite were all scrambling over themselves to try to get those seats now that proportional representation has been introduced. I have never seen such a mob of wimps who sit here belly-aching day in and day out running so fast from the electorate. It really was extraordinary. The poor old member for Floreat is tottering at the end of his political career, and they were all trying to bump him out because his seat looked so nice and comfortable. What a spectacle that was!

Mr Pearce: The member for Floreat has managed to knock off the up and coming young ones in the Liberal Party.

Mr PETER DOWDING: He has been promoted to the front bench to bring back some intellectual superiority, which is a real comment on the problems of the Opposition generally. They have left poor old "Lightfingers" out of it - they do not want to know him. The sooner the member for Murchison-Eyre disappears, the better for his mates. The shadow Leader of the Opposition is making his way in, and the Leader of the Opposition wants to leave the Chamber as he has had enough.

The Opposition takes the unhealthy view on tax cuts that the situation is unfair. The Opposition, the Liberal Party and the people associated with it, have never once in five years approved or supported a wage increase. Last night the member for Karrinyup asked about something for the poor old wage earners. In January this year the wage earners wanted only \$6 a week but the Opposition would not agree to that - so much for the reality and the genuineness of the political concern of the five members opposite left to face this debate.

The Federal Treasurer, Mr Keating, has stated that the benefit of the corporate tax changes will not impact until the benefit of the proposed personal income tax cuts is felt. The corporate tax benefits will not flow until the 1989-90 years; at the same time as personal income tax cuts occur. The critical issue is that they are dependent on the outcome of a responsible series of bargaining on the wages outcome for this year. In that negotiation we can address the real issue of maintaining and beginning to move forward in reinstating the benefits to the working people of this State and country - the people who have shouldered more of the responsibility for economic reform than the friends of the people sitting opposite.

I have been reminded by an anonymous friend that last night the Confederation of Western Australian Industry - representing a good cross section of the community and supported by a wide range of business people - discussed many aspects of this document of which it was supportive.

The Opposition has not bothered to address the implications of the changes to superannuation tax arrangements. This is a very important issue which will not concern the Opposition because it is not involved with development or progress. The Opposition criticises anyone with the guts to get out into the marketplace with projects; it just wishes to interfere with the future prosperity of this State by turning the situation into a political exercise. The important point is the potential for freeing up conservative funds for investment in shares, and in capital raising enterprises. We can look forward to an opportunity for capital raising becoming available in this country. This is a major change, important not only economically as it gives the opportunity for capital raisers not to go overseas, but also because it frees up vast amounts of money which can return to the economic engine of this country. Since we are the fastest growing State with more investment per capita as a result of the attitudes we take towards development, we could expect to see that occur here. I hope that the two members remaining on the Opposition front bench to support this debate will inform their Melbourne Club mates that we want to see capital available in Western Australia and not have the dead hand of the conservative Eastern States' moneylenders on development in this State.

Mr Wilson: Five members of the Opposition remain.

Mr PETER DOWDING: Three of them fell asleep during the Leader of the Opposition's statement.

The important issue which needs addressing is that of first home buyers' loans. There is no evidence that the Opposition parties have ever supported this program. It would be fair to say that the Opposition has been critical of the program; it would also be fair to say that all business interests acknowledge that the home market is substantially heated at present and that the equity issue is an important one to address. I do not wish to see the first home buyers' scheme cut back. I do not think any Government in Australia could say that it has worked as energetically as the former Minister for Housing, Keith Wilson, and the present Minister for Housing, Pam Beggs, in ensuring adequate opportunity for people to acquire their own homes.

Mr Wilson: The Federal Liberal Party wanted to scrub the scheme.

Mr PETER DOWDING: I have had my punch line destroyed by my own front bench. When

I challenged the Leader of the Opposition, he did not even know that his own Federal party wanted to abolish the scheme - which returns full circle to the fact that he is a shadowy Leader of the Opposition who does not have a command of the issues. I am not surprised that the member for Cottesloe is making his run at this time because it is clear he has not far to go.

We are appalled at the Federal Government's decision about the gold tax; we are disappointed that the Liberal Party of this State did not give more support and denigrated our efforts last week. Major structural adjustments have been put forward which will be of great advantage to Western Australia, not the least of which is the \$1 billion tariff reduction. Answers to the carping of the Liberal Party will be given when the economy of this State continues down the path of boom on which we embarked five years ago.

MR COURT (Nedlands - Deputy Leader of the Opposition) [12.39 pm]: I support the amendment. It gives me no joy to be present in this House today debating the Federal Government's announcement on the introduction of a gold tax. The State Government asked for the gold tax and it has got it. For the last year the Government has been promoting a State gold tax levy. It is amusing that the Opposition is now accused of not supporting the new State tax. In this House last week the member for Kalgoorlie made it very clear that he fully supported the proposals that he and this Government had been pushing. It is no good saying it is a voluntary levy. It was also made clear that if the levy was not accepted voluntarily, it would be made compulsory by legislation in this House.

Mr Peter Dowding: We never said that.

Mr COURT: It has been said quite clearly, and the member confirmed it in this House last week.

The ACTING SPEAKER (Dr Alexander): Order!

Mr COURT: What is more, the Deputy Premier has also supported this State tax.

Mr Parker: I have not.

Mr COURT: The Deputy Premier cannot get out of it now. Last week I suggested to the Premier that sending two people to Canberra was a stunt because the Prime Minister would simply have waved the Press releases and said, "How can you, with a clear conscience, come to Canberra saying you do not want a gold tax when you have been promoting your own State gold tax?" That is a hypocritical stance.

Mr Parker: The Queensland Government, the Northern Territory Government, the Victorian and Tasmanian Governments, all have a royalty on gold. This is the only State in the Commonwealth which does not.

Mr COURT: We will come to the question of royalties. Under this regime we will have a State royalty, a Federal gold tax and also the local people wanting their own levy. We will have three levels of gold tax. Those two Government Ministers went to Canberra saying they did not want a gold tax, and while they were there their fellow Ministers were supporting a gold tax which they had been promoting. I said last week that it is about time the Premier got his troops together and acted as a team, instead of two of them going off to Canberra saying they do not want a gold tax, while at the same time in this House other Government members are supporting the levy which they have been promoting.

Mr Parker: That is not true. Where is it in *Hansard*?

Mr COURT: If the Deputy Premier reads *Hansard* he will find it. The member for Kalgoorlie has a lot to answer for because he has been leading the fight for this State gold tax levy.

The industry, as we are all aware, has been campaigning very heavily against this taxation. It disturbed me that this morning the Federal Government seemed to be proud of having introduced this tax, and who is it attacking? It is attacking members of the goldmining industry who have been campaigning against the tax. It would appear that Mr Duncan Bell has become public enemy No 1, because he led the campaign against the gold tax. There appears to be a vindictive attack on him by several members of the Labor Party. It did the Labor Party no good for Senator Walsh to say, "The goldmining capitalist Mafia has polluted Australian industry for decades." He then said on the radio that he had been misquoted and

what he said was, "The goldmining capitalist Mafia has polluted Australian politics for decades." That is the best that Senator Walsh can do. The Government members are pretty quiet now. Do they support those comments? Does the Deputy Premier support what Senator Walsh said about the people campaigning against the gold tax?

Mr Parker: You are telling a lot of untruths. I will be responding -

Mr COURT: There is nothing untrue about anything I have said this morning.

Mr Parker: There is. What you said about the member for Kalgoorlie is absolutely untrue.

Mr COURT: Unfortunately for the member for Kalgoorlie, his position relating to the tax has appeared in black and white a number of times. Last week in this House we asked the Premier to clarify the position, and the member for Kalgoorlie went to great lengths to say, "Come to Kalgoorlie and put your point of view. They like my idea in Kalgoorlie."

Mr Parker: His idea is a voluntary levy which is now in operation.

Mr COURT: It is a voluntary levy which has been forced on one of the companies, and the member for Kalgoorlie made it clear that if it was not accepted voluntarily, it would be made compulsory. The Deputy Premier cannot deny that. Where was the Government last week when this issue reached a pinnacle? Why were Government members not saying that they did not support this State gold tax?

Mr Parker: Firstly, it is not a State gold tax and, secondly, the Premier -

Mr COURT: The Minister can call it what he likes. It is a State gold tax. He can call it a levy, royalty or whatever he wants. It is a royalty per ounce of gold produced, and that is what it boils down to. Let us not be pedantic about names. What concerned me was to hear this pent-up vile against the gold industry this morning. The people who dared to campaign against the tax are now the bad people. Senator Walsh said on the radio that it is too bad if small producers are forced out of the industry. He is saying the big boys can pay it, so we need not worry about the small producers. That is a typical attitude. The Treasurer himself said that gold has not made a contribution to the economy. What a silly thing to say. Even the Federal member for Kalgoorlie, Mr Campbell, had to come in at that point and say that was not the case because the gold industry has made a major contribution to this Federal Government's tax collection. The member for Kalgoorlie can rightly say that the PAYE earnings, and the contribution made by the many contractors supporting the industry, has been significant.

Mr Parker interjected.

Mr COURT: The Deputy Premier can make his contribution in a moment. He seems to be pretty vocal about this. The Government is embarrassed by this whole situation.

Mr Parker: What have John Howard's comments been?

Mr COURT: The position of the Federal Liberal Party has been made very clear; we do not support the introduction of this gold tax.

Mr Parker: When was that made clear?

Mr COURT: The Deputy Premier must realise that his Government -

Mr Parker: When?

Mr COURT: I must ask the Minister to stop carping. This is the most inept decision which could have been made, and Government members know that they will have to live with it for the next two years leading up to its introduction.

Mr Parker: John Howard supported the tax this morning, did he not?

Mr COURT: Is the Deputy Premier saying that John Howard has supported the introduction of the gold tax?

Mr Parker: Yes.

Mr Wilson: Clearly.

Mr Clarko: Nonsense, he has not.

Mr Pearce: That is what it is, he does not know.

Mr COURT: Is that the best the Government members can do?

Mr Parker: He was on *AM* this morning -

Mr Clarko: He did not support the gold tax on *AM* this morning.

Mr Parker: He was asked about it this morning and he made no comments in opposition to it.

Mr COURT: Is that the best the Minister can do?

Mr Clarko: Rubbish.

The ACTING SPEAKER: Order! The level of interjection on both sides is too high.

Mr Parker: He opposed the things he wanted to oppose.

Mr COURT: We will look forward to a contribution from the Deputy Premier in this debate, because no matter what he says, this Government has promoted this tax and has lost its credibility within the industry on the subject. The Deputy Premier has done nothing to stop the Ministers on the Government front bench, in their attacks, from protecting their own cause.

Looking through the clippings, as I did this morning, one sees that this Government has wanted this tax since 1984. It could not stand to see an industry successfully growing without being taxed. The Government has been assisted by a willing State Government which is keen to get its hands on the tax money first. The State Government wanted to get its share of the tax money out, through its own levy, before the Federal Government got involved.

I will place on the record what this Federal gold tax is all about. Although the Federal Government has given the industry two years' notice of its introduction, it will have an immediate effect. It will scare off long term investors in the industry. Who will make a long term investment decision on a marginal project if they know that, in two years time, they will have to pay a new tax? Even the Government of this State agreed, when it prepared a submission to the Federal Government against the gold tax, that it would have a tremendous affect on the industry. In the next two or three years, there will be a tremendous incentive for the industry to mine as much of the high grade ore as it can. Much of the ore that is currently economical to mine will become uneconomical to mine.

Mr Parker: Not in areas where there is existing investment.

Mr COURT: Does the Minister agree that it will seriously harm the highly sensitive exploration industry?

Mr Parker: It depends on how exploration offsets are treated. That is one of the subjects that we will be discussing with the Federal Government. If exploration offsets are able to be carried forward over the next few years, it will not have an impact. However, if they are not, you are right; it will have an adverse impact over the next two or three years.

Mr COURT: I would like to think that the industry will be able to carry its exploration expenses forward and offset them against future revenue.

Mr Parker: I agree. That is one of the issues we will be raising.

Mr COURT: Does the Minister agree that a new tax will shatter investor confidence?

Mr Parker: Not necessarily.

Mr COURT: These points were put forward by this Government.

Mr Parker: That was when we spoke about an immediate introduction of a tax. The Premier has stated our position and I will come back to it later in detail. The comments about the shattering of confidence were to do with changing the rules mid game.

Mr COURT: What nonsense! The Prime Minister said before the last election that a gold tax would not be introduced in this term of his Government. We can be pedantic about it and agree that that has not happened. However, as I said earlier, who will invest in a gold project if tax provisions are to be changed in three years? It takes 10 years for one to get set up in a project of that kind. The Government is changing the rules in the middle of a game.

Mr Parker: On the strength of a commitment for a three year period which has been honoured.

Mr COURT: People have made investment decisions and the rules have been changed.

Mr Parker: They haven't.

Mr COURT: The Minister can defend it as long as he likes.

The introduction of this tax will lead to a decay of gold production in the 1990s. It will slow down the rapidly increasing knowledge of gold geology at a time when, the Minister will agree, there have been significant breakthroughs. It will also lead to a decay of the infrastructure of many parts of the agriculture area which are now more involved in mining activities. The mining industry plays an important part in supporting the infrastructure of those areas.

Members opposite do not understand that the Government may not increase its revenue by introducing this tax. It could be a disincentive to investors and, at the end of the day, the Government could collect less. A classic case of that was the introduction of the fringe benefits tax and its impact on the automobile industry. There was a huge slump in car sales in that industry on the introduction of that tax and the Government ended up collecting less revenue.

Mr Parker: Do you acknowledge that part of the situation with the car industry was that an incorrect allocation of resources was going on?

Mr COURT: Incentives existed for companies and for people to buy cars. When that incentive was taken away, the industry went through a major decline.

We also note that the State has also been pushing for the introduction of its own levy on the gold industry over the last year. In October 1984, the Government declared that it would impose a State royalty on gold if Canberra moved to impose a tax.

Mr Parker: That is not true.

Mr COURT: It has backtracked from that commitment. However, it gave an indication of the way this Government was thinking. At that time the current Minister for Agriculture spoke about a gold price stabilisation program. When the Federal Government indicated that it may introduce a gold tax, this Government suggested that it would impose a State royalty if Canberra attempted to move in. That indicated the mentality involved. Even today this Government is saying that it is not pushing for a State tax, but the opposite is public knowledge and that has been in all of the newspapers, including the Kalgoorlie paper. Will the Government introduce this so-called voluntary levy? I will be interested to hear the Deputy Premier's answer.

As far as we are concerned, this Government and the Federal Government have betrayed the people living in the goldfields and the goldmining industry.

The Minister for Agriculture is standing at the back of the Chamber. He is one of the few people who has not publicly supported a State gold levy promoted by this Government. I think he is embarrassed by the suggestion by the member for Kalgoorlie who has a lot to answer for. He led the debate on the introduction of a State gold tax and has clouded the long term vision of the industry. By promoting that levy he has made it very easy, politically, for the Federal Government to introduce its tax. He has given it a dream run.

The goldmining industry is a classic example of what can happen to an industry when major incentives are put in place. That industry has boomed. Mr Hawke, the Prime Minister, and Mr Guttman, who did the report, said that the industry was so successful that it could afford to pay a tax. It is in that position because incentives have been in place since 1930. All industries should be given the similar incentives.

[The member's time expired.]

*Sitting suspended from 1.00 to 2.15 pm*

MR PARKER (Fremantle - Minister for Economic Development and Trade) [2.15 pm]: I will contribute briefly to the debate on the amendment which has been moved by the Leader of the Opposition and comment on the remarks of the Deputy Leader of the Opposition concerning the gold tax and the impact on the mining industry in this State of the mini-Budget announced last night by the Federal Treasurer. The Premier has already addressed the issue of the tremendous benefits to Western Australia created by the tariff

reductions. Indeed, the mining industry and the primary industries in Western Australia will benefit from the tariff reductions.

Those industries, whether they be the mining industries which are taxed and pay royalties like the nickel, mineral sands and iron ore mining industries, or those mining industries which have not been taxed at a State or Federal level, like the goldmining industry, will benefit from a reduction in tariffs. It is important to understand that the reduction in tariffs not only has an impact on the mining industry because of the specific advantages created by the reduction in the cost of imported goods which are mainly used in earthmoving, particularly in the goldmining industry, but also additional competitive pressure will be placed on domestic people who supply goods to the mining industry to reduce their charges. The same thing applies also to the agricultural sector which, for years, has been campaigning for a reduction in tariffs, as has the mining industry and the State Government. State Governments of both political persuasions have argued that it would be in Western Australia's best interest for tariffs to be substantially reduced.

Over the past few years we have seen a substantial reduction in tariffs by the Federal Government which has been beneficial to the steel, motor vehicle, chemical, and the clothing and footwear industries. Even John Hyde, a former Liberal Federal member of Parliament and the driest of the dries who continues to write columns on this subject, has acknowledged that there has never been a Government in the history of Australia which has addressed the reduction and dismantling of the protective barriers which have closeted industries in Australia like the Hawke Government, in particular Mr Keating and Senator Button, has done. Mr Hyde acknowledges that this task has been tackled far more effectively by the current Federal Government than by any other Government in the history of the Commonwealth, particularly since the Second World War when many of the protective measures were put in place.

There is no doubt that the principal beneficiaries in this State will be the mining and agricultural industries. It is very good news for everyone in this State because those industries are the engines of growth and development in Western Australia.

The reason the State's economy is going so strongly, as we discussed yesterday, is mainly because of the success of those two primary industries. It is also because of the activities in which we are engaged such as in the mineral processing and manufacturing sectors, which also will benefit. To get a manufacturing industry off the ground in most cases requires the importation of manufacturing machinery from overseas. The potential competitiveness of manufacturing in Western Australia is enhanced by a reduction in tariffs. In that regard, manufacturing in Western Australia may be in a different position from the manufacturing industry in the Eastern States which has relied on protective measures. The Western Australian manufacturing industry has not grown up because of protective measures. Our manufacturing sector is growing because of other comparative advantages which have been in place or because of incentives or arrangements that have been put in place to attract them, and those incentives will be advanced by the reduction in tariffs. So even our domestic manufacturing sector will be substantially advanced by a reduction in tariffs.

A reduction in the rate of corporate tax to a level which is closer to the comparative rates of corporate taxation elsewhere in the world will benefit all industries. The mining industry, which has substantial cash flows and often substantial profits, will also benefit.

If we look at the fluctuations in the profit figures of a company like Hamersley Iron we can see that the company need sell only two million, three million, or four million tonnes of iron ore above its traditional level for its profit figures to rise very considerably. Even in today's environment in which prices are very seriously depressed, most profit figures can rise very considerably because of the capital intensive nature of the industry and the marginal cost of production over a certain level. Thus companies like Hamersley Iron, CRA and BHP, or any of the other companies operating here, will find that their ability to attract and gain capital, to pay dividends and to service the community will be very substantially enhanced as a result of the 20 per cent reduction in the rate of corporate taxation announced in the mini-Budget last night.

The only other area of the mini-Budget that I wish to dwell on is the gold tax. I do so for two reasons. First, the Western Australian Government has very clearly stated its attitude towards the mini-Budget's announcements on the gold tax. I will simply reiterate that



position and go through some of the factors at work. Secondly, I want to deal with a couple of fairly spurious allegations or comments that were made by the Deputy Leader of the Opposition in relation to the voluntary levy which has been agreed to by a number of companies in the Kalgoorlie-Boulder area.

There is a very considerable difference between a tax on profits, an income tax - whether an income tax on personal income or on corporate income - and a royalty. Western Australia is the only State which does not have a royalty on gold. It has been some time since I looked at the literature on this matter, but it is my recollection that there was a royalty on gold some years ago, but in living memory there has been no royalty on gold in Western Australia. That contrasts with every other State. It particularly contrasts with the Northern Territory where the Hatton Liberal Government operates a royalty on gold, as did the Everingham Government previously. The royalty on gold in the Territory is 18 per cent of the profits. That Government's royalty on its gold is about half the level of the corporate income tax rate that was announced last night.

The royalty on gold in Queensland is five per cent. The figure for New South Wales and the other States is approximately the same. Queensland is one of the major gold producing States, with the Northern Territory and Western Australia, and it has had a royalty of five per cent for some considerable time, if not forever. The Queensland Government has imposed that royalty generally and it has applied to some of the most successful gold mining developments to have taken place in the Commonwealth. I refer, for example, to the Kidston goldmine with which Placer Pacific is involved. It pays that gold royalty.

In Western Australia we have not had a gold royalty. In general terms, Governments of both political complexions have not imposed that royalty. The former member for Narrogin, Mr Peter Jones, who is now a senior executive with a company involved in goldmining, proposed to the former Liberal Government when he was Minister for Mines that a gold royalty should be imposed. However, the Government of the day decided not to proceed with that proposal. There has never been a proposal before our Cabinet to have a royalty on gold. Our Government has consistently said that it will not impose such a royalty.

Minerals are in a taxation position which is very different from other commodities. State royalties are levied on mineral commodities because of the State's ownership of those commodities. In countries in which the State does not own the mineral commodities - as, for example, in many States of the United States where the landowner owns the commodities - the royalty is not attributable to the State; it is attributable to the owner of the resource, the landowner. For example, in Texas people became oil millionaires without ever doing anything about producing oil because they owned the farm on which the oil was found and got the royalties. In Australia and most other Western countries that will not happen because the petroleum resources in the ground are owned not by individuals who own the surface land rights, but by the State, however described. In our case we call it the Crown.

The Crown has the right to the minerals, and leases the right of exploitation of those minerals to other people. We do that under the aegis of the Mining Act. The Mining Act prescribes the payment to the State for the right to exploit what is in effect the purchase of a commodity which is owned by the State, by the Crown. In the case of mineral commodities other than gold, we impose a royalty of varying amounts. It ranges from 2.5 per cent to 10 per cent in some cases - I think very few cases - of the value of production. We impose that royalty on companies who have the right to exploit and take away the State's resources and use them for their own benefit. That royalty is nothing more nor less than a payment to the owner of the resource by someone who wants to take it and use it for some other purpose. The concept is not different from buying meat at a butcher. The butcher owns the meat, he goes and gets it, and he sells it through his shop and the consumer pays for it. Exactly the same applies to minerals.

Royalties on iron ore, generally speaking, are near the 3.75 per cent or 7.5 per cent mark, depending on the nature of the ore. Tin and tantalum attract a royalty of 2.5 per cent and mineral sands attract a 5 per cent royalty. We have a quasi profit based royalty on diamonds. There is a base royalty of 7.5 per cent and then after a certain level of profit has been reached, there is a percentage of profits.

We are saying that we own all the resources, but that we allow companies to exploit them and we charge them for the privilege. There is nothing unusual about that; it happens all

over the world. The only difference is that in some countries the owner is deemed to be the State and in others it is deemed to be a private owner. In the case of gold, the State has chosen not to charge for its resource. In effect, contrary to the position in respect of every other mineral, this Government and former Governments have said that although the State owns the gold, others can take it for nothing. In fact, that represents a subsidy by the State to the people who exploit that resource. The State is saying that for whatever reason - political or economic - it has determined to subsidise the industry by not charging royalties. The Government will give this to the industry and not collect anything from it. That has been a consistent position - although at various times people have considered changing it - of Governments of both political complexions in Western Australia. It has been estimated for example that on the basis of a more or less equivalent industry and a royalty similar to that imposed on other industries, the State is subsidising the goldmining industry by between \$60 million and \$90 million a year because it does not charge a royalty. If it were to impose a royalty similar to that on a comparable high valued commodity, such as the diamond industry, the figure would be higher. Even if a royalty were imposed at the same rate as the royalty on the iron ore industry, closer to \$100 million would be going into State coffers. The fact that we are not charging the industry represents a subsidy of approximately that order provided by the State.

That is a very different situation from income tax which, whether it is on personal or corporate income, is a tax on profits, and no distinction is made between the owner of a resource or anybody else because one is saying that whatever form of economic activity is taking place, the Government will take a tax on that income, it will levy a certain amount and contribute it to the community benefit. That is a very different concept from a royalty and, listening to the Deputy Leader of the Opposition it did not seem that he had grasped the essential difference. The State Government charges royalties on virtually every mineral commodity in the State except gold.

In addition, with all similar mineral commodities, including the low valued commodity of iron ore - it is one of the lowest valued commodities produced in Western Australia on a per tonne basis and the Government charges the highest royalty rate of 7.5 per cent on lump ore - over the years the State has expected those companies to contribute to the community infrastructure. Not only were they required to operate the company structure - which they provided themselves - but also to contribute to the infrastructure over and above the royalty levies paid. The iron ore industry pays around \$100 million a year to the State and is expected to contribute to the extension of roads, schools, housing, shopping centres and so on, which it has paid in substantial amounts over the years. The amount has gradually reduced because much of the infrastructure is in place and the State - both the former Government and this Government - has recognised this as an additional impost on these companies. In the case of gold in 1985 we told the Boddington goldmining developers that if they developed a goldmine it would have an effect on the town and district and, therefore, we wanted them to contribute money for that community infrastructure. The company did so to a considerable degree and one can readily see how much that company has contributed to the town of Boddington.

The concept behind the voluntary levy proposed by the Minister for Police and Emergency Services, and which has been adopted by a number of companies in the goldfields, is that such a contribution should be made to the community infrastructure. The reason that concept was proposed by the Minister in his capacity as local member, and by the Mayor of Kalgoorlie, who is the strongest advocate of the goldmining industry to be found anywhere, was simply their concern that those companies were not adequately contributing to the community infrastructure in the way, for example, the iron ore companies were. The iron ore companies were not only paying royalties, but were also paying for the community infrastructure in places such as the Pilbara, Boddington in the case of gold, and Kununurra in the case of Argyle diamonds. The Government has said that it will not impose a royalty but that in its view that does not obviate the goldmining companies from having some influence and input into community infrastructure in the areas in which they operate. The gold companies have agreed because they recognise that they are long term inhabitants of the town, they are interested in the benefits to the town, and it is in their own interest to contribute to the community infrastructure.

I have dealt with three quite different categories of tax: Income tax which is applied

irrespective of the ownership of resource or nature of the industry; royalty which is applied to every mineral commodity in Western Australia except gold - representing a massive subsidy to the goldmining industry from the State Government; and the provision of and contribution towards community infrastructure which has been a feature of industrial development and resource development in Western Australia for the last 25 years, but which has not been a feature of the goldmining industry in the Kalgoorlie area. That is the point the member for Kalgoorlie was trying to address and it has been accepted as a problem which needs addressing by the goldmining companies in that industry. That third category is an attempt to get a contribution from those companies. To say, as the Leader of the Opposition said, that it is some form of draconian tax, is nonsense.

**MR CLARKO (Karrinyup) [2.36 pm]:** I wish to speak on a matter arising from yesterday's mini-Budget relating to roads, which will impact severely on the situation in Australia and specifically on the activities of local government. Local government in this State has been pressing for many years for a fairer go and the Mayor of Kalgoorlie, Mr Ray Finlayson, who is president of the Country Shire Councils Association, has been spearheading an active campaign in recent months in an attempt to increase funding for roads.

The Government must be severely embarrassed and ashamed of the action taken by the Federal Treasurer yesterday. Last night he announced a \$50 million cut in Australian road funding. We are not sure what effect it will have on Western Australian local roads because for a long time many people thought the national highways and main arterial roads in this State were in a much better position than were the local roads as local authorities did not have the money to match the Federal Government as roads fell into disrepair. In the order of \$4 000 million is spent in Australia on road construction and maintenance, spread roughly equally between Federal, State and local Governments. The Federal funding for this year will be \$1 215 million, a reduction of \$50 million from last year's. The funding for local roads will increase by almost \$40 million, which brings the figure for Australia to \$269 million. However, Western Australia is not certain how that money will be spent and whether the Federal Hawke Government will take away the previously disproportionate amount of money received by the less populated areas of Australia. For many years Victorians have claimed that they have been paying for the roads of Western Australia and Queensland. It is not surprising that an article in *The Australian* stated that many Federal ALP members who occupy marginal rural seats are expressing serious doubts about their capacity to retain those seats.

It is critical to this argument to appreciate that 55 per cent of Australian roads are older than 20 years and that is roughly the healthy life span of a major road. In many parts of Australia the roads are up to 35 years old and many such roads have almost completely broken down - they are certainly extremely dangerous and costly for the people using them, whether they are private or commercial users of those roads.

Every Australian person who is interested in subjects such as this knows that there is a tremendous shortfall in the amount of money provided by the Federal Government for roads at a time when it is implementing the greatest rip-off of all time by collecting approximately \$7 billion in road charges of which it is giving \$1.2 billion back for road funding. Nearly \$6 billion of the money that the Federal Government is collecting for roads is being used on its brilliant Labor schemes such as new surfboards for women, artists in residence for trade union bodies, trade union research and silly things like that.

This Federal Government is the greatest tax collector this nation has ever seen. It has collected this \$7 billion from motorists and given back \$1.2 billion, a \$6 billion rip-off at a time when lives are being lost in Australia because insufficient money is coming back to authorities for road funding. This is disgraceful when one realises that the \$4 billion for roads is split roughly evenly, an amount of \$1.3 billion coming from the Federal Government, the State Government and from local government.

Poor old local government with its handful of taxpayers must find one third of the funds it spends on roads while this wealthy, opulent, Federal Government, friend of the multimillionaires of Australia, continues to spend taxpayers' money in ways that can only be described as financial lunacy. In the past three years, since the Budget of 1984-85 and up to the 1987-88 Budget, the Federal Government has picked up 150 per cent more in federal funds from fuel tax, yet at the end of that three years the proportion of that fuel tax revenue

going to road works had fallen, and over the past 11 years it has fallen from 41 per cent of fuel tax revenue going to roads to 18 per cent today. The mini-Budget announced yesterday in effect continues that freeze by the Federal Government in giving \$1.2 billion for roads. The same amount was given for the past three years, which is a disgrace.

There are 800 000 kilometres of roads in Australia. The estimated worth of those roads is \$100 billion, yet they are crumbling around us. If nothing is done to them for another 10 years the net value of roads in Australia will be minus \$100 billion. That is the enormity of the problem before us. Roads are not being restored at the rate at which they are deteriorating and by the year 2000 reconstruction costs will be double what they are today - in only 12 years' time.

If one looks at the action of this Government in leaving this grant at \$1.2 billion for the past three or four years it becomes clear that it is a deliberate policy and no accident that this is happening. One cannot say that things have got tight economically, so we must hold off this year and do more next year. There has been a major turnaround by this Federal Labor Government as opposed to previous Federal Governments of the past 20 or 30 years.

If the Dowding Labor Government in Western Australia wanted to upgrade road funding it would be extremely difficult for it to do so. I challenge its members to look at one of the credits given to the Liberal Government headed by Sir David Brand which found funds to take the east-west highway to the border with South Australia. That was considered by people interested in Government economics and finances to be a major decision by a Western Australian Government in facing up to the serious problems confronting people in Western Australia.

There is no doubt that if a State comprises an area of 1 million square miles, as does Western Australia, and its people are spread to all corners of that State, it involves a great deal of courage on the part of both the State Government and local government to ensure that we have top roads. About 60 per cent of our arterial road funding is spent on maintenance and reconstruction. That figure gets higher and higher as time passes and insufficient money is put aside for the rebuilding of those roads.

I was interested to hear the Minister for Transport screaming from his seat this morning at the member for Mt Lawley, asking him to name the councils of Western Australia that have actually had to tear up bitumen roads and revert them to gravel roads. I am told that there are at least three local authorities where that occurs in Western Australia.

Mr Pearce: Where are they?

Mr CLARKO: As the Minister continues to ask where they are, I invite him to have one of his clerks take five minutes to write to the three local government associations in Western Australia, because I guarantee that they will write back revealing the local government authorities in Western Australia that have had to change from bitumen to gravel roads. I am told, also, that that situation exists in other parts of Australia. I ask the Minister to deny that that is so.

Mr Pearce: The member is making the claim, so tell me where.

Mr CLARKO: That is the situation in Queensland, New South Wales, Victoria, and Western Australia - bitumen roads are being pulled up because councils cannot afford to reseal them.

I will quote from a document that I got out when I heard the Minister challenge another member about this matter. I have challenged him to get a clerk to write to the three local authorities to find out whether this statement is true. I am not game to tell the Minister the name of the council involved because with his record of bullying tactics in relation to financial donations to political parties he is likely to do the same thing here. I do not say that the Minister will stoop to the level of his Labor colleague in New South Wales who is up on a hit charge at the moment for murder, but who knows how far down this deteriorating road the Minister will travel and that is why I am not prepared to name the three local authorities that I have heard about. If the Minister is serious, he should write to them.

I refer now to *Road News*, the official journal of the Australian Road Federation dated April 1987, which states that poor councils tear up potholed roads and some Victorian councils are having to tear up sealed roads because they cannot afford to maintain them. Later in the article Bluestone School Road between Geelong and Barwon Heads is named, so roads are

being torn up around Australia. These are bitumen roads that have collapsed. People are now finding that the failure of the Federal Government to fund roads adequately is causing all sorts of harm to Australia. Lives are being lost, injuries are occurring and serious social and economic effects are being experienced.

The Australian Automobile Association newsletter of August 1987 states that the reduction of \$180 million in Federal funding for roads this financial year was unanimously condemned by the Australian Automobile Association at its July conference. This Federal Government has embarked on an obviously deliberate policy whereby it is taking \$6 billion from road projects and spending it on its own private deals.

Poor roads mean more road fatalities and more injuries. The total cost of road accidents in Australia has been estimated by responsible road authorities at \$5 700 million. That amount excludes minor unreported collisions. It is argued that if they were combined the total cost of road accidents in Australia would be \$8 000 million a year. Yet this Federal Government is socking away a \$6 billion bonus each year to use on its crazy projects.

Mr Pearce: Most accidents happen on good roads.

Mr CLARKO: The Minister says most accidents happen on good roads but I have been doing some reading on this subject and the RAC has produced many articles which deny what the Minister has just said. It is claimed that the building of freeway standard roads has cut crashes by up to 80 per cent. That contradicts completely what the Minister said.

Mr Marlborough: Do you want to see freeways running through your electorate?

Mr CLARKO: Yes, and the only people who do not want freeways are the "looney left", people like the member, who about 10 years ago mounted a campaign to try to stop the construction of freeways in Australia. Freeways have reduced accident rates by up to 80 per cent, and similar reductions occur when improvements are made to lights and signals.

The National Association of Australian State Road Authorities said recently that a 50 per cent increase in urban arterial road funding would save 60 lives and 1 700 injuries a year. The Federal Government yesterday cut spending on roads by \$50 million, and a year ago it cut spending by \$80 million. The Government is collecting \$7 000 million a year but is spending only \$1.2 billion on road funding and the like. I would not be surprised if in the last 24 hours many ALP members of Parliament, after hearing about this mini-Budget, are very worried about retaining their marginal seats.

It is claimed that this project will maintain funds for local roads. The local authorities in Western Australia do not yet have the full information about the matter. The Minister for Transport probably does not yet have the full story of what will happen as a result of last night's statement, but hopefully he will have it in the near future and we will be able to find out whether the amount of money that is made available in Western Australia for local roads has been maintained. It appears from the information I have been given to date that the amount of money available for local roads in Australia is going up by only 4.2 per cent. The Consumer Price Index is in the order of six or seven per cent. The index costs escalation factor for road making is higher than the CPI costs index. If we look at the \$1.2 billion that is being spent, remembering that one per cent is \$12 million, and multiply that by six per cent, we get \$72 million. If we multiply that by seven per cent, we get \$84 million. If we say that the six per cent index is not the one to use, and we should use one slightly higher, we get to a figure of a \$100 million shortfall just to remain square. It is a disgrace that this Government has turned around and taken \$50 million off that amount.

I have no doubt that members opposite who represent country areas will find their councils will tell them how concerned they are at further constraints in an area where everybody is looking for assistance. I have travelled this year in country areas, and every local authority I have visited has mentioned its concerns about the Commonwealth Grants Commission, and especially about road funding. Western Australia has 10 500 kilometres of rural highways and main roads, and about half of these are 20 or more years old. In other words, they have really served their full economic life. That is a major issue to be addressed by the Federal and State Governments. We in the Opposition are most concerned about it.

I support this amendment because although some sections of the mini-Budget are worthwhile, I bet the Minister is concerned that there has been a serious cutback in road funding at a time when major expansion is needed in order to ensure that the Western

Australian economy flows properly, that our development projects are supported, and that industry and commerce are able to properly transport their goods at the lowest possible cost. We are getting exactly the opposite.

The mini-Budget contained a statement to the effect that the Government is going to concentrate on new roads for exports. Many years ago a Liberal Government created a road in the Kimberley called the beef road.

Mr Pearce: They were for the most part gravel roads. They were not black top roads.

Mr CLARKO: The beef road was introduced 20 or 30 years ago by a Liberal Government. The Federal Government is now, years later, talking about export roads - black top export roads. That is a good thing, but not if it is at the expense of the other necessary parts of the road building project.

[The member's time expired.]

MR PEARCE (Armadale - Minister for Transport) [2.57 pm]: The statements made by the member for Karrinyup indicate the confusion that exists in the thinking of members of the Opposition on the subject of road funding. His speech demonstrates the moral and intellectual bankruptcy of the Opposition at present when the country is facing a serious economic position, which is being addressed in a courageous way by the Federal Government. Liberal Government supporters in this country have for years been calling for restrictions on Government expenditure. One of the major complaints which I heard from various commentators on the radio this morning about the mini-Budget was that it did not go far enough in terms of making cuts in expenditure. There is no doubt that people across the country generally expect Governments at all levels, whether State, Federal or local, to make reductions in their expenditure. That cry is being led by the taxpayers, who are sick of paying through the nose for expanding expenditure at each of those levels. So if there is a consensus in this country about the level of expenditure it would be that expenditure ought to be reduced.

Mr Clarko: You have to choose whether you do the important things or the unimportant.

Mr PEARCE: That is right. It is necessary to pick the areas in which to make reductions in spending, and in some areas it is very difficult to make reductions, such as roads, education and health. The Liberal Opposition in this State is always saying that Governments should tighten their belt and get off the taxpayer's back, which was the catch cry of the Leader of the Opposition all last year, but every time an effort is made to reduce Government expenditure in any area the Opposition says that is not an area in which to reduce expenditure; it is an area for increasing expenditure. Every large area that is touched upon is mentioned in this way. The summary of the member for Karrinyup's speech was that roads are important to Australia; therefore we need to spend more money on roads. That is a logical leap which does not bear any relationship to the facts.

Mr Clarko: The Federal Government has actually cut spending.

Mr PEARCE: Yes, but the amount of the cut is to be maintained in real terms, and in some areas, like local roads, there has been an increase and not a cut. The problem for Australian roads is that there has been a huge increase in the level of construction of new black top roads in the last 20 years. There has been an unbelievably large increase in the number of communities in Australia which are served by black top roads. I made inquiries of the Main Roads Department two years ago to compare the main arterial black top roads in Australia at the beginning of the 1960s with what there is now. Those roads were then just a few snaking lines connecting some but not all of the capital cities and some of the major centres.

As far as Western Australia is concerned, apart from the main highways in the south west, there were just a few squiggles which led out from the major towns in the Pilbara, and I do not think there were any in the Kimberley. We now have a black top highway constructed under State and Federal Labor Governments which stretches unbroken around the nation. Almost all the major communities in Western Australia are connected in some way or another by black top highways. In the Pilbara there are sometimes three different choices of black top highway to get from one major centre to another. That is an indication of the massive increase in black top roads.

Mr Clarko: Not under your Government.

**Mr PEARCE:** Most of it has been under our Government. Here is the problem in that approach. Roads degrade over a period of time; after 20 or 25 years roads get to the point where a reasonable amount of reconstruction must be done or the life of the road will become quite short. It is the old story of a stitch in time saving nine. A bit of work on the roads at that time will save a massive rebuilding job 10 years further down the track.

The age of Australian roads is now such that we need to spend more on road maintenance than we are. Just note that caveat. That is a different thing from what the member for Karrinyup and other members of the Opposition are saying. They are saying we need to spend more in total. That is not the truth, because even at the present time more than half of the expenditure in Australia on roads does not go to the maintenance of the current road hierarchy but to the construction of new black top roads. All that does is push the problem further into the future. Not only do we have a problem building up with regard to the maintenance of the roads we already have, but the more black top we build at a time when insufficient attention is being given to the maintenance of roads across the nation, the more we are building a maintenance problem into the future.

As almost my first act as Minister for Transport, with my predecessor, Gavan Troy, I went to see the Federal Government. I said to them, "Firstly, we understand that you are under a constraint of having to tighten belts on Government expenditure. We realise that no area can be exempt from that, therefore we are realistic in the claims we are making for road funding. We are not looking for big increases because it would be unrealistic to expect massive increases, particularly in a climate where, for example, the National Farmers Federation is calling for cuts of \$3 billion." Those cuts are being called for by the people who represent the vast majority of the population in the rural areas which the Opposition is talking about.

It is just not possible to have cuts of the order of \$3 billion in this country, or anything like it, at the same time as we are seeking to increase the level of Federal expenditure on roads. We must make our bed and lie in it. If we go down the path of cutting Government expenditure, we must realise that that means Government expenditures will be cut in almost all the areas in which Government operates.

However, there is a way of facing up to this problem realistically, and that is the approach taken by the Western Australian Government. We went to the Federal Government and said, "Firstly, we recognise there is a problem in terms of the maintenance of Australian and Western Australian roads, and that means more money must be put into maintenance than is presently the case. That means, given the pressures on roads, road funding must be maintained at least in real terms, and preferably at a slightly increased level." I said we in Western Australia would be prepared to live with the situation where the current level of funding was maintained in real terms, and priority should be given not to new construction but to maintenance of the existing hierarchy.

That means that Governments will have to say to communities which in some cases want black top roads but do not have them at the present time, "The economic circumstances in this country do not allow for you to have a black top road at the present time." The priority must be the maintenance of those roads which will need reconstruction in a short time and at great expense if we do not put aside the money for that now.

I dedicated the Western Australian Government to reversing the priority of the past from new construction to the maintenance of existing roads. That is why I take it much amiss when members of the Opposition claim, with no evidence at all, that black top roads are being ripped up and returned to gravel. The approach we take in this State ought not to allow that to happen.

**Mr Clarko:** You are collecting more money now in real terms than ever before in the country's history.

**Mr PEARCE:** I will come to the fuel levy in due course. I ask members to ponder whether what I am saying is not more accurate and logical than the claims made by the member for Karrinyup or the member for Mt Lawley.

**Mr Fred Tubby:** What about the money put aside for the south west highway?

**Mr PEARCE:** Is that not what I am saying? What this country needs is people who are prepared to make hard decisions in the interests of Western Australia, and the member is thinking about electoral matters.

Mr Fred Tubby: I am thinking about your electoral matters. If that is a major highway, there have been plenty of deaths on it already.

Mr PEARCE: I am not making a judgment on the south west highway one way or another. This is the difference between the Government and the Opposition. I am looking at what is in the best interests of Western Australia this year and in 10 or 20 years' time. I suppose it is an indication of how cynical one is about the electorate. If members take the view, which the member for Dale clearly does, that the electorate is interested only in those little things and cannot be convinced to look at the needs of the country, that is a cynical view. Many circumstances in politics may lead one to think there is some accuracy in that view. I am at one with the Treasurer, Mr Keating, whose belief clearly is that if Australians are given enough information they can make decisions which are beneficial to themselves in the long term rather than seek the short term bandaid.

This is a judgment one must make about the intelligence of the electorate. The Opposition has traditionally thought that the electorate is pretty stupid; it has a short memory and it needs a carrot and a bait just before the election, and then things can be turned around. This has happened never more clearly than in the recent New South Wales election. These are the policies on which Mr Greiner contested the New South Wales election. He said, "We will reroute the infamous - or famous - Sydney monorail on a completely different street system. We will stop the Darling Harbour development, and we will stop the proposal to have a tunnel under the Sydney Harbour Bridge."

Within two weeks of the election every one of those promises had been abandoned. The monorail is to continue along the route picked out by the former Minister, Mr Brereton. The tunnel under Sydney Harbour is to go ahead on the same private enterprise tender basis which had already been set in train by the Labor Government. The Darling Harbour project is so popular that the promise to scrap it has been forgotten. These things were not just mentioned in the small print of manifestoes; these were high profile promises made by a Liberal Government picking on the areas it thought unpopular in the Sydney electorates. The Liberal Party gave promises, but the minute it got in it scrapped those promises.

Dr Gallop: A party without honour!

Mr PEARCE: A party without honour, and a party with a view of Australian citizens which I find reprehensible. The proper and responsible approach to road funding in this country is to recognise the problem, and that is that our road hierarchy, because of the tremendous amount of new construction in the last 20 years, is in danger of degrading unless more money is put into maintenance. If we were to take all those billions of dollars which the member for Karrinyup talked about for road funding, and dedicate it to maintenance without having any new construction at all for a year or two across Australia, there would be more than enough to reconstruct every road in Australia, or to maintain every road in Australia which needs reconstruction or maintenance.

Mr Clarko: That is going backwards.

Mr PEARCE: It is not; it is maintaining what we have. Absolutely. The maintenance demands are not that high; it is not necessary to say barleys on any new construction in order to put money into maintenance. What we can do is to have a more modest construction rate than we have had in the past by slanting expenditure in favour of maintenance.

Mr Clarko: But that is not maintaining construction.

Mr PEARCE: Have I not heard the member before in this House popping up time after time emulating one or other of his leaders saying that the country must tighten its belt; the country cannot live beyond its means? The country must recognise the economic difficulties we have. What I am saying is that we do not need to go backwards in the road system with the money we have; we can stay where we are.

Mr Clarko: It is going backwards if you do not build new roads.

Mr PEARCE: We can just stay exactly where we are and ensure, with considerably less road expenditure, that the road hierarchy has no problem at all. We are not proposing to do that because there is enough money, even at the level of funding we currently have, not only to do the maintenance which is necessary but also to have more modest programs of new road construction. That is what is proposed in the State and it is a system that will work. I am disappointed that there have been cuts in real terms in road funding.



**Mr Blaikie:** It does not sound like it.

**Mr PEARCE:** I have just explained that it is possible to make sure the road system is maintained properly within the levels of funding we have. I do not know how the member for Vasse operates his own personal finances, but I bet that if he spends his monthly salary and it is all gone after day 25 - and by the look of him he might spend half of it on food - and he goes to the bank manager and says, "I have run out of money this month, I really should have more, just give me more money", that is not a particularly realistic approach to take to personal finances; nor is it a realistic approach to take to the nation's finances. The member must realise that sometimes the national bickie tin is empty.

**Mr Clarko:** You never recognised it when you were in Opposition, did you? If that were the Fraser Government -

**Mr PEARCE:** I am glad the member for Karrinyup mentioned the Fraser Government because I want to conclude on this point: There has been a suggestion that all of the money that is taken on petrol levies is some trick or plot of the Hawke Government to fund roads and that money has since been snatched away. The reality is that the petrol tax had nothing to do with roads in the first place. It was introduced by the Fraser-Howard Government - Howard was Treasurer at the time - in order to have parity pricing to encourage exploration for oil in Australia. The sole purpose of that tax was to encourage Australian oil explorers to make new finds so that they could sell at a competitive rate their newly produced oil in Australia. The Fraser Government said that the cheaper crude brought in from overseas effectively would have to pay a tariff to maintain a parity with Australian oil. That money was put straight into the coffers of the Australian Taxation Department and there was never a suggestion that that money was or should have been raised on the basis of its being dedicated to roads.

**Mr Clarko:** It should be, as there is such a crisis.

**Mr PEARCE:** That is like saying that all the money raised by the liquor tax should be spent on hotels.

Because of the way in which the Fraser Government structured the tax system in this country, the income derived from the fuel levy became an important part of the overall taxation scheme. I think it is to the credit of the Hawke Government that it has at last dedicated a proportion of the fuel tax to roads, and that is part of the statement made by the Federal Treasurer yesterday - part of the fuel tax is clearly dedicated to roads, which will allow a growth in road funding over time. That is an important aspect, because growth in the community means more fuel is used and hence the dedicated proportion of the fuel levy will allow for there not being cutbacks in roads expenditure in the future. So it really is quite fallacious to argue that because there is a tax on fuel this tax ought to be spent on roads and because there is a disparity between the amount raised by the fuel levy -

**Mr Clarko:** Except that the Minister said today that it will be related to it.

**Mr PEARCE:** I just said that a proportion of the levy is dedicated to road funds, but not the whole lot. That is the truth.

**Mr Clarko:** But the Minister said today that there will be a nexus between the two.

**Mr PEARCE:** That is what I just said: A proportion of it is dedicated and hence there is a nexus. What the member for Karrinyup is saying is that because all of this money is raised there should be no suggestion that there is not enough money for roads. The reality is that that money is being spent on schools, health, and all of the other activities of the Federal Government.

**Mr Clarko:** And wasted on surfboards for women.

**Mr PEARCE:** A proposition has been put forward by the Opposition, I think in reaction to a proposition by the Morawa Shire Council - a council which I admire in many ways but not on this issue - that the Federal Government should stop erecting those bicentennial road funding signs and put that money into roads. The fact is that, with road making expenses being what they are, we would get about an extra metre of road in the State if we scrapped every sign and put the money into roads. The cost of the signs compared with the cost of even a metre of road is infinitesimal. Although I do not mind that kind of symbolic gesture it is silly to pretend that if the Federal Government scrapped the female surfboard project

somehow it could build a new highway between Perth and Oodnadarta. It is just not possible for the Opposition to claim any credibility at all if it is going to think in those terms.

This State Government is taking a responsible attitude to the maintenance of Western Australian roads. We will not have in this State - if it is the case in other States - a position where blacktop roads are being degraded to gravel roads. The State Government is managing the road system with a proper balance between new construction and maintenance to ensure that that does not happen. I would appreciate from the Opposition, for once, a little bit of support for the great endeavours that we are making for the future of Western Australia and a little less of this miserable carping and whingeing.

MR WIESE (Narrogin) [3.15 pm]: I support the amendment that has been ably moved by members of the Liberal Party today.

Dr Gallop: Another closet Liberal in the National Party ranks!

Mr WIESE: Actually we are probably working on switching a few of them across to the National Party.

The SPEAKER: Order!

Mr WIESE: The basic aim of the people on this side of the House is to wake up the people of Australia to just what members opposite and the members of the Federal Labor Government are doing to this country. It pleases me no end to find out that the people of Australia are finally waking up to what the Governments at both Federal and State levels are doing.

Every morning when we come into this House we start the proceedings with a prayer. This morning I listened very carefully to the words of that prayer and I will recite some of those words to the House now as an introduction to my remarks. Those words are, "We pray that we will prosper the true welfare of all the people of Australia." I hate to say it, but I think that yesterday our prayers went unanswered because the mini-Budget brought down in Canberra by the Treasurer last night certainly does not answer that prayer. There is no way that the mini-Budget will be of benefit to all Australians.

In bringing down the mini-Budget the Federal Government has shown that it has absolutely no idea how managers of businesses in Australia think or what activates management decisions. The Treasurer completely ignored the working people of Australia and their families when he brought down his mini-Budget. The average Australian has waited for a long time for this much-heralded economic statement. When he awoke this morning and realised what was in the statement, he must have been very disappointed.

The Budget deficit is about to become a Budget surplus in the next financial year, and certainly I praise the Government for that achievement. I, and I am sure all Australians, will applaud the Treasurer if the Government does manage to achieve that in the next financial year, but who will carry the burden of that change from deficit to surplus? Who will pay for it all? Basically it will be the States which will carry the major burden of funding cuts from the Commonwealth Government, and that subject was well and truly aired by speakers on this side of the House this morning.

However, the average working man and woman in Australia, who once again will forgo tax cuts for another 18 months or more, will likewise carry a major part of that burden. There will be no tax cuts for the average pay as you earn taxpayer in this or the next financial year. He will have to wait for 18 months, until the 1989-90 Budget year, before he gets any relief from the current tax burden he is carrying - the burden he has borne for far too long for this country. He is the one who is being crucified by the present system. He will not receive any decrease in the tax rate; he will not receive any increase in the level at which he begins to pay tax, and he will not receive any relief from the fuel tax he must pay. He will keep on paying at the present level with the promise that somewhere down the line, perhaps in 18 months' time, there will be tax cuts. Those tax cuts will happen if he does not receive a big increase in his wages in the meantime because these tax cuts, which are promised for 1989, are conditional upon the maintenance of the present wage structure and levels. The Labor Government's treatment of the average wage earning Australian is a complete and utter disgrace. Small wonder that average wage earners have increasingly begun to vote for the conservative parties of this country over the last 12 months.

In addition to that, the average wage earner has been told by the Treasurer that interest rates will go up. I would have thought that the Federal Government would have learnt by now about high interest rates and the effect they have on the community and the average working Australian. Interest rates impact on everyone, whether they be small businessmen or primary producers; certainly they have a very strong impact on the man in the street who finds himself paying higher interest rates on his car, his furnishings and his home repayments. Interest rates are about to rise again and those people who can least afford it will suffer the impact of this increase.

I intended to touch on the mini-Budget's effect on agriculture in the major portion of my speech. However, I cannot allow the opportunity to go by without commenting, on behalf of the National Party, on a couple of other effects of last night's economic statement. I refer first to the proposed cut in company tax rates from 49c to 39c. These cuts will not come into effect for another 12 to 18 months, so again the management and the companies of Australia must wait some time before they receive these so-called cuts. Secondly, in respect of the level of those cuts, although they were heralded with great fanfare as being major cuts in income tax rate, the reality is, when one looks at the figures, that there will be a reduction of only \$90 million in company tax. That will not have a major impact on the companies and businesses throughout this country. It is welcome, but it will not have a major impact. The worst part is that not all of those companies will receive the effect of that company tax cut for long. On the one hand the Treasurer has given the cut, but on the other hand he has taken away the accelerated depreciation allowance on plant and equipment. At the moment plant and equipment can be written off over three years or five years; now it is to be written off over the life of the machine. The result of this is that after three years the effect of the company tax cuts balanced against the effect of accelerated depreciation will be revenue neutral. In three years' time these much heralded company tax cuts will be completely swallowed up and will disappear. So much for the much heralded company tax cuts.

I would like to touch on another item because I believe it is very important. It is a tragedy that the Treasurer announced a cut in the deduction that businesses can claim for research and development. This will be reduced from 150 per cent deductability to 100 per cent deductability by 1991. It will definitely have an effect on the ability of companies within Australia to become involved in research and development. However, the worst thing is that it shows the Labor Government's real commitment to the improvement of Australia's ability to compete on the world market. To compete successfully on the world market, it is essential that our export companies are able to become involved at the highest possible level in research and development work. The 150 per cent taxation deductability was a great help and encouragement to companies in that respect. That has now been cut by 50 per cent to 100 per cent, and it is an indication of the Government's commitment to research and development. It is a crying shame that the Government feels this way about this important area.

The matter of the gold tax has already been touched upon and although I do not want to comment too much on it, I believe strongly that the Western Australian Government literally asked for this gold tax because of the attitude it has adopted to a voluntary levy on gold over the past six months or so. I do not believe it was legitimate or realistic to call on the gold producers to participate voluntarily in a levy on the one hand, and then on the other hand to tell the Commonwealth Government, "You keep your sticky little paws off the gold tax; we don't want a gold tax in Western Australia." It was unrealistic; the Commonwealth Government knew it was unrealistic and it appears that we will be saddled with a gold tax from 1991. The State Government must bear a lot of responsibility for that.

I move from those general comments to more specific comments in respect of the effect of this mini-Budget on agriculture. It is disappointing that the Government has seen fit to crucify agriculture and that it has continued to do so with this mini-Budget. Australian agriculture has been acknowledged worldwide and Australia-wide as one of the most efficient industries in this country. It has been acknowledged as one of the least assisted industries in Australia. After last night the small amount of assistance agriculture formerly received has very much diminished. Firstly, the fertiliser bounty - the old "off again, on again" bounty - is now to be off again. From July this year agriculture, and all primary producers, will lose the benefit of the fertiliser bounty we have received for some years. The effect of this will be felt throughout the Australian community in two ways. It will be felt in

respect of the Australian economy because the Federal Government estimates that it will save \$50 million by removing the bounty. Actually the better estimate is that the Federal Government will save something like \$100 million by removing that bounty, not the \$50 million the Government trumpeted about. In 1986-87, \$92 million was paid out in respect of this bounty, and in the last few months there has been a substantial increase in the use of fertiliser around Australia generally, but in particular in Western Australia. That occurred because of the improvement in the agricultural outlook and income for Australian primary producers; it also reflects the terrific fall-off in fertiliser application in Western Australia and in Australia generally as a result of the huge increase in the price of superphosphate and because of a huge drop in the income of Australian farmers, and the fact that fertiliser was one area in which they could make cuts. That is a tragedy for Australia because it will affect export income. Fertilisers result in increased production which is reflected in increased export income.

The Federal Government contribution to wool promotion will be cut from \$35 million to \$25 million - almost a 20 per cent reduction. Wool promotion was the best investment any Government has made to any industry in Australia and wool producers have reaped the benefits. The wool industry is a leading income earner for Australia due to the commitment of woolgrowers over a long period and the contribution of the Federal Government. It is disappointing that we will not be able to reap the benefits from that commitment because the Federal Government has seen fit to cease its contribution to one of Australia's major export earners.

The effect of the removal of accelerated depreciation will be felt not only by the manufacturing industry but also by the primary producers throughout Australia as they are the major investors in agricultural machinery. They will lose one of the few forms of assistance received for upgrading agricultural machinery which is disappointing at a time when the agricultural industry is about to emerge from the terrible trough in which it has been over the last five or six years. Farmers had reached the stage where they would be able to replace some of that machinery and now the assistance has been removed.

Changes to livestock valuation is another backward and unfair step as a result of the mini-Budget. The Government will increase the value put upon the natural increase in livestock by around 400 per cent, which will result in farmers paying more tax. The problem is that the tax payment is made when the farmer brings the livestock into his calculations - which may be three or four years before the sale of that livestock. No-one should pay tax on a natural increase in livestock until the profits are reaped.

We have been promised the reintroduction of income equalisation deposits from July 1989. This is unfair as the rural industry needs the income equalisation deposits right now to iron out income fluctuations, especially in the wool industry. The income equalisation deposits should never have been removed as this has resulted in the inability of primary producers to iron out the huge fluctuations in income. Some woolgrowers this year will face a 100 per cent increase in income and they will be caught with an enormous taxation bill together with provisional tax. The income equalisation deposits were put in place to assist in these areas; their removal is a tragedy. Another tragedy is that the industry will have to wait for another 18 months before the situation changes. The removal of the income equalisation deposits also reduced the ability of the Primary Industry Bank of Australia to provide long term lending at a low interest rate to primary producers. Again, the removal was a tragedy and the disappointment is that we have to wait so long for the return of income equalisation deposits.

**MR BLAIKIE (Vasse) [3.35 pm]:** I support the amendment. Following the share market crash in October last year, the Federal Government promised the people of Australia to take a positive look at its financial responsibility to the nation. For weeks after the crash, the Federal Government foreshadowed a mini-Budget and stated that things were tough but the situation would get tougher. The Hawke Government promised to announce in May 1988 responsible measures to look after Australia. The Treasurer promoted the idea around Australia on many occasions that every sector of industry had to cut its expenditure; that the Commonwealth Government would be leading the way in setting the example and the pace. However, the promised mini-Budget has changed to an economic statement. There is good reason for that as the May economic statement is a way of telling the States how their cloth will be cut. While the Federal Government imposes savings on industry, it still continues on its own spendthrift way funding programs it believes important to the Labor Party in Government.

The whole economic package shows that rural Australia has taken a disproportionate load of the so called economic strategy for Australia. The economic statement contained a number of gains for the agricultural industry. Soil conservation has increased by \$18 million over three years; salinity control in the Murray-Darling basin - while having no significant impact in Western Australia it is part of the bonus the Government gave - receives a \$2.5 million increase; exotic disease preparedness \$1.5 million; and the brucellosis and tuberculosis eradication program \$5 million. Rural adjustment funding is a very important innovation which allows for re-establishment grants up to \$28 000 for farmers leaving agriculture - representing a total of \$8.4 million.

Basic arithmetic will show that the package of goodies amounts to around \$23 million for the agricultural industry. However, agriculture is losing amounts approaching \$90 million a year so the economist who suggested that a person looking at the mini-Budget should make certain it was not a statement, knew what he was talking about.

While the Treasurer has postulated that the Government will be involved in providing more money for salinity controls, the microscope has been focusing in other areas, and three or four times that amount of money has been taken away from agriculture. The member for Narrogin has already commented on a number of those areas, and I will not go into them in detail, but they should be put on the record.

As far as agriculture is concerned, wool promotion will be losing \$10.4 million a year. The figure relating to domestic pricing arrangements for agricultural products will change considerably. While a global figure has not been included in the mini-Budget, the impact of such arrangements on the Australian market is significant in Western Australia. In his statement the Treasurer said, "Underwriting currently applies to four agricultural industries: wheat dried vines, fruit, dairy apples and pears. Underwriting arrangements will reduce the impact of unexpected price falls. They assist industries by reducing risks involved in financing each season's production before it is priced and sold on export markets."

That has been the whole basis for having an underwriting system to assist agriculture. What the Government has said in this statement, is that, "As a result of these changes in the present underwriting arrangements, producers will assume more responsibility for meeting the cost of price uncertainty, because improved financial services and access to financial markets have reduced the need for Government underwriting." What that means is that the Government is opting out of its responsibility and letting the agricultural industry carry the total load of price uncertainties and fluctuations in world market prices, which have a deleterious effect on agriculture.

Price underwritings simply do not apply in times of boom prices. Market underwriting conducted by a Federal Government is destined to be roughly 60 per cent of the commodity's value on an overseas market. If there is a seriously depressed situation, underwriting will be brought in. What the Government is heralding is that there will be no underwriting to assist the stabilisation of the Australian agricultural industry. No global figure has been put on what will be the savings to the Federal Treasury, or what will be the cost to Australian agriculture, but they will be significant and could well run into tens of millions of dollars. In the same context I mention the dairy industry, with which I have a close association. There has been a levy on the price of butter of \$684 a tonne, which is to be reduced to \$234 a tonne, and in July 1989 it will be completely eliminated.

It is important to understand the strategy of the Labor Government. Its desires and directions are not for Australian agriculture, but are for cheap foodstuffs for Australia, irrespective of from where it comes. These underwritings, as miserable as they may be - I cannot see any manufacturer getting any benefit from an underwriting price of a couple of hundred dollars a tonne - open the door for the Labor Government to bring in products from New Zealand at the expense of the Australian dairy industry. That is part of the strategy of the Federal and State Labor Governments. The cost to the Western Australian dairy industry will be measured in cents per litre of milk produced. Again, although no global figure has been given in the mini-Budget, in due course it will offer a significant saving to the taxpayer, if it is ever used, but will represent a considerable deterrent to the producers of dairy produce.

The next matter concerns export inspection services for meat and horticultural products. This is a service carried out by the Commonwealth Government on behalf of the meat and horticultural industries of Australia; the charges are to be increased from 50 per cent of the

total cost to 60 per cent. That will add \$11 million to the cost to Australian agriculture. Including as it does apple producers in the Donnybrook region, and meat producers throughout the length and breadth of Western Australia, the impost will not be without some significance to the whole of Western Australian agriculture.

The member for Narrogin remarked on the increase in the valuation of the natural increase in livestock. It is significant to note that that was brought into being in 1936. It was subsequently changed in 1984, under a Labor Government, and has been changed again in 1988 also under a Labor Government. The Government has stated that it intends to have a four-yearly review to continue the increase in the valuation of livestock on farms. That was a benefit to agriculture, and although taxpayers will save \$35 million in a full year as a book entry, that amount will be a cost to agriculture.

Another cost to agriculture is mains electricity connections. This was intended to replace the immediate write-off of capital expenditure on property, on which the business of farming is carried on, over a 10-year period. It will result in a cost saving of \$5 million a year to its taxpayers. What a piddling, miserable amount. It might be of great consequence for that amount to be claimed as a total depreciation by putting in mains power for a place such as Fossil Downs Station in the Kimberley, but that strategy of the Labor Government shows no understanding of remote Western Australia, and little comprehension of the consequences for Australia.

These matters in the mini-Budget to which I have referred affect the man on the land, who will suffer a net loss of \$65 million in one year. I wish to refer to an area in which the Government is pursuing its very dubious policy, and I would like to have this matter debated at some length in this House. I refer to the Government's expenditure of \$40 million on setting up the new Aboriginal and Torres Strait Islanders Commission. It will cost the taxpayers an additional \$40 million to set up this new structure. The taxpayers of Australia are resentful about this Government's expenditure priorities, and those types of expenditure should be justified in the present financial climate. The Government is hellbent on putting into place its welfare programme. It has no regard for the people who create and earn the wealth of this country.

My colleague, the member for Karrinyup, referred to the cuts to road funding in the economic statement last night. Anybody involved in agriculture in this country will damn the Government for those cuts. It proposes to reduce the amount of funds available for roads by \$50 million or four per cent of the amount that was available last financial year. The difference in real terms between the amount allocated for roads in last year's Budget and the amount allocated in this year's Budget is \$176 million. Far more sinister than that is the Federal Government's intention to spend the \$50 million it will save on a referendum. I believe that, if the people of Australia were asked whether they wanted that money spent on roads or on answering four questions in a referendum, they would answer that they wanted roads and to hell with the referendum. This Government has supported the Federal Government in its attack on local government because the slashing of the funds available for roads is nothing more or less than an attack on local government.

If ever an issue parallels a Government's attack on the wine industry, it is the Federal Government's attack on the gold industry. It was very interesting to read a letter in *The West Australian* two or three days ago by Dr John Lagan from the Chateau Xanadu winery at Margaret River who said he could not trust the Prime Minister. The Prime Minister promised the wine industry there would be no wine tax and he plonked 10 per cent on it. Later he said that he would not put a further tax on wine, and placed another 10 per cent tax on it. The cock has crowed three times and now he has put a tax on gold.

Mr Troy: How is the wine industry going in Western Australia?

Mr BLAICKIE: The member for Mundaring has always been a supporter of a wine tax.

Mr Troy: What impact has that tax had on wine?

Mr BLAICKIE: The member for Mundaring did nothing to question the tax on wine during the Committee hearings as he was totally supportive of the Australian Labor Party.

Mr Troy: Your memory is fading.

Mr BLAICKIE: My memory is fine. The member for Mundaring supported the tax on wine as his actions vindicate.

How can you trust a Government when its leader says twice that there will be no tax on wine and proceeds to charge the industry 20 per cent. The Prime Minister gave his written word to the goldmining industry prior to the election that there would be no gold tax and he imposed a tax. The proposed gold tax will be known as "Taylor's gold tax" because Mr Taylor guaranteed that Western Australia would have a tax and the people of Kalgoorlie will remember that. He was the only member of Parliament who paraded month after month telling everyone that there ought to be a tax on gold. I trust that the mining industry will remember him and condemn him for his actions.

**MR TRENORDEN (Avon) [3.54 pm]:** I am pleased to make my contribution in this debate with most of the key men of the Labor Party in their places. The two main topics that I want to raise today are the superannuation tax and pensions. However, before I do, I want to make some comment about the Premiers Conference and the mini-Budget.

The current practices relating to the way the Commonwealth distributes funds to the States is deplorable. This State will rue the day that it refused to ratify the petition in 1933 to cut ourselves adrift financially from the rest of Australia. Last year there was a call from several quarters and from a couple of Federal Ministers for an Australasian common market which would include New Zealand and a few Pacific countries. Perhaps Western Australia should now be considering such a move. We could therefore cut ourselves adrift financially from the rest of Australia. We could contribute only to those things that we consider have value instead of being in the situation of having nine per cent of the population and contributing over 20 per cent of the export earnings of this country. Western Australians are contributing far more than they ought to benefit this nation and are being forgotten on many occasions by Canberra.

The member for Narrogin raised a very minor point in the general scheme of things. He told us that the phosphate bounty was to cease. Western Australia uses huge amounts of superphosphate.

**Mr Parker:** The National Farmers Federation supported that move.

**Mr TRENORDEN:** Yes, but Australia-wide.

**Mr Parker:** And in Western Australia.

**Mr TRENORDEN:** I assume that Western Australia is included in Australia. My point is that the decision was made to cover Australia and did not take into account the position of Western Australia. This State misses out far too often as I am sure the Minister will agree.

**Mr Parker:** I don't disagree that we miss out sometimes. The National Farmers Federation supported its elimination.

**Mr TRENORDEN:** It is a democratic process. Six States, of which we are one, voted for its elimination.

**Mr Parker:** The Western Australian federation also supported it.

**Mr TRENORDEN:** On a pay-off basis. I think a few farmers will be very interested in what the federation did.

Two matters that have not received much attention in this debate have been the tax on superannuation and pensions. A tax of 15 per cent will be levied on superannuation fund earnings. A miraculous statement has been made by the Federal Treasurer that the Government will take \$1 billion in early revenue and it will not cost those people who receive superannuation funds on retirement any money at all. I do not know how this miracle will occur. Mr Keating will be the only person who could create this sort of miracle. He was the best Treasurer in the world one year and the next year he was the worst.

**Mr Wiese:** He got the wooden spoon.

**Mr TRENORDEN:** Yes, without any question he got the wooden spoon. The miracle he will achieve leaves me spellbound because anyone who knows anything about compounding of interest will know that if one takes away a dollar today from an investment, 30 years from its maturity, there will be a substantial loss of benefit from the investment. The Federal Government has said that existing moneys are not taxed when released from the fund and it results in a negating benefit to recipients and, therefore, it will tax superannuation payments. That is rubbish because there is no way those two things will counterbalance.

Members will have heard comments from people in the financial sector about what happens if one invests a dollar today and compounds it over 20 years. In 20 years it turns into telephone numbers; that is, if the same amount is paid annually, similar to a superannuation scheme. If the dollar is affected by two factors - wage increases and inflation - the end result is that the dollar which the person started contributing at age 16, 18 or 20 would amount to somewhere in the vicinity of \$200 000 at maturity. By taking 15 per cent out of that fund - even if it is reduced by other compensating factors to which the Treasurer referred - a large amount of money will be taken from the pockets of Australians.

At a time when this nation is looking for ways out of paying its welfare bills it is a disgrace that the Federal Government has decided to tax superannuation funds. The reason it has chosen to do this is that it is a sizeable sum of money and it is easy to access. It is not directly identifiable to individuals. It belongs to a mythical creature called "funds" and if the Government taxes the funds it does not affect the contributors. The Treasurer's statement last night was amazing. I wonder how State and Federal politicians, including the Federal Treasurer, can make statements the result of which will not come home to roost for years to come.

We have heard the promises that our exalted leader in the east has made about gold tax and capital gains tax and for some reason the promises do not come to pass.

Mr Parker: The Opposition supports capital gains tax.

Mr TRENORDEN: It supports only a small proportion of it. I suggest that the Minister look at the Press release and tell me whether that is correct.

Mr Parker: That is not right.

Mr TRENORDEN: The Minister should check it out and should apologise to me tomorrow when he finds that he is wrong.

The fact is that the average Australian who goes out of his way to provide security for his or her future is being penalised by someone who is revenue hungry.

The Government's revenue in 1988 has increased in real terms, yet it still seeks more tax. The taxation revolt in this country is not far away and I remind members what occurred in California. The Federal Government is responsible for the manner in which it taxes middle Australians.

I advise the House that I am concerned at the number of pensioners in my electorate who have to pay provisional tax. The mini-Budget provides that pensioners in receipt of any benefits card will not pay provisional tax. If that is true, I applaud the Government's action. It is a terrible situation if Governments need to tax pensioners, especially in the form of provisional tax. In many cases provisional tax is charged on small amounts of money. In the case of a pensioner paying provisional tax on \$2 000 he has to find \$300 or \$400 to pay his tax bill. The Government is giving money in one hand, and demanding it with the other.

The mini-Budget provides an increase in the pensioner rebate from \$250 to \$430. I applaud the Government's action, but I would have preferred it to occur in a different manner. It would have been better for pensioners had the tax threshold been increased to a level of the pension. It would affect not only those pensioners with income investments, but also pensioners with personal exertion income. It would have been beneficial to pensioners to have a threshold above income earned from pensions.

The mini-Budget provides for a single pensioner to earn \$10 instead of \$3.70 a week above his pension before he is taxed. A statement was made that during the last five years the Federal Government has increased the real value of the pensions by eight per cent. It has also increased the amount pensioners can earn without their losing part of their benefits. That is true, but the Government also admits it has been taxing that money. The Government has increased the pension in line with inflation, but it has placed some pensioners in a tax bracket which has taken the money away from them. It is oppressive to pensioners who have no method of finding the money to pay the tax bill. Any relief from provisional tax paid by pensioners will be well received by them. I do hope that promise comes to pass. It worries me a little because the mini-Budget refers to 255 000 pensioners being in receipt of these benefits. There are many more pensioners than that in Australia and that is why I am being cautious, but I hope every pensioner will not have to pay provisional tax in the future.



Reference is also made to saving money on pharmaceutical goods. On many occasions pensioners come to me very upset because their husbands or wives are forced into hospital and they receive a bill stating they are responsible for the payment of certain drugs which were administered during the illness. It appears that every few weeks a pensioner comes to my office advising that another pharmaceutical line has been dropped from the free list. It would be reprehensible of any Government to take that action because pensioners believe the rhetoric of Governments. They believe that when the Government says that hospital or medical treatment is free, it is actually free. However, it is not free. People are being given drips in hospital, only to find that those drips are no longer claimable. People who have been administered drugs in the course of normal treatment have found that they face a bill for \$200, \$300 or \$400. I feel for pensioners because they are being squeezed more than any other section of our community.

I also have a steady stream of veterans coming to my office with the same complaints. Most veterans, apart from Vietnam veterans, are now retired and they generally have no means of generating more capital or income. Those veterans have told me that their benefits are being reduced constantly. I have written to the Federal Government and have asked pensioner groups in my area to do the same. I suggest that all pensioners get involved in their organisations and put pressure on the Federal Government to make sure that so-called minor benefits are not dropped so as to reduce the pressure on these people.

The proof of the pudding is always in the eating. The result of the mini-Budget and the Budget in August will be found out next year, when we all experience the effects. As the member for Narrogin and others said, there is no guarantee of tax reductions. The only indication of tax reductions lies in the fact that an election will be held in a couple of years. However, if the price of certain commodities falls or if wages increase, the tax cuts will not eventuate. I believe that those in the Eastern States who speak with a forked tongue will be bitten by the snake some time in the future.

**MR GREIG (Darling Range) [4.13 pm]:** I am pleased to be able to support the amendment moved by my colleague, the member for Mt Lawley, in condemnation of the role that this Government has played in its sycophantic support of the May economic statement of the Commonwealth Treasurer.

I address my remarks to what the May economic statement did not say. Notwithstanding the rhetoric, it paid flimsy regard to the nation's need to increase and improve productivity and to restructure industry. It paid scant regard to industrial relations questions and to how productivity improvements would be achieved. It did not deal with the problems involved with educational and vocational training.

The industrial relations club has a new recruit. The House will probably be sad to know that the club is alive and well. The strategies of the Commonwealth Government have stopped in their tracks the faltering steps which were heralded by the second tier productivity discussions and the decision of the Australian Conciliation and Arbitration Commission. Last night the Premier of the State gave an unquestioning endorsement to the Federal Treasurer's latest manoeuvring, which heralded him as another disciple of the industrial relations club.

I refer to paragraph (e) of the amendment of the member for Mt Lawley. The amendment refers to the suffering to be experienced by Western Australians because the May mini-Budget failed to do anything to address labour market reform, which is essential to the future success of Australian industry. A central theme of the Treasurer's statement is a wage-tax trade off - a deal. It is a con in the best form of the industrial relations club. In his statement the Treasurer boasted that his Government was committed to getting all aspects of the economy right. Despite this, the Federal Government is threatening the reforms which were emerging. The second tier productivity discussions, in particular, are now under threat as the Commonwealth Government starts the pea and thimble trick as it attempts to head off the six per cent across the board wage break-out being sought by the ACTU and its members.

The Treasurer presented the possibility that inflation in the forthcoming year would be 4.5 per cent. Clearly that is designed to provide a means by which the trade union movement bosses can con their members, working Australians, to accept less than a six per cent wage increase. I intend to quote from a number of excellent articles that have appeared in the

national Press. In essence, the condemnation is of the Western Australian Government and its Premier for so happily joining in subterfuge by endorsing the economic statement, and by joining the new disciples of the industrial relations club. The Premier has joined Mr Crean, Mr Kelly, Mr Ralph Willis, and Treasurer Keating. I intend to quote extensively from an article by Pamela Williams in today's edition of *The Australian Financial Review* because it is very relevant. The second paragraph of the article reads -

And the Government has moved to head off the ACTU's 6 per cent inflation-based wage claim by predicting inflation will fall to 4.5 per cent by June 1989, despite the poor figures in the last quarter CPI.

Our Premier has followed Simon Crean. The article continues -

Nevertheless, the ACTU president, Mr Crean, immediately said the Government's strategy was "sensible and well balanced," and would give direction to the thrust of the country's economy for a long time.

In an economic address remarkable for the brevity of its attention to wages, the Treasurer foreshadowed personal tax cuts no earlier than mid-1989. The ACTU has long accepted the reality that the cuts would be delayed until mid-1989.

The size and timing of the cuts would be directly tied to the size and timing of wage rises in the coming year and this point would be stressed in discussions with the ACTU over the next 12 months, he said.

"That is, the Government is prepared to provide substantial tax cuts provided there is an acceptable wage outcome in 1988-89 and an appropriate wages-tax trade-off in 1989-90," he said.

With last night's package of structural and tax reforms, the Government has devised an interlocking system which is far more than the sum of its parts.

They are not my words, but the words of a journalist with *The Australian Financial Review*. The article continues -

By tying wage restraint to personal tax cuts, which are in turn tied to superannuation changes, the Treasurer has ensured the unions will have difficulty unravelling the initiatives or rejecting parts of the package.

It continues -

Unions have widely anticipated the promised mid-1989 personal tax cuts would be the fruit of wage restraint over the next year.

But the scant half dozen lines in last night's economic statement reveal more by what they omit than by what they promise.

Clearly it is not just my opinion, but a noted commentator on national affairs also has said this is true; that this much heralded economic statement by the Government has not mentioned how it will get things right other than the fact that the industrial relations club - which the Labor movement holds so dear - will fix it behind closed doors and will sell working Australians down the drain in the same way it did on the superannuation promises and the deferred tax cuts. The article in *The Australian Financial Review* by Pamela Williams also states -

The Government's message is clearly that the economic agenda now takes priority over the Prices and Incomes Accord relationship.

So the accord is now unfashionable. The article continues -

However there has never been any doubt among wage strategists at the ACTU that inflation, and therefore the general wage claim, could drop away far below 4.5 per cent. The difficulty is now persuading the unions to hold to a system which promises ever diminishing returns.

By predicting the new low inflation figure, the Government is trying to defuse the momentum of the 6 per cent industry claims being filed on employers.

It further states -

The prospect of wage-tax trade-off in which the difference between the actual and

prospective inflation rate is made up by a loading on the planned tax cuts may also run into problems if unions demand that the difference come through wages.

She concludes the article with these telling words -

But the overriding industrial concern from last night's strategy will be to keep wages growth as close as possible to that of Australia's major trading partners.

With inflation heading for 5 per cent or less, the Government still believes this objective remains consistent with the overall maintenance of real wages in 1988-89.

I would like the Government to listen to this last extract -

The dilemma now faced is whether the restraint called for will be too much for the ACTU and the unions to deliver.

I repeat that this Government has endorsed a return to centralised control of the wages of ordinary wage earners in this country. Productivity reforms, which are so essential for this country's getting on track and back to the pre-eminent position it held 15 or 20 years ago among the nations of the world, will now be stifled in the return to the mid-1970s centralised wage fixing system. Improvements will not be encouraged and the reform has been abandoned.

That can be illustrated in three areas: First, union pressure has clearly shown in recent times that the emasculated industrial relations Bill which has been reintroduced in the Federal Parliament has been forced on the Federal Government. The Government has been forced to drop the powers it intended to give to the Australian Conciliation and Arbitration Commission and to come forth with another mealy-mouthed tinkering with the industrial relations system. Secondly, the trade union movement has effectively vetoed the privatisation aims of the Commonwealth Government for instrumentalities such as Qantas, Australian Airlines and the Commonwealth Bank. Thirdly and worse still, the opportunity for deregulation of the labour market that had commenced - that embryonic indication that finally the Labor movement in this country had begun to realise the benefits of employers, management representatives, supervisory representatives and operative employees talking together about productivity matters - has again been lost. It has reverted to the centralised system.

Australia's promised tax cuts are now hostage to the ACTU. Mr Crean will be able to tell the Commonwealth Government whether it can deliver its tax cuts; it is in his hands. We know he will have to look after his constituency - the unions - and if the situation becomes too difficult for him, wage rates will go up, tax cuts will go out and the Commonwealth Government will cop it. We have seen clear evidence from this Government's Commonwealth colleagues - Senators Walsh and Evans in Canberra - that the privatisation debate is dead. In those circumstances clearly the strength of the trade union movement and its grip on the Labor Governments in Canberra and Western Australia is so evident as to be transparent. Centralisation is back in and socialist objectives are to the fore.

I now address the question of education. The economic statement by the Commonwealth Treasurer has been well characterised in another excellent article by Greg Sheridan in today's edition of *The Australian*. I am sure that the people of Australia would love to read this article under the heading of "Corporate State Education" which states -

In the strategies of education and training in the mini-Budget John Dawkins has displayed the quintessential, highly refined, corporate State mind of the contemporary Hawke Government.

There is the preference for systems over individuals.

It is a pity that the Minister for Education is not in the Chamber to listen to these comments. It continues -

There are the broad national goals to be achieved through close government-business co-operation.

There is the preference for the lofty sentiment over the immediate task of tackling the hardest questions. There is the almost impenetrable, bureaucratic prose.

An article attributed to Scott Brandreth appeared in last Saturday's edition of *The West*

*Australian* on the question of education. I hope the Deputy Premier will address this issue to the Minister for Education at the earliest opportunity, because to date the Minister has not responded. Under the heading "College cuts down on 3R education" it stated -

The WA College of Advanced Education has slashed the time that trainee teachers have to learn the basics of how to teach reading, writing and spelling.

Mr George White, head of the commercial education division at Churchlands campus, said yesterday that courses concentrating on teaching literacy in schools and improving the literacy standards of graduates had been reduced by about 25 per cent - or by 173 hours a year.

Industry is crying out for people with better base skills in reading, spelling and grammar. I am not suggesting that people are illiterate in their capacity for comprehension, with which it is often confused, but in those basic skills.

The article continues -

Mr White said he was extremely concerned about the cutbacks when the literacy levels of many WACAE teacher-trainees were below standard.

"We do have problems with standards of literacy and this year about 40 per cent of our intake needs some sort of remediation in writing, spelling or speaking," Mr White said.

"When you have that percentage of students who are struggling with their own literacy you are losing valuable time in teaching."

Mr White said the cuts had been attributed to a drop in Federal Government funding to the college.

And he said the lack of "hands-on" literacy teaching would create future problems in classrooms.

"We cannot say to the students: 'We have missed out this section, you'll find the books in the library'," he said.

Teacher graduates would not be "as well informed" as previous graduates.

Mr White said the cut in literacy courses was indirectly affected by a move to produce a greater number of science and technology teacher graduates.

"The courses at the college are there to teach students how to teach the literacy area," he said.

"The problem is magnified when 40 per cent of them can't cope with literacy at their own level."

I conclude by referring briefly to an article by Greg Sheridan which appeared in *The Australian* today in relation to the question of vocational training and which picked up that article, as follows -

In the field of industry training Mr Dawkins hopes to effect a fundamental change in our corporate culture through mere exhortation, through the use of his portfolio as a bully pulpit to urge business to do more about training the workforce . . .

At this stage Mr Dawkins is telling industry to lift its game.

However, he has not made a completely threat-free call to industry to increase investment in training. He has raised the spectre of industry funds, -

Which I understand this Government is considering -

- and the possibility of legislating to require industry to contribute to these funds, if he does not regard industry's performance over the next 12 to 18 months as good enough.

At first glance compulsory levies to finance industry training funds look like having the potential to become vast bureaucratic nightmares.

The Minister's side of politics would enjoy that. The article continues -

Mr Dawkins acknowledges that these are deep waters and appears to want to avoid, if possible, that kind of approach.

However, the spectre of industry funds betrays a weakness of this Government. Despite its exercise of some discipline on its own spending in the past few years, it is still basically addicted to looking for new taxes which it can levy.

This Premier and this Government stand condemned for their unquestioning endorsement of Treasurer Keating's May statement.

Treasurer Keating has said that the way out for Australians is increased productivity and restructuring. The way in which that will be achieved is through productivity in the workplace, but the May economic statement does not address that.

**MR LIGHTFOOT** (Murchison-Eyre) [4.34 pm]: I will add to the debate today by talking predominantly, but not exclusively, about the proposed gold tax to be introduced on 1 January 1991. This tax will clearly affect the people of Western Australia more than the people in any other State.

Within three months of the departure of the wonder boy of politics here in Western Australia the whole place seems to be falling to pieces. Western Australia is to wear the impost of this iniquitous gold tax because, in round figures, we produce about 70 per cent of the nation's gold.

It may be of interest to members to note that Western Australia comprises, in round figures, about eight per cent of the population of Australia yet is responsible for almost 25 per cent of export income. It may be said that we can afford this tax, but that is not the point; the point is the singular arrogance of Canberra, that sycophantic State within a State, that economic leech that has seen fit to impose an impost on this sub-nation of Western Australia that one could say is similar to the one imposed that caused the Boston tea party in another place at another time. That was brought about on the east coast of America in the States of new England because the British imposed unfair taxes on the people.

I see a parallel and an analogy between that tax 200 years ago and what is happening here today. I do not think there is any member in this House, including the Deputy Premier, who would not concede that a gold tax is a tax of madness. Someone has said that there will be no net gain from this tax. However, it is not imposed for a net gain but for ideological reasons. Of course, when Governments start imposing imposts of this nature without any sound economic basis they come undone in political terms and the sooner that happens the better for this nation.

I believe that the harbinger of this Federal gold tax was the "Taylor tax" of Kalgoorlie. I believe that any member of Parliament who suggests that if the goldmining industry does not offer up "a voluntary levy" legislation will be sought to impose that levy is a traitor to this State. This matter is compounded by the fact that the member for Kalgoorlie is from the very heart of the goldmining industry. He stands condemned today for his part in precipitating that tax and for his part in giving the grim reaper, Keating, the go ahead for it. As we have said on other occasions, he also tolerates prostitution, brothels, gambling casinos and heaven knows what else! Then, to come here and give assent to this tax from Canberra is absolutely abysmal. He should be condemned for his actions, and for his part in this matter.

I will now read a short extract from a comment made by Western Australian Senator, Peter Cook, reported in the *Kalgoorlie Miner* of 13 June 1987 when he was visiting Kalgoorlie, as follows -

Prominent Western Australian Senator, Peter Cook, said yesterday he was "offended" by assertions that the Labor Party would introduce a gold tax if re-elected. In Kalgoorlie yesterday, the Senator slammed the Liberal Party for playing "political football" with the issue for opportunist reasons.

"I find it amazing that we who decided against the funding of an inquiry which recommended a tax on the gold industry are accused of wanting to reintroduce it," he said.

Now we have a gold tax.

**Mr Parker:** Supported by both the Liberal Party and the National Party.

**Mr LIGHTFOOT:** Supported by the National Party.

**Mr Parker:** Senator Stone has issued a statement supporting it.

Mr LIGHTFOOT: I will be interested to see that Press release. The effect is not purely in monetary terms. It is not a matter of companies losing profits, which this Government seems to abhor, but it means the loss of jobs. It also means the loss and inhibiting of development in the goldfields and that those creations that go with jobs and development - schools, roads, entertainment, and those sorts of things - will be stopped or reduced. It means that the standard and quality of life for people in the outback on the goldfields will be diminished, and that is the tragedy of it.

I believe that the estimated \$100 million to be raised in the first year rising to \$300 million in the second year will be negative in net results. I believe that that figure has purposely been underestimated and that the figure in the full year 1992 will be closer to \$500 million or \$600 million. That is a hell of a lot of money to pull out of the goldfields, remembering that 70 per cent of the nation's gold is mined in Western Australia. It will affect not only balance sheets of companies but also people because they will not have that money to spend on the items I mentioned a moment ago.

If there is some doubt held by members on the other side of the House - and there does not seem to be any - let me reassure the Deputy Premier, the senior Government Minister present at the moment, of what I am saying. The Ayatollah Khomeini of the Labor Party, the former Premier, was reported in *The West Australian* of Thursday, 29 May 1986 as saying the following -

A gold tax would have a major impact on that investment and the ability of the industry to sustain its existing level of performance.

The immediate and more obvious impact of a gold tax would be even more dramatic.

Put simply, jobs would go.

A 20 per cent drop in gold production would see a direct loss of 2 000 jobs, most of them in the goldfields.

We are talking about something I have in common with the Premier - perhaps the only thing. He understood before he left this place that a gold tax would result in a massive loss of jobs and development and of all the ancillary things that go along with the goldmining industry.

It is a sad day for Western Australia that the grim reaper of the Eastern States, the Treasurer, has imposed such a tax on this State. It is immoral for him to do so, and he was encouraged, as the member for Mt Lawley said, by the reticence and actions of senior Ministers in this Administration.

Mr Cash: And particularly by the member for Kalgoorlie.

Mr LIGHTFOOT: There is little doubt that the harbinger of this tax was the fact that the Minister for Police and Emergency Services was going to force through this Parliament a voluntary levy; and this gave confidence to the grim reaper in Canberra to introduce this most unfair tax. I cannot begin to describe how angry other members on this side of the House and I are about the imposition of this tax. We hope this anger spills over into the State, and we hope the blame is sheered home to this Administration - which is where it should be - for the weakness it has shown in allowing a Minister, with the endorsement of his senior colleagues, to talk about a voluntary levy in the goldfields.

Mr Cash: Where does the Minister for Mines stand on the Taylor tax?

Mr LIGHTFOOT: I could perhaps give the Minister the opportunity to answer that question by way of interjection. It seems the answer is not forthcoming.

The proposed gold tax will result in a loss of jobs in this State. The gold tax will have little effect on Queensland or South Australia, or on the sycophantic States of New South Wales and Victoria.

I will read a paragraph from a letter from Senator John Button, the Minister for Industry, Technology and Commerce. He said inter alia, "This issue was considered by the Government following the August 1986 Goodman Report on the taxation of goldmining. In response to that report the Government decided not to introduce a gold tax because the importance of encouraging exploration and development and of maximising production and the consequent export income generated by the goldmining industry outweighed the arguments in favour of removing the industry's longstanding tax exemption."

The Administration in Canberra imposed a tax on the people of Western Australia because it did not give a damn about the one million square miles over here, populated by 1.4 million people. It was only concerned about those people in the Eastern States who put that Administration into power. It is just as well we have some Senators who stand up for this State. We do not have very many, and those we have happen to be Liberal.

A great mistake was made - and this is exemplified by this sort of tax - in the 1930s when this State did not secede from the rest of the nation. If the Federal Government is going to continue to impose taxes of this nature on the people of Western Australia we ought to serve warning on it that there are people in this State of sufficient strength, conviction and stamina to stand up to it and say what it is doing is manifestly wrong and immoral and that it cannot impose a tax of this kind merely because it has the numbers and the strength in the Eastern States.

This tax is most unfair and inequitable. We pay enough as it is. What we pay in terms of the fuel excise, the fuel levy and fuel taxes amounts to 67c in every dollar; and no-one in this nation travels more than the people of Western Australia, and we know what it costs. The mining and petroleum industry already pays to the Federal and State Governments 72c out of every dollar it earns. Why should we have to pay more than 72c in the dollar when that has such a negative effect? It will not achieve anything. It is an ideological philosophy that everything which earns money should be taxed.

I lean towards the position that if there is debilitation in an industry, if an industry is earning and paying its way, it should not be taxed. A classic example is the coal industry. It is a wonder this example was not used in the Eastern States. The coal mining industry should be given a tax holiday until it recovers. In Australia - unlike the situation in South Africa, India or China - we do not have cheap labour in the coal mining industry. Those countries do not have the add-ons and imposts we have here in respect of leave loadings, long holidays, expensive freight rates, bottlenecks and blackmail at the wharves. Why can we not think laterally and say it is not just that the goldmining industry, at corporate level, is not taxed; other industries and commodities should enjoy the benefits of a tax free holiday?

This tax will affect most of those people who have made their fortunes, built their homes, raised their families, gone to school and educated themselves in Kalgoorlie and Boulder. That is why it is so immoral for this member for Kalgoorlie - who unfortunately is not here today - to support what will become the infamous 1991 gold tax.

It could be argued that other significant gold producers in the world pay tax on their gold. However, they do not pay for the high cost of natural gas, the high cost of petroleum, or the high cost of machinery resulting from tariffs - and I know that tariffs are being removed in a scaled down fashion. In Canada and the United States the machinery is less expensive; the amortisation of some of their machinery and infrastructure is written off more quickly than it is here in the mining industry. The goldmining industry pays massive taxes; it pays PAYE tax, imputation tax, payroll tax, FID, BAD, fuel tax, import duty and tariffs. It is just this one link in a whole chain of taxation that it does not pay. The Federal Government, together with the member for Kalgoorlie, is going to ruin an industry that is the brightest star in the export sky.

The industries in this State suffer to varying degrees - and this is not always applicable to other countries, particularly the significant gold producers of South Africa, Canada, the United States and Brazil - from labour problems, although the goldmining industry has largely been free from the strikes suffered by the coal and other commodity industries. People still suffer from massive housing problems and high rents in towns such as Kalgoorlie and Boulder. This Government has been in office for five years and has not helped to address those problems. There are in Kalgoorlie two bedroom houses which are renting for \$250 a week. We heard Mr Lewis, the shadow Minister for Housing, talk about this problem yesterday. There is a shortage of homes not only in Kalgoorlie and Boulder, but also right across the goldfields.

There is a shortage of homes right throughout the goldfields - Yalgoo, Mt Magnet, Cue, Meekatharra, Wiluna. There is a shortage of homes in Wiluna of all places so that people must fly in and fly out, living in single accommodation, whether they are married or not. Members cannot tell me that the roads up there are not the worst in the world. I have been to Indonesia, Thailand and China, but in none of those countries have I seen worse roads than those around Wiluna. It is an indictment of this Government, which has been in power for

five years, that it has not created a single significant road network, and that is what is drawing this country down and holding us back.

The Government is not satisfied with this yoke around our necks; it is now about to put the tax yoke around our necks as well, so that anyone who wants to work is inhibited from doing so. Anyone who wants to go out and work for himself in order to create industry will be inhibited because this Government, which should supply the infrastructure which it was put in power to do, interferes with industries like the mining industry through the WADC.

To return to the problems I was speaking about before being interrupted by the Minister for Transport, we suffer housing problems on a massive scale in the goldfields. We suffer the often untimely collapse of open pit walls. We quite often suffer from a lack of continuity of grade, through no fault of the engineers and geologists on those mines. We suffer from high transport costs and a massive increase - a doubling in fact - of the price of sodium cyanide which is so necessary in the goldfields, and the consequent increase in the price of lime and other chemicals which are necessary for the recovery of gold. We suffer from massive water costs. In some instances we are using saline water up to ten times saltier than sea water. We are using this on a massive scale because the Government has failed to supply this facility to the goldfields. This Government has been negligent in supplying a common facility like water. It has abrogated its duties, yet it interferes in other areas and it should keep its dead hand of socialism out of them.

Several members interjected.

Mr LIGHTFOOT: The interjection by the Deputy Premier seems to indicate that he thinks he is in charge here. It reminded me of the promise he made about telephones prior to the last election and then reneged on it shortly after the election. This was the only time he had ever been to Leinster when he was there with the Premier. He made a letter drop around Leinster about subsidising telephones, and what a fraud on the people of the goldfields and Leinster that was! He made promises about the delivery of electricity to Leonora and did not live up to them.

Mr Parker: That is absolutely untrue.

Mr LIGHTFOOT: It is not untrue at all, and I will supply the Minister with information. I do not have much time left, but in summing up I say that this Government and the Federal Government stand indicted for this impost of the gold tax on the people of Western Australia.

Amendment put and a division taken with the following result -

Ayes (19)			
Mr Blaikie	Mr Grayden	Mr Mensaros	Mr Reg Tubby
Mr Bradshaw	Mr Greig	Mr Schell	Mr Watt
Mr Cash	Mr Lewis	Mr Stephens	Mr Wiese
Mr Clarko	Mr Lightfoot	Mr Trenorden	Mr Maslen ( <i>Teller</i> )
Mr Crane	Mr MacKinnon	Mr Fred Tubby	
Noes (23)			
Dr Alexander	Mr Evans	Dr Lawrence	Mr P.J. Smith
Mrs Beggs	Dr Gallop	Mr Parker	Mr Troy
Mr Bertram	Mr Grill	Mr Pearce	Mrs Watkins
Mr Bridge	Mrs Henderson	Mr Read	Mr Wilson
Mr Cunningham	Mr Gordon Hill	Mr Ripper	Mrs Buchanan ( <i>Teller</i> )
Mr Peter Dowding	Mr Hodge	Mr D.L. Smith	
Pairs			
Ayes		Noes	
Mr Thompson		Mr Taylor	
Mr House		Mr Donovan	
Mr Williams		Dr Watson	
Mr Hassell		Mr Thomas	
Mr Cowan		Mr Carr	
Mr Court		Mr Tom Jones	

Amendment thus negatived.



*Debate (on motion) Resumed*

MR WATT (Albany) [4.57 pm]: Like most other members I would like to add my congratulations to the new members who have been elected to this Parliament. Unlike some other members, however, I do not necessarily put myself in the position of wanting to wish them a long tenure of office in the Parliament because I would be somewhat hypocritical if I were to say that about my political opponents. However, I wish them a rewarding and satisfying career in their term in the Parliament, and I hope, as has been suggested by some other speakers, they will try to get back to some of the old standards of comradeship which used to exist between members on both sides of the House rather than develop a bigoted approach to their politics which will place them in a "them and us" situation.

Mr Parker: At least you have had your preselection.

Mr WATT: I have more trouble with preselections than with elections.

Before canvassing an issue of major concern to my electorate I want to range quickly over two or three issues of concern in the wider sphere. The first relates to disabled drivers and disabled parking. Under the previous policy, permission for disabled parking rested with local authorities, but we have recently seen a policy where an organisation known as ACROD now issues permits to people who are disabled upon payment of a fee.

I have had people coming to my office upset about what has been happening. Some have complained about the new arrangement, while others have found themselves victims of the system. The first example I want to use of somebody being a victim of that system relates to the public library in Albany where there is a disabled parking bay. For example, I know a gentleman who for a couple of years on a reasonably regular basis has taken a disabled person to the library every week or two to change his library books. He had always parked in the disabled parking bay, assuming that it was legitimate for him to do so. However, last year he received an infringement notice involving a fairly substantial fine; but after I intervened on his behalf the Albany Town Council agreed to withdraw that infringement notice. By coincidence, only yesterday in *The West Australian* an example was given of a paraplegic person who received a \$12 parking ticket for parking in an area which was for disabled persons without displaying the appropriate permit. I think there is something a bit wrong with the system because many people who use those parking bays would not necessarily know what the system is. Furthermore, it would be interesting if somebody decided to defend one of these infringement notices in court on the basis that the signs say "Disabled Parking Only".

Dr Gallop: Doesn't the law say you must have an ACROD sticker?

Mr WATT: Yes, that is the point I am making. The sign says, "Disabled Parking Only". The member might break his leg tomorrow and, not knowing what the system is - because he would not have any need to know - he might park his car in one of those bays. If having a broken leg does not make one disabled, I do not know what does.

Dr Gallop: What you must come up with is a scheme that makes it possible for there to be some -

Mr WATT: Perhaps the member would allow me to make my speech. I do not appreciate his help. What the signs really ought to say, if they are dinkum, is "Disabled Parking - Permit Holders Only". There are people with a genuine disability who are obeying the spirit of the law, yet they are being given infringement notices and fines for a reason which I do not think is appropriate. The system for disabled parking permits should be removed completely and people who have a demonstrable need to use them must be allowed to use those bays, or the signs should be altered so that people know they can use the bays only if they have the appropriate permit.

I refer now to the situation relating to Bold Park, which has been canvassed briefly in this Parliament in recent days in other debates. The proposal by Bond Corporation to develop an area adjacent to Bold Park has precipitated a probably unpredicted backlash. It is true that the area had been zoned residential; it is also true that Bond Corporation knew when it purchased that land for development that it was submitting itself to something of a calculated risk. It acknowledged this in its environmental report by clearly establishing that three options were available to the Environmental Protection Authority, one of which was that it could recommend that the area not be developed.

It is also true that the public have a wrong perception or understanding of just where Bold Park's boundaries are. That would probably have been brought about because there is a large area of bushland where people do go to recreate, and the areas are not clearly defined. The area to be developed as Knightsbridge is a very attractive piece of natural bushland in a very attractive setting and it is quite extensively used. Members who have been to Kings Park on a weekend or public holiday would agree that it is probably being used fairly close to its optimum. Certainly parking is at a premium and the better used and better known picnic areas are well and truly used. It was to the great credit of some of our forefathers, especially John Forrest, that in the establishment of Kings Park they were prepared to make some difficult decisions by arranging to purchase some of that land and also to negotiate some land swaps to ensure Kings Park was acquired for the future of all Western Australians.

The current situation at Bold Park should never have been allowed to develop. The member for Floreat, in whose electorate this area lies, foresaw the possibility of this situation developing and proposed to the Government on at least two occasions that it agree to a land swap so that the area could be retained for parkland. However, the Government did not take his advice or have the same foresight as the member for Floreat and on each occasion that he proposed the alternative it was rejected. Indeed, the member for Floreat made that suggestion when the land was still owned by the University of Western Australia, if my information is correct, and had the situation been corrected at that time we would not now be in this terrible predicament.

As it is, the Environmental Protection Authority has rejected Bond Corporation's proposal. At the same time, however, I do not believe Bond Corporation should be the loser in this deal because it purchased, in a legitimate process, some land that had been zoned residential. Some people think Alan Bond owns the land personally and that he should donate it to the people of Western Australia, but that is neither fair nor reasonable. Secondly, I do not think it is appropriate that either the Nedlands City Council or the Perth City Council should have to foot the bill because the exercises that have been done - and I will not quote them - show that the ratepayers of either of those city councils would have to pay many thousands of dollars to correct the situation.

However, I do agree with the proposal which I think appeared in today's newspaper whereby the new Lord Mayor of Perth, Mr Charles Hopkins, met with the Minister for Environment and suggested a joint Government-council committee to look at the two parcels of council land - the 53 hectares next to Bond Corporation land and the 37 hectares to the south of West Coast Highway and above the Swanbourne Rifle Range. Obviously negotiation is needed to resolve the question. Personally I would like to see as much of that area as is possible retained for parkland for the reasons I have already outlined. Because of the pressures on Kings Park and the growth rate predicted for the Perth metropolitan area there will clearly be a considerable demand for expanded parklands for the future. Therefore I commend to the Minister for Environment the proposal that was put forward by the Lord Mayor and hope that sensible negotiations can be accommodated which will allow a resolution of the problem.

I refer now to a situation that exists in my electorate. I am concerned about the increasing number of complaints I am receiving about the antisocial behaviour of Aborigines in the suburb of Lockyer. I was going to write to the Minister for Police and Emergency Services recently and suggest to him that the appointment of an Aboriginal police aide might help that situation.

The very evening I was thinking about that there was an item on the local news saying that one was to be appointed. I commend the Government for that action. Hopefully the role that officer performs will involve liaison with Aboriginal groups in the community to try to assist them in coming to a better understanding of what is required as a reasonable standard of behaviour in the community. An area in the suburb of Lockyer, to which I referred, is known as "Duck Lake"; it is also known as "Deadman's Lake", although I am not sure why. Some Aboriginal people tend to congregate in that area and to drink to excess. One of the ladies who has telephoned me reasonably frequently described a situation she saw the other day. An Aboriginal woman was so drunk she had to crawl on her hands and knees across Hanrahan Road to make her way to a bush which she intended to use as a toilet. She did not make it, and then proceeded to take her clothing off, dropping it over the lady's fence and leaving it there for her to clear up.

That is not an attractive story, but it is not uncommon. People are telephoning me far too frequently to complain that this is the kind of environment in which they must raise their children. The language and antisocial behaviour is disappointing and people are reluctant to ask visitors to their homes because they have had to put up with such behaviour far too often. I commend the police and the Government for appointing an Aboriginal aide to Albany, although he has not taken up his duties yet. I am not sure in fact whether he has been appointed, but I am sure that as a result of his appointment significant improvements will be made in that area.

I wish to mention briefly the newly commenced Seniors' Card. In my previous capacity as the shadow Minister for the elderly and the retired I actively supported the issue of the Seniors' Card. The Opposition certainly welcomes it; however I criticise the Government's lack of contribution to the concessions to be made available under the card. On Wednesday last week I had a question on notice requesting details of the discounts which have been negotiated with private enterprise and details of those made available by the Government. It was rather interesting that the Minister, in acknowledging the question, simply bracketed the two together and told me that 37 000 Seniors' Cards have been sent out, and that applications are coming in at a rate of 500 a day. That is very good. The Minister also informed me that firms and organisations offering discounts and concessions to holders of the Seniors' Card currently number 100. That is also very good.

The reply goes on to say that full details of discounts and concessions available are being compiled in a directory of services, and that the nature of the discounts and other concessions will be published shortly. There have been some lists in the paper, but obviously people who hold the cards will want some sort of directory. The reply continues that Government policy has been to offer concessions on the basis of need. It goes on to say, without actually saying so, that the Government has not really offered any concessions at all, but that such concessions will be considered in future Budgets. The whole purpose of this card was that it be issued on the basis of need. The point was made over and over again that there are many people who, through prudence, have found themselves in the position of being superannuated rather than going onto an aged pension. The disposable income of these people in many cases is less than that of aged pensioners, particularly when one takes into account the value of the health benefits concession card which old aged pensioners have.

One of the purposes for which the Senior Citizens' Concession Committee got together to promote that card was to try to win for themselves some of the benefits that those other people had. We have said that from day one the Government could have offered public transport concessions to these people without costing anything at all. If these were offered on an off-peak basis, the buses, the ferries and the trains are running and those people could have taken advantage of this at no cost to the Government. However, the Government has made a big fellow of itself by offering this concession card without providing any concessions.

Furthermore, it is fair to say that at the launch of the Seniors' Card the Premier was remiss in failing to acknowledge publicly the work the Senior Citizens' Concession Committee did in bringing the Seniors' Card to fruition. There is no doubt that the credit rightly belongs to that organisation. It managed to gather the support of one or two other organisations and individuals, including myself, and it is very clear that the initiative for the card came from these people, the majority of whom are retired public servants who are on superannuation and are affected in the manner I described earlier. The work done by the chairman of that committee, Mr Fred Cardin, and Mr Ron Robinson, its secretary, was very significant. As the Premier, in launching the card, failed to acknowledge them publicly, I would like to do so today, and pay tribute for the work they did.

I also wish to comment briefly about the Government's failure to meet, in any meaningful way, many of the obligations it placed on itself in connection with the "Albany Tomorrow" program. I put a series of questions on the Notice Paper asking for details of some of the undertakings made at the time of the last election. Members will see by some of the answers to my questions that progress was pretty flimsy indeed. One of the commitments made was that there would be major improvements to health care services in Albany. Apart from the refurbishing of the Albany Regional Hospital, very little has been achieved. In fact, when we talk about major improvements to health care, the Government keeps telling us that among these major improvements was the refurbishment of the Albany Regional Hospital.

Although that was a major improvement, it was well and truly on the way before the "Albany Tomorrow" program was even thought of. The funds had been budgeted, the contracts were let and the work was under way. One could hardly describe it as being part of that plan. Incidentally, when the public health people came to Albany and briefed many community leaders - the town and shire council representatives and other civil and community leaders - they made it abundantly clear that on completion of stage two of that refurbishing, stage three would commence more or less immediately. In answer to my question I was told that stage two will be completed in mid-June this year at a cost of \$6.75 million, but the answer continued evasively that stage three would begin in 1989-90, "funding permitting". That is a Clayton's commitment if ever I heard one. Obviously there is no definite commitment at all to this work beginning immediately.

Another commitment claimed through the "Albany Tomorrow" program was that hundreds of new jobs would be created in the first three years. The Deputy Premier of the time, Mr Bryce, went to Albany and grabbed a pretty impressive sort of headline in the local newspaper. He was even more specific; he said, "A thousand new jobs." That makes pretty attractive copy for a journalist and the newspaper had no trouble writing it up.

Mr Cash: Fortunately he is no longer with us.

Mr WATT: That is right. When I asked for details of how many new jobs had been created, the Minister for Regional Development gave me what I regard as a deceptive and exaggerated figure of 10.1 per cent growth in employment for the year June 1986-June 1987. He explained that this applied to the south west as well as the great southern, because separate figures were not available for the great southern.

I decided that, to be fair, there ought to be another method of establishing how accurate that figure was. I obtained some figures about total notified vacancies. If hundreds of new jobs had been created - or even only a few - that may be reflected in the vacancies notified by the Commonwealth Employment Service. I am advised that for the year ending June 1986, 2 646 vacancies were notified, and for the year ending 30 June 1987, 2 651 were notified. That is an increase of five jobs, and works out at about 0.2 per cent. That does not represent a fulfilment of the commitment that the Government made, albeit with tongue in cheek. It demonstrates the need for ensuring that commitments which are made have at least a sporting chance of being fulfilled, and the results should be measurable, so that people can see that they have been met.

Another commitment made was for a new office building to enhance the availability and efficiency of Government services to the people of Albany. That is a project which I have been very anxious to bring about for several years. I have made submissions every year in the period when Budget preparations are being made. I have not only approached the accommodation section of the Public Service Board, I have also arranged for an inspection of suitable land which is available for such purposes. I have asked the Government whether it intends to construct the building itself or whether, as I would prefer, it will call for expressions of interest from the private sector to build an office block to house 100 Government workers, as specified in the launch of the "Albany Tomorrow" program. In answer to my question, I was told that no land had been bought, and no decision had been made as to whether it is intended to build a Government owned building, or invite private enterprise to build it.

Another program to which the Government committed itself was the purchase of industrial land, and a special industry assistance package to enable individual industries to be established in Albany. I am pleased to say that that land was purchased over a year ago. It still has no industries on it, and has encountered environmental problems, which is a great shame. A tannery industry was to have been established, but by the time the environmental assessment had been made and conditions imposed, to have met those conditions would have almost doubled the costs to that industry, and it was no longer viable.

I asked the Minister for details of the special industry assistance package and he replied that the Great Southern Development Authority worked with the Technology and Industrial Development Authority to provide additional incentives on a case by case basis where appropriate. That hardly represents a special industry assistance package for the Albany region, in fact, it is quite the reverse. There are many other examples that I could give where the Government has been quite blatant in its disregard for the people of Albany and their future.

There are some exciting things in the pipeline for Albany. A multimillion dollar hotel tourist complex is proposed for the foreshore area, and the people of Albany are quite rightly excited about that prospect. A further proposal in the pipeline is for McLeans Mill of Denmark to seek an export licence for woodchips based on the growth of trees on private plantations. That is quite different from the project rejected recently. I hope we can approach this project in a bipartisan way. If there are any impediments in its implementation, I hope the Minister will agree that we can work together and find ways of overcoming any difficulties. It is an exciting development with considerable potential.

Another industry which has recently been established in Albany, trading by the name of Renewable Resources, is harvesting and exporting wildflowers. That is growing into a very large business. It is amazing the potential which can suddenly be tapped from an industry that has previously been entirely disregarded. There is considerable scope for expansion and the earning of export dollars from that business. A company previously known as Hunts Foods, which is now run by a local company known as Southern Processors, is doing extremely well. It is processing a number of foods, including french fries, and is looking to overseas markets as well. Another small business which has recently been established grows orchids for export, and also has considerable potential.

Albany's economy is based on small industries and these are examples of some which are stimulating that economy. Despite the gloom and doom with which Albany's economy is sometimes reported, it is going very well. As long as the Government gets its act together fairly soon and meets some of the commitments it has made it will do even better.

Debate adjourned, on motion by Mr Read.

## BILLS (2) - MESSAGES

### *Appropriations*

Messages from the Governor received and read recommending appropriations for the purposes of the following Bills -

1. Supply Bill.
2. Local Government Grants Amendment Bill.

[Questions taken.]

*House adjourned at 6.03 pm*

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## QUESTIONS ON NOTICE

### STATE ENERGY COMMISSION

#### *Debts*

73. Mr MENSAROS, to the Minister for Economic Development:

- (1) What was the Australian dollar value of the aggregate outstanding debt of the State Electricity Commission at 30 June:
  - (a) 1983;
  - (b) 1984;
  - (c) 1985;
  - (d) 1986;
  - (e) 1987?
- (2) Will he please show the composition of these amounts in various currencies with the respective overseas creditors?

The answer was tabled.

[See paper No 197.]

### SENIORS' CARD

#### *Discounts*

89. Mr WATT, to the Minister representing the Minister for the Aged:

Respecting the recently launched Seniors' Card, would she please give -

- (1) details of discounts negotiated with private enterprise such as retailers, restaurants, sporting associations, places of entertainment and the like; and
- (2) details of discounts or concessions to be offered by the State Government in the form of transport concessions, rebates of rates and taxes, rent rebates, motor vehicle and drivers' licences or any other?

Mrs BEGGS replied:

(1)-(2)

The Seniors' Card has been an enormously successful Government initiative. Over 37 000 Seniors' Cards have been sent out and application forms are coming in at a rate of 500 per day.

Firms and organisations offering concessions and discounts to holders of the Seniors' Card currently number 100.

Full details of discounts and concessions available are being compiled currently, and a directory or listing of services, the nature of the discount and other concessions will be published shortly.

Government policy has been to offer concessions on the basis of need. The Government periodically reviews its policy on concessions in the context of the Budget and has extended the range of concession and increased expenditure from approximately \$47.5 million in 1982-83 to \$88 million in the current year. Concessions are currently being reviewed and will be considered within the Budget content.

### STATUTORY AUTHORITY BORROWING

#### *Global Borrowings*

172. Mr MacKINNON, to the Premier:

- (1) Do the limits to global borrowing by the States apply to the State Government Insurance Commission, Western Australian Development Corporation, and State Superannuation Board?

- (2) If not, what levels of overseas borrowings have been undertaken by these bodies over the last five years?
- (3) What levels of domestic borrowings have been undertaken by these bodies over the past five years?

Mr PETER DOWDING replied:

- (1) No.
- (2) Nil.
- (3) These are disclosed in the relevant annual reports.

#### PARLIAMENT HOUSE

##### *Building and Construction - Budget Subcommittee*

181. Mr MacKINNON, to the Premier:

- (1) When did the Government's Budget subcommittee approve the funding for the current extensions under construction at Parliament House?
- (2) What approval was given at that time?
- (3) How much was approved for the project?
- (4) Were any conditions placed on that approval?

Mr PETER DOWDING replied:

- (1)-(2) The timing and consideration by Cabinet and its committees of submissions is a matter of Cabinet confidentiality. Final funding approval for the facilities was given early this year.
- (3) A provision of \$269 000 was approved for showers, changerooms and toilet facilities and a provision of \$190 000 was approved for an exercise area and equipment.
- (4) No.

#### DATA SURVEILLANCE SYSTEMS

##### *Australia Card - Government Policy*

183. Mr COWAN, to the Premier:

Is it still Government policy to support the introduction of a centralised data surveillance system similar to the Australia Card proposal?

Mr PETER DOWDING replied:

No. It is not the Government's policy to support the introduction of a centralised data surveillance system similar to the Australia Card proposal.

#### INDUSTRIAL RELATIONS ACT

##### *Section 7(1) - Proclamation of Legislation*

187. Mr COWAN, to the Minister for Labour:

- (1) Is he aware of his predecessor's commitment to ensure early proclamation of section 7(1) of the Industrial Relations Act (No 4) 1987?
- (2) Is proclamation of that section conditional upon the prior establishment of an internal dispute resolution procedure within Parliament House?
- (3) If yes to (2), what progress has been made on the establishment of an internal dispute resolution process for industrial relations matters at Parliament House?
- (4) When will section 7(1) of the Industrial Relations Act (No 4) 1987 be proclaimed?

Mr TROY replied:

- (1) Yes.
- (2) Yes.

- (3) Talks to date have been complicated because of the competing claims by a number of unions for coverage of some or all of the parliamentary staff. Until the claims of these unions are determined and finalised by the Industrial Relations Commission it is not possible to complete negotiations in relation to the proposed dispute settlement procedures.
- (4) I am unable to provide a specific answer at this time as this will depend upon the commission's determination relating to union coverage and the parties clarifying the issue of employer responsibility for the purposes of any award. Subsequently, negotiations with the relevant union or unions will need to be finalised.

#### CRYOTHERAPY

##### *Medicare*

195. Mr HOUSE, to the Minister for Health:

- (1) Is he aware that cryotherapy has been removed from the Medicare insurance system as from 1 August 1987?
- (2) If so, will he use his influence with his Federal colleague, Dr Blewett, to have cryotherapy reinstated as a claimable item under the Medicare insurance system?

Mr WILSON replied:

- (1) Yes.
- (2) Yes, I have already written to my Federal colleague.

#### ROTHWELLS

##### *Government Departments - Western Collieries*

210. Mr HASSELL, to the Treasurer:

Were any discussions held between the Western Australian Government or any of its instrumentalities and Rothwells prior to the Rothwells purchase of Western Collieries?

Mr PETER DOWDING replied:

The appropriate Government offices were kept informed.

#### LLOYD, MR TONY

##### *Employment*

211. Mr HASSELL, to the Treasurer:

- (1) Has the present managing director of Rothwells, Mr Tony Lloyd, severed all employment links and remuneration with the Western Australian Government and its various instrumentalities?
- (2) Was Mr Lloyd's employment contract with the Western Australian Development Corporation body, FundsCorp, terminated when Mr Lloyd was appointed managing director of Rothwells?

Mr PETER DOWDING replied:

- (1) Yes.
- (2) Mr Lloyd was initially on leave without pay and has now terminated his contract.

#### EDWARDS, MR KEVIN

##### *Employment*

212. Mr HASSELL, to the Treasurer:

In view of the embarrassment caused by the involvement of its senior political adviser, Mr Kevin Edwards, in various business dealings and investments involving the public funds from the SGIC and SBS, is the Government proposing to terminate his appointment to these various bodies, or his employment by the Government?



Mr PETER DOWDING replied:

Mr Edwards is a senior public servant and is not the Government's "senior political adviser" and has not caused the Government any embarrassment.

EDWARDS, MR KEVIN  
*Budget Subcommittee - Meetings*

213. Mr HASSELL, to the Treasurer:

Is it correct that Mr Kevin Edwards attends meetings of the Cabinet Budget subcommittee?

Mr PETER DOWDING replied:

A number of senior Government officers attend.

EDWARDS, MR KEVIN  
*Dowding, Mr Peter - Bell Group Shares*

214. Mr HASSELL, to the Treasurer:

- (1) Did Mr Kevin Edwards discuss the proposed SGIC purchase of 19.9 per cent equity in Bell Group with him?
- (2) If so, when was it discussed and what was the substance of the discussions?

Mr PETER DOWDING replied:

(1)-(2)

I was kept appropriately informed on this matter.

DOWDING, MR PETER  
*Bell Group Shares - Edwards, Mr Kevin*

215. Mr HASSELL, to the Treasurer:

Is it correct that he expressed concern at the proposed purchase of Bell Group shares by SGIC, but was advised by Mr Kevin Edwards that a commitment had already been made and understanding reached?

Mr PETER DOWDING replied:

No.

PERTH TECHNICAL COLLEGE SITE  
*Packer-Anderson - Government Underwriting*

216. Mr HASSELL, to the Treasurer:

Is it correct that the Government, whether directly or through an instrumentality, has given an underwriting commitment of \$100 million to support a property trust associated with the Packer-Anderson development at the Perth Technical College site?

Mr PETER DOWDING replied:

No such contractual commitment exists.

PERTH TECHNICAL COLLEGE SITE  
*Packer-Anderson - State Government Insurance Commission*

217. Mr HASSELL, to the Treasurer:

- (1) Did the Government either directly or through the SGIC invite expressions of interest or detailed submissions for development of Perth Technical College site together with adjacent buildings owned by the SGIC?
- (2) If so, when were expressions of interest and development proposals called for?
- (3) From whom were they received?
- (4) Was the Packer-Anderson proposal the most profitable and financially attractive one received?

- (5) Who determined that the Packer-Anderson proposal requiring Government support was the best development proposal?
- (6) During Mr Kevin Edwards' visit to Sydney in connection with this development, was Mr Edwards empowered to negotiate the Government underwriting and property trust investment?
- (7) Is it fact that the former Premier, Mr Brian Burke, discussed the matter with Mr Kevin Edwards and supported the Packer-Anderson development being accepted?

Mr PETER DOWDING replied:

- (1)-(7) The details of the SGIC's commercial activities are confidential.

#### STATE SUPERANNUATION BOARD

##### *Bond, Mr Alan - Brush-Bond Deal*

218. Mr HASSELL, to the Treasurer:

- (1) Is it correct, as stated in the *The Australian Financial Review* on Monday, 9 May 1988, that the Superannuation Board is negotiating to extricate itself from the financial deal negotiated by the former SSB Chairman, Mr Brush, with Alan Bond?
- (2) Is it correct that public funds - superannuation funds - will have to be used in order to cancel the financial deal negotiated by Mr Brush?
- (3) In view of the exceedingly generous gift to Mr Bond involved in the financing, why should the Government support using more superannuation retirement funds to cancel the deal negotiated by Mr Brush?
- (4) Is Mr Tony Lloyd still involved in the affairs of the SSB as indicated in *The Australian Financial Review* of Monday, 9 May 1988?

Mr PETER DOWDING replied:

- (1)-(3) As has been publicly stated, the Superannuation Board is reassessing its involvement in this project. There was no "generous gift" to Mr Bond.
- (4) No.

#### SALOMON BROTHERS

##### *State Government Insurance Commission - Bell Group Shares*

219. Mr HASSELL, to the Treasurer:

- (1) Is it correct that Salomon Brothers, who reportedly advised the SGIC on the purchase of 19.9 per cent equity in Bell Group, were also advising Bond Corporation?
- (2) If so, who recommended the employment of Salomon Brothers to the SGIC for this purpose?
- (3) Was the chief executive of the SGIC, Mr Frank Michel, involved in any discussions with Salomon Brothers, and the detailed negotiations associated with this investment?
- (4) If not, what professional employees and senior executive personnel of SGIC were involved?
- (5) When were Salomon Brothers retained to advise SGIC on its Bell group purchase?
- (6) Will the advice of the SGIC received from Salomon Brothers be made public?
- (7) Was any other advice obtained from any other party which supported the advice the SGIC received from Salomon Brothers?
- (8) If so, from whom?

Mr PETER DOWDING replied:

- (1) I have no knowledge, nor would I expect to have, of who is, or has been, advising the Bond Corporation on any matter.

(2)-(8)

These matters are commercially confidential to the SGIC.

**PERTH TECHNICAL COLLEGE SITE**  
*Packer-Anderson - Government Assistance*

220. Mr HASSELL, to the Treasurer:

- (1) What form of financial support, underwriting guarantee or other form of assistance has the Government or any of its instrumentalities given in regard to the Packer-Anderson development of the former Perth Technical College site and adjoining properties?
- (2) In addition to the generous Brush-Bond financing deal negotiated in March 1985 and approved by the former Premier in April 1985, what, if any, form of underwriting of Government tenancy arrangement has been promised in regard to the development of the former David Jones site?

Mr PETER DOWDING replied:

- (1) The details of the contract with the purchasers are confidential but there is nothing in the terms of that contract that will detract from the profit of \$67 million already announced.
- (2) The 1985 financing arrangements were commercially appropriate at that time. There is no underwriting of Government tenancy arrangements.

**BOND CORPORATION**  
*State Superannuation Board - Brush-Bond Deal*

221. Mr HASSELL, to the Treasurer:

As spokesman for Bond Corporation confirmed in *The West Australian* of Saturday, 7 May 1988, that the Bond-Brush deal negotiated in 1985 gave "Bond Corp an almost free ride in the development, with the diversified brewing, television and property company committed to pay only half the \$10 million consultancy fees", will the Government intervene to ensure that no public funds or funds from any statutory authority are used to make payment to Bond Corporation should the Bond-Brush financing deal be cancelled?

Mr PETER DOWDING replied:

As has been publicly stated, the Superannuation Board is reassessing its involvement in this project. There was no "generous gift" to Mr Bond.

**STATE GOVERNMENT INSURANCE COMMISSION**  
*Salomon Brothers - Approaches*

222. Mr HASSELL, to the Treasurer:

- (1) Who approached who in relation to assessing the State Government Insurance Commission-Bell-Bond dealings:
  - (a) did SGIC approach Salomons; and
  - (b) did Salomons approach SGIC?
- (2) Why was Salomons chosen rather than an established Australian firm?
- (3) Does the Government deny that Salomons have been active as advisers for Bond interests on a number of occasions?
- (4) Who suggested SGIC approach Salomons if that is said to be the case?

Mr PETER DOWDING replied:

(1)(2)(4)

These matters are commercially confidential to the SGIC.

- (3) I have no knowledge, nor would I expect to have, of who is, or has been, advising the Bond Corporation on any matter.

**STATE SUPERANNUATION BOARD**  
*Bond Corporation - Brush-Bond Deal*

223. Mr HASSELL, to the Treasurer:

- (1) In view of the statement by the Deputy Premier that "the arrangement presented quite significant cash flow problems for the State Superannuation Board" - referring to the SSB deal with Bond over St George's Terrace sites - does the Government still consider it should proceed with the deal?
- (2) Is the Government prepared to consider entering into such generous arrangements with other Western Australian developers, or is it confined to those associated with the John Curtin Foundation?
- (3) Is it correct that Gold Mines of Kalgoorlie Limited purchased an interest in the David Jones site from Bond Corporation Holdings Limited, after the financing deal was negotiated between Mr Bond and Mr Brush?
- (4) Is it correct that the R & I Bank helped fund the GMK purchase from Bond Corporation Holdings Limited?

Mr PETER DOWDING replied:

- (1) As has been publicly stated, the Superannuation Board is reassessing its involvement in this project. There was no "generous gift" to Mr Bond.
- (2) This question is not worthy of the member.
- (3)-(4) I have no knowledge of these matters.

**STATE GOVERNMENT INSURANCE COMMISSION**  
*Investment Policy - Bell Group*

224. Mr HASSELL, to the Treasurer:

- (1) What is the investment policy of the SGIC?
- (2) Will it be normal practice for it to take a minority position of 20 per cent in entrepreneurial companies such as Bell Group?
- (3) In reality, is the holding in Bell Group by the SGIC as a "friendly party" for Bond interests?
- (4) Was the nature of that holding and its purpose, and SGIC intentions ever discussed with representatives of Bond interests?

Mr PETER DOWDING replied:

- (1) The investment policies of the SGIC are spelt out in that organisation.
- (2) I am confident of the SGIC's ability to make prudent investment decisions.
- (3)-(4) I am confident that the SGIC has not, and will not, engage in improper conduct as might be inferred in your question.

**TEACHERS CREDIT SOCIETY**  
*Teachers Financial Society - Legal Library*

237. Mr HASSELL, to the Treasurer:

- (1) Is it correct that the WA Teachers Financial Society Ltd - formerly the WA Teachers Credit Society Ltd - offered for sale its extensive legal library?
- (2) Is it further correct that after the advertised period for offers to be received, a slightly higher offer than the highest received within the time allowed was received and accepted?
- (3) Was this a proper and appropriate method of proceeding?

- (4) Will he enquire as to the circumstances in which the contractual process has been so subverted?
- (5) Will he act to ensure proper procedures are followed?
- (6) Why was the highest offeror not given the opportunity to re-tender after the higher offer was received?

Mr PETER DOWDING replied:

(1)-(6)

The disposal of assets of the former Teachers Credit Society is a matter for the administrators of the society.

**GOVERNMENT PRINTING DIVISION**  
*Functional Review Committee*

238. Mr MacKINNON, to the Minister for Works and Services:

- (1) Who conducted the Functional Review Committee into the Government Printing Division?
- (2) Has that report been made public?
- (3) If not, why not?
- (4) What actions have been taken as a consequence of that report?

Mr TROY replied:

I refer the member to the answer for question on notice 94 dated Thursday, 19 May 1988.

**STATE GOVERNMENT INSURANCE COMMISSION**  
*Commonwealth Insurance Commission*

246. Mr MacKINNON, to the Premier:

- (1) Does the SGIC comply with the guidelines in all areas as set down by the Commonwealth Insurance Commission?
- (2) If not, in what areas are the SGIC not complying with those guidelines?

Mr PETER DOWDING replied:

(1)-(2)

The State Government Insurance Corporation complies with all the requirements of Commonwealth laws as required by section 33 of the State Government Insurance Act.

**MEMBERS' TRAVEL**  
*Imprest System*

249. Mr MacKINNON, to the Premier:

- (1) What action has been taken, if any, to implement the announcement and commitments given by the former Premier relating to the imprest system for travel of members of Parliament as expressed in his media statement of 11 November 1987?
- (2) Why has there not been any all party meeting to discuss those proposals which included a requirement for report to Parliament following overseas travel?
- (3) What are the current guidelines which apply to the imprest travel system for members of Parliament?

Mr PETER DOWDING replied:

(1)-(3)

The previous guidelines relating to the operation of the imprest system for travel of members of Parliament currently apply with the additional requirement that members are now required to declare that expenditure is not for private, commercial or business purposes and will benefit the member in

the performance of his or her duties. The Leader of the House will be convening an all party meeting in the near future to discuss all proposed changes to the guidelines. As soon as agreement is reached on new guidelines they will be circulated to members.

# **INDUSTRIAL RELATIONS BILL**

## *Trade Unions - Proposals*

286. Mr COURT, to the Minister for Employment and Training:

- (1) Does the Government support the thrust of the Federal Government's new industrial relations Bill to establish "super unions"?
- (2) How will this proposal affect the union structures in Western Australian?

Mr GORDON HILL replied:

- (1) I am not sure what the member means by the concept "super unions" since this is not referred to in the proposed Industrial Relations Bill. If the member is referring to amalgamations of unions, the Government believes that amalgamations are appropriate in certain cases, which are in the public and economic interests of the State, by reducing demarcation disputes and aiding restructuring of industry.
- (2) The proposal would lead to union amalgamations but the effects on particular unions or union structures is uncertain at this stage.

# **GOVERNMENT ASSISTANCE TO INDUSTRY**

## *Loan Guarantee Scheme*

287. Mr COURT, to the Premier:

- (1) What Government body will be responsible for administering the \$100 million loan guarantee scheme for industry announced in his recent economic statement?
- (2) Who will be responsible for assessing fund applications?
- (3) When will this fund be established?
- (4) When is it anticipated the first loan guarantees will be made available?
- (5) Does this project conflict with any existing Government guarantee schemes available?

Mr PETER DOWDING replied:

- (1)-(4) Detailed eligibility conditions and administrative procedures are currently being developed.
- (5) No.

# **TEACHERS CREDIT SOCIETY**

## *Supreme Court - Registrar's Examination*

298. Mr COURT, to the Premier:

Which people have been called to appear before the registrar's examination of the Teachers Credit Society currently taking place at the Supreme Court?

Mr PETER DOWDING replied:

The following directors, officers and internal solicitors of the WA Teachers Credit Society have been called to appear before the registrar's examination -

Brian William Fleming  
Barry John Markey  
Joseph Bodlovich  
David Forster  
Audrey Baldock

Trevor Keith Lloyd  
 Jeffrey Robert Bateman  
 Alexander John Clark  
 William Leslie Johns  
 Kevin C. Staffa  
 Ian Norman Wilson  
 Stephen Ross Malley

**TAXATION**  
*Tax File System*

319. Mr COWAN, to the Premier:

- (1) Has he or any other representative of the WA Government discussed with any representative of the Commonwealth Government the Commonwealth Government's new tax file number system?
- (2) If yes, has any assurance of support or cooperation been given?

Mr PETER DOWDING replied:

- (1) I have not, and to the best of my knowledge, no other representative of the WA Government has discussed with the Commonwealth Government the proposal for a new tax file system.
- (2) Not applicable.

**MARRIAGE**  
*Homosexual Marriages*

320. Mr COWAN, to the Minister representing the Minister for Community Services:

Does the Minister's department formally recognise homosexual "marriages"?

Mrs BEGGS replied:

No.

**CREDIT UNIONS**  
*Loans*

331. Mr COURT, to the Premier:

Can a credit union lend money to a person or a corporation that is not a member of that credit union?

Mr PETER DOWDING replied:

A credit union may only lend money to a person or corporation if that borrower resides within such district, or is within such class of persons as is specified in the rules of the credit union.

**TEACHERS CREDIT SOCIETY**  
*Auditor's Recommendations*

332. Mr MacKINNON, to the Premier:

- (1) Is it correct that, as reported in *The West Australian* of Saturday, 20 February 1988, the previous auditors of the Teachers Credit Society - that is Gorey Middleton and Forbes - "since July 1986 . . . had been continually recommending to the board of the society and the registrar that action be taken to limit the extent of the loans"?
- (2) If that is so, why is it that the registrar did not take action to pursue those comments of the auditors?

Mr PETER DOWDING replied:

(1)-(2)

The registrar advises that he is not aware of all the auditor's correspondence with the society concerning the society's financial operations. Between July 1986 and July 1987, the registrar received no correspondence nor was it requested that the registrar attend any meeting with the society's former

auditors. The former auditor was, however, present at a meeting requested by the society in April 1987 to discuss the society's liquidity rundown. At that meeting, the registrar raised the large loan exposures.

#### PASTORAL LANDS

##### *Koongie Park Station - Health Department Report*

334. Mr BLAIKIE, to the Minister for Health:

Was there an adverse report written by the Health Department on Koongie Park pastoral property prior to its sale to Aboriginal interests?

Mr WILSON replied:

A routine report was prepared and advice was provided to the Aboriginal people living in settlement on the station at the time to assist in their health matters.

#### STATE FORESTS

##### *Species*

335. Mr BLAIKIE, to the Minister for Environment:

- (1) What was the total area of State forest by species as at 30 June 1983?
- (2) Further to (1), how much of the area by species has been transferred to -
  - (a) national parks;
  - (b) conservation areas
 to date?

Mr HODGE replied:

- (1) The total area of State forest by species at 30 June 1983 was -

	Area (ha)
Jarrah	1 375 000
Karri	146 000
Wandoo	92 000
Mallet	10 000
Tuart	3 000
Goldfields species	1 000
Radiata	18 000
Pinaster	26 000
Very open areas	198 000
	1 869 000

- (2) The following areas, which were State forest at 30 June 1983, have been transferred to -
 

(a) national parks	2 000ha	Tuart
(b) conservation areas	68 000ha	Jarrah
	2 000ha	Wandoo
	6 000ha	Very open areas.

#### ABORIGINES

##### *Government Grants - Aboriginal Medical Service*

336. Mr BLAIKIE, to the Minister for Health:

Would he provide detail of the \$319 000 grant to a metropolitan medical group that will benefit disabled and frail elderly Aboriginal people?

Mr WILSON replied:

Recurrent funding of \$203 100 and non-recurrent funding of \$115 800 has been approved under the joint State-Commonwealth home and community care program for the Aboriginal Medical Service.



The funds will be used to implement a domiciliary care program aimed at maintaining frail aged and disabled persons in their own homes, with the prime objective of reducing demands on unnecessary or premature institutional care.

Funds have been granted to employ six full time and two part time staff and to purchase vehicles and other equipment which are necessary to implement the scheme.

#### ISAACS, MR CLARRIE

##### *Leave*

337. Mr BLAIE, to the Minister for Water Resources:

- (1) Has Mr Clarrie Isaacs been granted a month's recreation leave?
- (2) On what date was the leave sought?
- (3) On what date was the leave approved?
- (4) Would he provide details of the actual dates when the approved leave was to commence and finish?

Mr BRIDGE replied:

- (1) No, not to cover a present or future date.
- (2)-(4) Not applicable.

#### ABORIGINAL ENTERPRISES COMPANY

##### *Government Grants*

338. Mr BLAIE, to the Minister for Aboriginal Affairs:

- (1) Who are the members of the Aboriginal Enterprises Company?
- (2) In each month since inception, how often has the company met?
- (3) What was the amount of money provided for the company to operate and with what conditions?
- (4) Would he provide detail of the total number of applicants -
  - (a) approved;
  - (b) rejected;
  - (c) deferred;
  - (d) pending,
 and the range of funds approved?

Mr BRIDGE replied:

- (1) The Aboriginal Enterprises Co Ltd is a wholly owned subsidiary of WA Government Holdings Ltd.
- (2) and (4) Any questions concerning the operations of the company should be directed to the company.
- (3) The sum of \$2 044 029 has been provided by the Western Australian Government to the company on condition that the company should use the money for the following purposes -
  - (i) (a) investing, lending, providing subsidies or grants and/or providing services in or to incorporated or unincorporated business organisations which are substantially owned, controlled or managed by, or involve the employment of, Aboriginal persons;
  - (b) promotion of the employment of Aboriginal persons generally;

- (c) promotion of the education of Aboriginal persons in the skills of conducting or being employed in commercial enterprises;
  - (d) expenditure, disbursement or distribution in any manner ancillary to the foregoing matters including, without limiting the generality of the foregoing, expenses of establishing and maintaining offices, employing staff and conducting board meetings.
- (ii) AEC agreed that it shall in relation to the grant or its expenditure, disbursement or distribution -
- (a) only expend, disburse or distribute the grant for the purposes set out in (i) above;
  - (b) have the accounts of AEC audited and forwarded to the Treasury within three months of the end of each financial year of AEC, the audited accounts of AEC, together with a separate audited account of the expenditure, disbursement or distribution of the grant duly certified by AEC's auditors;
  - (c) repay to the Treasurer the balance of the grant which has not been expended, disbursed or distributed after five years from the date of the making of the grant;
  - (d) repay to the Treasurer on demand an amount equal to any part of the grant which is expended, disbursed or distributed otherwise than for the purposes set out in clause 2 above.

AEC agreed that until such time as the grant or any other grant made by the Government to AEC is repaid to the Treasury AEC shall not, without the prior written consent of the Treasurer - which consent may be given on such terms and conditions as the Treasurer thinks fit - or until the Treasurer gives notice to AEC that it may do so, borrow any moneys or obtain any financial accommodation.

#### KIMBERLEY ABORIGINAL LAW AND CULTURE CORPORATION

##### *Members*

339. Mr BLAIKIE, to the Minister for Aboriginal Affairs:

- (1) Who are the chairman and committee members of the Kimberley Aboriginal Law and Culture Corporation?
- (2) How many years has the corporation been in existence?
- (3) Would he advise the Government grants and/or funds received by the corporation since inception and their purpose?

Mr BRIDGE replied:

- (1)-(2) Any questions relating to the membership or operations of an incorporated body should be referred to that body.
- (3) The body referred to oversees a number of Aboriginal projects. If the member has a concern relating to a particular item of funding he should advise me of his concern and I shall make the necessary inquiries.

#### HOSPITALS

##### *Margaret River Hospital - Surgery*

342. Mr BLAIKIE, to the Minister for Health:

- (1) Would he detail the number of surgical operations performed in the Margaret River Hospital in each month since 1 January 1987?
- (2) During the same monthly period, how many patients were requested to either defer operations or have them performed at hospitals other than Margaret River?

Mr WILSON replied:

(1)	1987	January	13
		February	11
		March	7
		April	11
		May	8
		June	17
		July	15
		August	8
		September	5
		October	8
		November	13
		December	16
	1988	January	17
		February	11
		March	15
		April	8

- (2) Local general practitioners refer patients elsewhere if the operation cannot be appropriately performed at Margaret River Hospital.

The visiting surgeon restricts lists to a maximum of three to four operations in the interests of patient safety and appropriate pre and post operative patient care.

#### QUARANTINE STATIONS *Northern Quarantine Checkpoint*

344. Mr BLAIKIE, to the Minister for Agriculture:

- (1) Would he advise whether a northern border quarantine checkpoint between Western Australia and the Northern Territory is to be constructed?
- (2) If yes, when will construction commence?
- (3) If no to (1) why not?

Mr GRILL replied:

- (1) The Government has proposed a northern quarantine checkpoint in the recent economic strategy paper.
- (2) Funding will be considered in the 1988-89 Budget with construction to commence soon after.
- (3) Not applicable.

#### FOREST PROTECTION *Lane-Pool Reserve - Fire*

345. Mr BLAIKIE, to the Minister for Conservation and Land Management:

- (1) What was the cost of suppressing the Lane-Poole Reserve fire of 4 March 1988 as follows -
  - (a) cost to Government;
  - (b) estimated cost to Alcoa of Australia;
  - (c) estimated cost to volunteer brigades?
- (2) Was the extent and nature of the fire a result of heavy fuel build-up since the introduction of the new prescribed burning plan under the draft management plan for Lane-Poole Reserve?
- (3) If yes to (2), will the appropriateness of this plan be reviewed to determine whether it provided an adequate level of protection for surrounding forest values and for the public visiting Lane-Poole Reserve?
- (4) What is the scientific basis for this new plan to enhance conservation values?

Mr HODGE replied:

- (1) The cost of suppressing the Lane-Poole fire of 4 March 1988 -
  - (a) \$210 500;
  - (b) nil;
  - (c) not known.
- (2) The extent and nature of the fire was determined by a variety of factors.
- (3) The plan has recently been reviewed.
- (4) The basis of the plan is to try to promote diversity in vegetation floristics, structure, and habitat by varying the season, frequency and size of prescribed burns.

**MINERAL SANDS**  
*Treatment Plant - Muchea*

346. Mr WATT, to the Minister for Environment:

- (1) Has he received a request from the Muchea residents group asking him to visit Muchea to meet a small group of concerned residents, and to see where the proposed mineral sands treatment plant is to be located?
- (2) If so, will he give an assurance that he will accede to their request prior to making a final decision on objections to the Environmental Protection Authority's report?

Mr HODGE replied:

- (1) Yes.
- (2) In considering appeals under the Environmental Protection Act 1986 I am required to give full consideration to all aspects raised by an appellant and if, in my view, it is necessary to carry out a site inspection I will most certainly do so.

**YOUTH TRAINEESHIP PROGRAM**  
*Trainees*

347. Mr GREIG, to the Minister for Employment and Training:

- (1) How many persons in Western Australia are currently employed as trainees under the youth traineeship program?
- (2) How many of these are -
  - (a) employed by private sector employers;
  - (b) public sector employers?
- (3) What are the corresponding figures for May 1987 and May 1986?
- (4) What are the corresponding May 1988, 1987, 1986 national figures?

Mr GORDON HILL replied:

- (1) 682 as at 1 May 1988.
- (2) (a) 542;  
(b) 140.

- (3)
 

	1 May 1987	1 May 1986
Private	142	18
Public	161	352

- (4) National figures relate to trainee commencements and are as follows -

	31 May 1986	31 May 1987	30 April 1988
Public	984	2710	7653
Private	42	4935	9395

## RUMANIA

*Human Rights - Government Policy*

348. Mr MENSAROS, to the Premier:

- (1) Is he aware of the legal and pragmatic circumstances in Rumania as far as human and individual rights of minorities are concerned?
- (2) Considering his reply to question 197, what is his Government's policy towards trade connections with -
  - (a) the Republic of South Africa;
  - (b) the People's Republic of Rumania?
- (3) If these policies are different, would he explain the reasons relating to each of these countries?

Mr PETER DOWDING replied:

(1)-(3)

The State Government's policy on international affairs is in accordance with national policy and international agreements and conventions.

## ANZAC DAY

*School Holidays*

349. Mr MENSAROS, to the Minister for Education:

- (1) Has she received representation from the RSL regarding future Anzac Days continually falling during school holiday periods?
- (2) If so, does her policy agree with the sentiment expressed by the President of the RSL that these term and holiday arrangements will seriously erode the present strong emphasis on Anzac Day as a day of great national significance?
- (3) If her policy does agree, will she remedy the situation by changing the time of terms and holidays?
- (4) If not, why not?

Dr LAWRENCE replied:

- (1) Yes.
- (2) Not entirely as a number of significant national days fall in school vacation periods. The emphasis given to the celebration by the community is of more importance to its significance than school attendance on days either side. Anzac Day and what it stands for will always be important in the Australian school curriculum.
- (3) The four-term year was introduced on a trial basis in 1985 for educational reasons. As promised then, the trial is being evaluated and the arrangement is under review. The points raised by the RSL will certainly be taken into consideration.
- (4) See (3).

## COMMONWEALTH EMPLOYMENT SERVICES

*Manjimup - Unemployment Benefits*

350. Mr MENSAROS, to the Minister for Employment and Training:

- (1) In view of the intervention and assistance by his office recently in a case in Manjimup, is he aware that officers of the Community Welfare Department discourage unemployed applicants from taking jobs offered if the unemployment benefit inclusive of family allowances exceeds the wages offered by the job in question?
- (2) Has his office involved itself in trying to rectify the situation through a friendly chat with the respective Community Welfare officers?
- (3) Does his office condone or condemn Community Welfare's action as described in (1) above?

Mr GORDON HILL replied:

(1)-(3)

I am aware that Mr John Hamlin of Manjimup contacted my office on 16 May 1988 to register his concerns regarding the difficulties he had experienced in recruiting mechanics to work in his Manjimup business.

Mr Hamlin told a member of my staff that he had interviewed a job seeker for a position with his firm. This person had allegedly been advised by an officer of the Manjimup Commonwealth Employment Service - not the Community Welfare Department as indicated in the member's question - to not accept the position as he would be financially better off remaining on unemployment benefit.

I am sure that such advice is not given regularly by CES staff and would certainly not be the authorised policy or view of the Commonwealth Employment Service. I would point out to the member that the CES is a Federal agency administered by the Minister for Employment, Education and Training.

Mr Hamlin was advised by my office to contact the manager of the Manjimup CES to register his complaint and to find a suitable person to fill the vacant position. He was also given two alternative contacts - Bunbury CES and Manjimup Joblink - should he require further assistance.

I would not condone the type of action alleged to have occurred by the member for Floreat and the simplistic suggestion that a job should be refused because the wage or salary package does not equal what might be received through unemployment or social security benefits is wrong.

**DOWDING, MR PETER**  
*WA Development Corporation*

351. Mr MENSAROS, to the Premier:

(1) Is it a fact that he has recently instructed and/or requested the Western Australian Development Corporation to report to him prior to taking or announcing any substantial decision or action?

(2) If so, when did he make this request and/or instruction?

Mr PETER DOWDING replied:

(1) No.

(2) Not applicable.

**PARLIAMENT HOUSE**  
*Canberra - Speaker of the Legislative Assembly*

353. Mr MENSAROS, to the Premier:

(1) Did Mr Speaker know that he was representing the Government at the opening ceremonies of the new Parliament building of the Commonwealth of Australia in Canberra?

(2) Is it the Government's policy to be represented by Mr Speaker, who so far has always been considered by both political parties as being above party lines to be able to serve both the Government and Opposition side of Parliament equally?

Mr PETER DOWDING replied:

(1) Yes.

(2) It is my understanding that, in theory, Her Majesty's Opposition forms an integral part of the Government.

**WATER AUTHORITY**  
*Catchment Dams - Wallaroo Rocks*

354. Mr CASH, to the Minister for Water Resources:

- (1) Does his department control a number of rock catchment dams in the Wallaroo Rocks area east of Coolgardie?
- (2) If so, what is the holding capacity of these dams?
- (3) For what purpose are these dams maintained by the Water Authority?
- (4) Has the Water Authority considered the possible pollution to these catchment dams?

Mr BRIDGE replied:

- (1) A number of rock catchments in the Wallaroo Rocks area west of Coolgardie are on reserves vested in the Minister for Water Resources.
- (2) With the exception of Wallaroo Rocks, there are no recorded capacities for the dams serviced by these rock catchments. Some of them are in fact only small rock holes. Wallaroo Rocks supplies three dams. Total capacity of the dams is approximately 22 000 cubic metres.
- (3) The control is exercised by virtue of historical vesting.
- (4) Yes, and the authority has advised the Environmental Protection Authority in light of the recreational significance.

**BICENTENNIAL MEDALLIONS**  
*Replacement Medallions*

356. Mr GREIG, to the Minister for Productivity:

- (1) Further to my question 227 of 1988 concerning Western Australian bicentennial medals, and the answer provided, was a further special minting necessary for replacement medallions?
- (2) What was the cause of the fault which was evidenced as a burnish or burn?
- (3) As the Minister promoting productivity in which quality control is an intrinsic element, can he advise whether this level of rejection is a standard level for this type of work or is it evidence of productivity and quality control problems at the Perth Mint?

Mr PETER DOWDING replied:

- (1) No.
- (2) The tarnishing was caused by a reaction between a chloride present in the PVC packaging and the metallic silver of the medallion, where there was intimate contact between the medallion and the PVC pouch. This contact occurred when elastic bands were applied to bundles of pouches holding the medallions.
- (3) The evidence shows that the level of productivity and control at the Perth Mint is high. The problem occurred because silver items will tarnish. Tarnish can be removed by the use of a standard silver polish.

**RURAL ADJUSTMENT AND FINANCE CORPORATION**  
*Farm Sales*

357. Mr SCHELL, to the Minister for Agriculture:

- (1) How many farm sales have been conducted with RAFCOR as the mortgagee since 1 January 1986?
- (2) How many farms have been sold voluntarily after RAFCOR has discussed the need for a mortgagee sale with the farmer since 1 January 1986?

Mr GRILL replied:

- (1) Five.
- (2) Sixteen.

**WILD ANIMALS**  
*Animal Quarantine - Western Australia*

360. Mr COWAN, to the Minister for Agriculture:

- (1) Is it a fact, as reported on ABC radio at the weekend, that a number of rare animals have been brought into Western Australia recently?
- (2) If yes, can he advise what species of animals have entered the State?
- (3) Were the animals quarantined in -
  - (a) Cocos Island;
  - (b) Perth;
  - (c) anywhere else;
 and, if so, for how long?
- (4) Can he assure the House that the importation provides no threat whatsoever to any of the Western Australian livestock industries?

Mr GRILL replied:

- (1)-(2) I am not aware of the ABC radio report referred to by the member, however I can advise that two zebras were imported from the Auckland, New Zealand, Zoo to the Perth Zoo on 15 March.
- (3) They were not quarantined.
- (4) They pose no quarantine risk.

**PRIVATISATION**  
*Airlines - Government Policy*

362. Mr COWAN, to the Minister for Tourism:

- (1) Does the State Government have a policy on the privatisation or partial privatisation of -
  - (a) Australian Airlines;
  - (b) Qantas?
- (2) If yes, what is it?

Mrs BEGGS replied:

- (1)-(2) Privatisation is not the panacea for all problems. No formal policy has therefore been established by the State Government on this issue although the situation is being closely monitored with regard to the possible effects any structural changes might have on Western Australia. Quality management and operational efficiencies are considered to be the major issues relevant to the future of the services listed.

**TECHNICAL AND FURTHER EDUCATION**  
*Student Activities Coordinators*

364. Mr WILLIAMS, to the Minister assisting the Minister for Education with TAFE:

- (1) Further to question 2314 of Thursday, 29 October 1987, would he take steps to achieve permanency for student activities coordinators who meet appropriate academic and other requirements in TAFE colleges?
- (2) Will he take such action in sufficient time to prevent the confusion and uncertainty that occurred concerning the reappointment, or otherwise, of student activities coordinators towards the latter half of 1987?

Mr GORDON HILL replied:

- (1)-(2) This matter is currently under examination.



I can assure the member that the Government will take whatever action possible to avoid any future confusion regarding appointments.

Information will be made available to the colleges' coordinators before the end of 1988.

### COLLEGES OF ADVANCED EDUCATION

#### *Educational Admission*

365. Mr WILLIAMS, to the Minister for Education:

- (1) Would she supply the most recent student enrolment figures for Kalgoorlie College, Hedland College and Karratha College?
- (2) Would she supply the most recent figures available for each of the lecturing staff and support staff for these three colleges?
- (3) Would she indicate the salary levels paid to the directors of these three colleges, and to the deputy directors of such colleges?

Dr LAWRENCE replied:

- (1) 1987 enrolment figures -

Hedland College	3 457 students
Kalgoorlie College	2 638 students
Karratha College	3 432 students

excluding advanced education and contracting enrolments.

(2)	Lecturing Staff	Support Staff
Hedland College	43	37
Kalgoorlie College	41	43
Karratha College	47	47

- (3) Directors are on a range of \$58 496-\$65 382. Karratha has a Deputy Director on a range of \$49 851-\$54 415, the other colleges have Heads of School at the same salary level.

### TECHNICAL AND FURTHER EDUCATION

#### *Perth Technical College - Principal*

366. Mr WILLIAMS, to the Minister assisting the Minister for Education with TAFE:

- (1) Would he indicate when the vacant position of principal of the Perth Technical College is to be filled?
- (2) Could he indicate whether it is to be filled under existing conditions, or are changes proposed?
- (3) If changes are proposed, could he indicate the nature of such changes?

Mr GORDON HILL replied:

- (1) The office of TAFE is currently evaluating its operational structure directed towards increasing autonomy and accountability at college level. This will involve a change in responsibilities for college principals. Until this is completed the vacant position will not be filled.
- (2) Depends upon the changes necessary for principals to discharge their new responsibilities.
- (3) The proposed changes have not yet been finalised.

### FEDERAL GOVERNMENT BORROWING

#### *Global Borrowings*

368. Mr COURT, to the Premier:

- (1) At the recent Premiers' Conference did he question the Federal Government as to why it wanted to more than double the global limit on borrowings of its authorities while reducing the State's limit by 11.2 per cent?

- (2) Could the same arguments used by the Federal Government for this increase apply to special State projects?

Mr PETER DOWDING replied:

(1)-(2)

Yes. The Commonwealth increase was necessary to meet major fleet re-equipment and expansion requirements for Qantas and Australian Airlines and related airport infrastructure.

**FEDERAL GOVERNMENT**  
*Duplication of Services*

369. Mr COURT, to the Premier:

- (1) Did the Federal Government give any indication that it would support proposals to cut duplication in the health and education areas?
- (2) Is the Federal Government's current move to establish in education a national curriculum the exact opposite to the trend he was proposing?

Mr PETER DOWDING replied:

(1)-(2)

The conference agreed that all areas in which duplication might occur be considered at appropriate Joint Standing Committees of Ministers.

**FISHERIES, DEPARTMENT OF**  
*USSR Fishing Industry - Port Access*

370. Mr COURT, to the Minister for Fisheries:

- (1) Has the State Government been approached directly or indirectly by representatives of the Soviet fishing industry to see if they can gain access to Australian ports?
- (2) If yes, who made the representations and what has been the Government's response?

Mr GRILL replied:

- (1) Not to my knowledge. I believe the Soviet fishing industry is currently preparing a submission to the Australian Government.
- (2) Not applicable.

**DEFENCE**  
*Rockingham-Kwinana - Federal Government Budgets*

372. Mr COURT, to the Premier:

What special capital funds are being provided by the Federal Government to meet community and social facilities needed for a defence build-up in the Rockingham-Kwinana region as announced after the recent Premiers' Conference?

Mr PETER DOWDING replied:

This matter is currently being considered.

**STATE GOVERNMENT BORROWING**  
*Global Borrowings - Special Addition*

373. Mr COURT, to the Premier:

What conditions were attached to Western Australia being able to maintain its special addition to its global borrowings to finance the SEC's energy inventory as announced at the recent Premiers' Conference?

Mr PETER DOWDING replied:

None. The special addition is in line with a Commonwealth undertaking that any related request to Loan Council would be sympathetically considered by the Commonwealth in the context of the State's overall financial position.

**STATE GOVERNMENT BORROWING**  
*Global Borrowing Allocation*

374. Mr COURT, to the Premier:

- (1) How were the Western Australian and South Australian Governments able to "swap" portions of their borrowing limits over the next two years?
- (2) What will the effect of this "swap" be in the financial years 1988-89 to 1989-90?
- (3) Was this proposal agreed to by the Federal Government?

Mr PETER DOWDING replied:

(1)-(3)

Clearly, the borrowing requirements of individual States will vary markedly from year to year and, for this reason, the Commonwealth leaves the distribution of the States' global borrowing allocation to be settled among the States. The effect of the arrangement with South Australia is that our borrowing authority has been increased by \$25 million in 1988-89 on the basis that a corresponding offset is made in 1989-90. Of course, we do not know at this stage the size of the global borrowing level for the States in 1989-90.

**STATE ENERGY COMMISSION**  
*Computer Department*

375. Mr COURT, to the Minister for Economic Development and Trade:

- (1) Has he instigated his own independent inquiries into the controversy surrounding the computer department of the SEC?
- (2) Is it a fact that there has not been extravagant expenditure on unnecessary equipment?

Mr PARKER replied:

- (1) No.
- (2) Yes.

**ALUMINIUM SMELTERS**  
*South West - USSR Involvement*

376. Mr COURT, to the Minister for Economic Development and Trade:

In January he said that a proposed three billion dollar power station and aluminium smelter in the south west involving the Soviet Union providing power generating equipment had a more than 50 per cent chance of going ahead. What is the latest situation with these proposals?

Mr PARKER replied:

The question is based on a false premise. The actual position is as follows.

A consortium, Kemerton Aluminium Ltd, was formed in February this year to progress the aluminium smelter proposal. At that time, Kemerton Aluminium set a target of 12 months to produce bankable documentation. At this stage, the feasibility study is still in progress and it would be premature to predict the chances of success of the study.

On the question of power generation equipment from the Soviet Union, it should be emphasised that this is only one of the many options being studied by the consortium.

**WATER AUTHORITY**  
*Personnel*

377. Mr COURT, to the Minister for Water Resources:

- (1) How many staff of the Western Australian Water Authority are currently working on -

- (a) temporary contracts;
  - (b) fixed term contracts?
- (2) Are these people included as staff in their accounts or paid out of a different expense allocation?

Mr BRIDGE replied:

- (1) (a) 112 salaried employees;
  - (b) 68 salaried employees.
- (2) These people are included as staff and paid from appropriate salaries budgets.

#### NAVY

##### *Anzac Frigate Project*

378. Mr COURT, to the Minister for Economic Development and Trade:

- (1) What proposals have been put to the Federal Government for the Navy's five billion dollar Anzac frigate project to be constructed in Western Australia?
- (2) Following Western Australia's loss of the submarine project, the Government clearly stated that we would be successful with the frigate project; is this still the case or will the project go to an Eastern State's shipyard?
- (3) Does the construction of the new ship lift facility at Jervoise Bay make it possible for these frigates to be constructed at that location?

Mr PARKER replied:

- (1) The procurement process employed by the Federal Government for the frigate project is designed to avoid direct State bidding.
- (2) No decision on the awarding of the frigate contract is expected until May 1989.
- (3) Yes.

#### OFFSETS

##### *National Offsets Program - Participation*

379. Mr COURT, to the Minister for Economic Development and Trade:

- (1) Is the State Government participating in a combined Commonwealth-State national offsets "program"?
- (2) If yes, which State department is responsible for providing the input to this program?
- (3) How will the information on offsets available be made public to industry in Western Australia?

Mr PARKER replied:

- (1) No. Negotiations on participation are still proceeding.
- (2)-(3) Not applicable.

#### TELECOMMUNICATION TECHNOLOGY

##### *Communications Network - Proposals*

380. Mr COURT, to the Minister for Economic Development and Trade:

- (1) What progress has the Government made in relation to establishing a private Government communications network?
- (2) When will the Government be making a decision on the establishment of such a network?

Mr PARKER replied:

- (1) During March 1988, the Department of Computing and Information Technology - DOCIT - issued a "Request for Proposals" for the development and operation of a telecommunications infrastructure and common network for the WA public sector. These proposals are presently being evaluated.

- (2) It is expected that a report will be proposed for Cabinet's consideration during July.

**TOURISTS**  
*South Africa - Visa Delays*

381. Mr COURT, to the Premier:

- (1) Is he aware of the considerable delays South Africans are experiencing in wanting to travel to Western Australia as tourists?
- (2) Has the Government taken any action to speed up the issuing of visas in South Africa to enable these people to visit Western Australia?
- (3) Has the Government asked the Federal Government to speed up applications for business migrants from South Africa who are currently experiencing long delays?

Mr PETER DOWDING replied:

(1)-(3)

The State Government's policy on South Africa is in accordance with national policy. I am disappointed that you are trying to make political advantage out of this tragic human rights situation.

**NURSES**  
*Halls Creek - Balgo Hills Community*

384. Mr COURT, to the Minister for Health:

- (1) Are relief nurses being flown up from Perth to Halls Creek to provide a nursing service to the Balgo Hills community?
- (2) If yes, what are the details of this scheme?
- (3) Why is it necessary for relief nurses from Perth to provide this service?

Mr WILSON replied:

- (1) Yes.
- (2) Short term recruitment, minimum period eight weeks.
- (3) Inability to recruit nurses locally. Options for a long term solution to the problems being experienced at Balgo are currently being addressed by both State and Federal officers.

**QUESTIONS WITHOUT NOTICE**

**ROTHWELLS**  
*Government Agencies - Financial Assistance*

46. Mr MacKINNON, to the Premier:

- (1) Have any Government agencies such as the State Government Insurance Commission - the SGIO - State Superannuation Board, or FundsCorp given any financial backing or deposits to Rothwells since the Government's rescue package extended to Rothwells in October of last year?
- (2) If so, which agencies?
- (3) If he claims not to know, will he undertake to find out the answer to the question and report the answer back to Parliament?

Mr PETER DOWDING replied:

(1)-(3)

It is not a question of whether I claim to know. The Leader of the Opposition has been in Parliament long enough to know that, if he were serious about getting the answer quickly, he had the whole day in which to give me notice of the question, and I could have sought the information as

far as practicable. He did not give it to me. I do not know the answer off the top of my head. It is a disappointment to all of us that the Leader of the Opposition has not learned to use the procedures of the House properly.

**EQUITY TRUSTS**  
*Victorian Equity Trust - Proposal*

47. Mr COURT, to the Premier:

- (1) Has the Government examined the Victorian Government's project of floating a Victorian Equity Trust known as VET?
- (2) Is the Government considering a similar proposal to assist funding key semi-Government authorities in this State?
- (3) If yes, when will details of this proposal be announced?

Mr PETER DOWDING replied:

(1)-(3)

I am not aware of any detailed examination of the Victorian proposal. I think it was noted with interest around Australia; I know that it was discussed in an informal way during the Premiers' Conference. The Federal Government indicated that it did not regard the proposal as necessarily a desirable way to go. I am not giving any attention to the issue but if the member wishes that I inquire whether anyone has had a look at it, for any particular purpose, I am happy to inquire.

**CYCLONE HERBIE**  
*Sheep - Disaster Relief*

48. Mr CUNNINGHAM, to the Premier:

In view of the fact that some 300 000 sheep are starving as a result of cyclone Herbie's total destruction of their feed, what emergency measures are being considered by the Government to get fodder for these animals?

Mr PETER DOWDING replied:

I am pleased to be able to tell the House that as indicated we will be amenable to looking at the plight of people adversely affected by the cyclone. The Minister for Agriculture has made representations to me for \$50 000 towards offsetting the costs of getting hay and grain to the affected areas. This afternoon I approved that payment.

The WA Farmers Federation today met the Minister for Agriculture and told him they had identified a substantial quantity of hay and grain in northern agricultural areas that farmers will donate to the rescue operation. Grain is also available from Co-operative Bulk Handling sidings. The Minister for Agriculture on Monday will be presenting a submission to Cabinet outlining a comprehensive range of measures for disaster relief.

The urgency of the situation well justifies the prompt attention by the Minister for Agriculture and the Government. The cyclone wiped out the feed in a matter of hours without warning. It suddenly caused devastation over many thousands of hectares, unlike the normal drought situation where the feed runs down over a period of time and people have time to implement management strategies to cope. In this case there has been a sudden and disastrous denuding of topsoil, and in many instances feed has been destroyed. We are very happy to assist the pastoral community to overcome the immediate results of the tragedy.

**URANIUM MINING**  
*Western Australia - Government Policy*

49. Mr LIGHTFOOT, to the Deputy Premier:

- (1) Is the Government keen to establish uranium mining in Western Australia?

- (2) If yes, how will the Government overcome the hard-line stance taken recently by the Minister for Primary Industries and Energy, Mr Kerin, that the Government will only allow three mines, none of which is in Western Australia, to operate and export uranium?
- (3) What steps will the Government take to change this policy?

Mr PARKER replied:

(1)-(3)

I have been on record for some considerable time now as advocating the view that the national conference of the Labor Party ought to adopt a change in the party's policy on uranium mining; not to specifically permit mines - or deal with this mine or that mine - but rather to say that uranium mining ought to be dealt with in the same way as other commodities. The various problems in that area are capable of being worked through - specifically those in the foreign affairs area, such as sale only to countries which are signatories to the Nuclear Non-Proliferation Treaty. That being the case, the market forces will then prevail and determine whether other uranium mines might develop.

The member for Murchison-Eyre has not properly represented the position of the Federal Minister for Primary Industries and Energy.

Mr Peter Dowding: The member for Murchison-Eyre is not well thought of by the Federal Liberal Party anyway.

Mr PARKER: It is hardly surprising. I do not suppose it will worry the Minister for Primary Industries and Energy because we know that the Leader of the Opposition here takes no notice of the member for Murchison-Eyre; he just says, "That's Ross." The Federal Liberal Party, when referring to Mr Lightfoot's letter about the "limp-wristed" Federal Leader, says Mr Lightfoot is "lightweight". So now the member for Murchison-Eyre is "lightfoot", "lightweight" and "light fingers", all in the same person. Not a bad record to have and no wonder the Liberal Party will not give him a seat.

Mr Deputy Speaker, apart from not being bothered by the member for Murchison-Eyre, the Federal Minister for Primary Industries and Energy has been misrepresented. Apart from anything else, three mines are not operating in Australia; currently two mines are operating. A great deal of consideration is being given within the Labor Party to the situation - at both State and Federal levels. I expect discussions will take place in June on the party's future policy on this matter.

#### GOLD TAX *Government Policy*

50. Dr GALLOP, to the Premier:

Can the Premier restate the Government's position on gold tax? Can he say what support he might expect for the Government's stand on this matter?

Mr Hassell: We have had six hours of that already.

Mr PETER DOWDING replied:

Another few minutes will not hurt. It may even persuade the Opposition to support the position of the Government of Western Australia and the gold industry, which it has not done to date.

This Government is and has been at all material times opposed to the removal of the tax-exempt status of gold. In order to advance the situation in a constructive way I have asked the Minister for Agriculture to reform the gold policy committee and to ask it to report to the Deputy Premier and myself as soon as practicable on what steps can be taken in the face of the Federal Government's decision, and what steps might be taken to

ameliorate the position of the gold industry during the period to 1991 and beyond, with special consideration to people who might be more adversely affected by the tax.

We make no apology for our position because we are united on this side of the House about the situation. It appears that is not the case for members opposite. The Federal spokesman on finance and Treasury matters, Senator Stone - a man so beloved and admired by the loudmouth attempting to interject, the member for Murchison-Eyre - has made the following remarks -

I think what the Government has done in relation to the gold tax, given that they were locked in by the Prime Minister's undertaking prior to the election and indeed the comparable undertaking I would have to say in all fairness, given by the Leader of the Opposition, what the Government's done is I expect the best politically they can do. We won't be unduly critical of that...

The difference between Australia under Labor and Australia under Liberal is that whilst regrettably there is going to be a gold tax after 1991, under Liberal there would have been a gold tax from 1983. That was the desire of the Leader of the Opposition, John Howard.

I wish to record also the lack of unanimity between the National Party and the Liberal Party in this place. Even on the Opposition benches there is no unanimity on this issue because I was interested to read this morning that Mr Hendy Cowan has said that "although a blow to the gold industry the taxing proposal will be seen by farmers as bringing about equity to the system particularly since the Commonwealth will do away with the superphosphate bounty adding up to 12 per cent to the cost of agricultural fertilisers". He has also said that "agriculture is one of the least subsidised industries in Australia. Why should agriculture be further isolated in regard to the removal of assistance when other industries are receiving far more assistance than is agriculture?"

#### *Point of Order*

Mr WIESE: That was said by the announcer.

The DEPUTY SPEAKER: I respect the member for Narrogin's comments because he is a country member. The Premier should answer the question directed to him.

#### *Questions without Notice Resumed*

Mr PETER DOWDING: I made it quite clear in my comments that what I read first of all were the announcer's comments and the second quote was Mr Cowan's. Mr Cowan said -

Agriculture is one of the least subsidised industries in Australia. Why should agriculture be further isolated in regard to the removal of assistance when other industries are receiving far more assistance than is agriculture?

Mr Trenorden: That is shameful.

Mr PETER DOWDING: I am sorry to cause members of the National Party such discomfort. I remind them that Senator Stone's comments are on the record as are the comments of the Leader of the National Party in this State.

I do not blame anybody in this State for the decision made by the Federal Government. I think we are all very much the worse for it, however, because of the cynical and unhelpful attitude taken by the Opposition when I sent the Minister for Agriculture and the Deputy Premier to Canberra. If the Opposition had wanted to be supportive on one issue it could have been supportive on that.



**CHLOROFLUOROCARBONS**  
*Government Policy*

51. Mr SCHELL, to the Minister for Environment:

- (1) Will the Minister inform the House of the main thrust of the Government's proposal to deal with aerosols and other substances containing chlorofluorocarbons?
- (2) Will he explain how his Government's proposal differs from that outlined by the Leader of the Opposition a couple of months ago and which was subsequently ridiculed by the Premier?

Mr HODGE replied:

(1)-(2)

The Government's policy has been outlined in great detail in a number of Press releases. I am surprised that the member has not read them. I could send him a copy so that he will have it chapter and verse.

In short, the Government has regulations in train to regulate the manufacture and sale of products that contain chlorofluorocarbons, mainly aerosol spray cans. We will seek to prohibit the sale and manufacture of those cans if there is a suitable alternative product that does not contain CFCs. We acknowledge that at the moment there may be no suitable alternative to CFCs for use in some products, particularly pharmaceutical products. However, those regulations are being prepared and will be enacted as soon as possible.

In addition, we are preparing a second policy under the terms of the Environmental Protection Act. When that policy is prepared it will be presented to the House and, if adopted, will have the force of a regulation; that is, it will have a statutory base. That policy seeks to consider, on a wider base, the use of CFCs used not only in aerosol cans, but also in refrigeration, foam blowing, and for other uses. We will seek to find ways of phasing out the use of CFCs, particularly in refrigeration. Air-conditioning units and domestic refrigerators are sometimes abandoned and the CFCs escape and enter the atmosphere.

We believe there are many ways to control the use of CFCs in industry. That will be done in close consultation with industry and will be complementary to the actions taken by the National Government.

As I said, I will be happy to send the member a copy of the Press release.

Mr Trenorden: What about the Opposition's policy?

Mr HODGE: I am not familiar with the Opposition's policy. I was not even sure that it had a policy. It does not seem to have much interest in environmental matters.

Mr Parker: It is nice to know that the Opposition has asked this question. This is the first one you have had.

Mr HODGE: I am happy the Minister mentioned that. The Opposition does not seem to have much interest in conservation and environmental matters. I appreciated the question; I do not get many. That was the first one and I thank the member very much for it.

**SWAN BREWERY SITE**  
*Planning Inquiries*

52. Mr HASSELL, to the Minister for Planning:

- (1) What is the progress of the Swan Brewery redevelopment?
- (2) What is the reason for the delay?
- (3) Is the Government involved in any unannounced financial dealing to support the project?

- (4) Has the ownership of the project or any of the other arrangements changed since the Government's announcement?

Mr PEARCE replied:

(1)-(4)

No change to the arrangements has been made and no other financial deal has been entered into on the brewery since the last announcement. The Government is looking at some fine tuning of the project.

# OFFICE OF TITLES

## *Business Activity*

53. Mr D.L. SMITH, to the Minister for Lands:

Will the Minister give the House details of the level of any recent changes in activity in the Office of Titles?

Mrs HENDERSON replied:

Daily business in the Office of Titles increased by more than 30 per cent in the first four months of 1988 compared with the same period last year. Until 11 April 1988, the average daily lodgment of land dealings in the Office of Titles was 1 557 a day compared with 1 041 dealings a day for April 1987 and 841 dealings a day for April 1986. Searches of land titles averaged 4 050 a day for the first half of April, which is about 1 000 a day up on the 1987 average for the same period.

Opposition members interjected.

The DEPUTY SPEAKER: Order! Question time was going along fairly well. Let us not have stupid crossfire and chit chat. Chit chat should be carried on in the corridors. I want to hear only the Minister for Lands' voice.

Mrs HENDERSON: I thought the Opposition would have been interested in the activities of the Office of Titles, having spent considerable time yesterday debating land releases in Western Australia. It attempted to put forward a case to prove that there have been inadequate releases of land and, indeed, very little activity in that area. The figures show that the opposite is the case.

During the past few weeks we have seen record daily levels of business in the Titles Office with the highest daily lodgment of land dealings in the history of the office being recorded in early April when 1 927 dealings were lodged in one day. That was a record for the Office of Titles. On another day 5 217 search requests were received. Based on a figure for March 1988, lodgment of subdivision plans and diagrams has increased by about 28 per cent this year compared with the corresponding period for last year. The average daily lodgment of land dealings in the Office of Titles in April 1988 is 50 per cent higher than the same figure in September 1987. That shows a very significant increase in the level of real estate activity in this State.

A comparison of the levels of activity in the Western Australian Office of Titles and similar offices in New South Wales and Victoria following the crash of the stock market indicates an increase in land transactions in all States. In Victoria the increase was 14.7 per cent and in New South Wales it was 26.8 per cent. In other words, in Western Australia, with a 30 per cent increase, we had a greater increase in land transactions than Victoria or New South Wales.

The increased activity in land dealings is translated into increased activity in the development of housing units. The February 1988 Australian Bureau of Statistics' report states that the total number of dwelling units commenced in February 1988 is the highest recorded since September 1980 and the number of houses commenced, 1 335, is the highest since October 1984. The figures from the Australian Bureau of Statistics

completely disprove the comments made by the Opposition in this House yesterday.

Mr Lewis: They reinforce them.

Mrs HENDERSON: If the member thinks that the figures reinforce the Opposition's comments, he does not know what the Opposition said yesterday. The figures show that land activity in Western Australia is 50 per cent higher than last year, yet members opposite come into this House and argue that there has been no land activity. What it shows is that the level of confidence by young people, who show their confidence by buying land and building houses, is the highest in this State, higher than in any other State in Australia, and it is an indication of the buoyancy of our economy.

LIGHTFOOT, MR  
*Horse Racing - Drugs*

54. Mr READ, to the Minister for Racing and Gaming:

Has the Minister received any communication from the member for Murchison-Eyre subsequent to his claim in Parliament last year that he had information concerning the use of drugs on racehorses?

Mrs BEGGS replied:

Strangely enough yesterday, a long time after the member for Murchison-Eyre made some very serious allegations in this House and publicly about the doping of racehorses, I did receive some communication from him. Mr Deputy Speaker, you may ask why yesterday, after all this time, I received some indication from the member for Murchison-Eyre when he stated publicly, after he made those allegations, that he would be willing to provide some information to the racing task force inquiry or to the Western Australian Turf Club.

Mr Peter Dowding: How long ago was that?

Mrs BEGGS: It was about December last year.

Mr MacKinnon: They have rewritten that report three times.

Mrs BEGGS: A good task force inquiry report does not have to be rewritten. I can tell the Leader of the Opposition with absolute confidence that it was a good task force and the report did not have to be rewritten.

Mr MacKinnon: When are we going to get a copy of it?

Mrs BEGGS: Who said the Opposition would get a copy? It is an excellent report and the industry will be pleased when we are able to present the package which the Opposition, when in Government, was not able to deliver to the racing industry.

As I was saying, yesterday I received a facsimile from the member for Murchison-Eyre and the subject was: "Question on notice, 24 May from Hon P. Lockyer MLC". It stated, "To assist you in more comprehensively answering questions (1) and (2) -

Mr Parker: Is he your department head now?

Mrs BEGGS: He is one of my advisers! The question I was asked on notice by Mr Lockyer was, "Has any member of Parliament provided evidence to the Western Australian Turf Club or to any other committee with regard to the allegations made in Parliament with regard to the use of drugs on racehorses and, if so, when was the information given?" The member for Murchison-Eyre thought I may not know the answer so he gave me some information.

He advised me that he had informed the chairman of the inquiry, Bill Quinn, and the Chairman of the WATC, that the report he had prepared would be forwarded to the Leader of the Opposition for use in the proposed

anti-corruption commission. He went on to say that he did that some time ago and that that report is relatively comprehensive - relative to what, he did not say. It would have to be more comprehensive than the information in his outlandish claims that he made in Parliament on 9 December last year.

I am very pleased that the member for Murchison-Eyre thought that as his colleague in the upper House wanted information but was a little frightened to go to him to obtain the information - I think he thought his tie would be assaulted again. If ever the member for Murchison-Eyre wants to communicate with Mr Lockyer I am more than happy to act as a go between.

**TEACHERS CREDIT SOCIETY**  
*Registrar of Credit Unions - Investigation*

55. Mr LEWIS, to the Treasurer:

- (1) Is he aware that the Registrar of Building Societies and Credit Unions is currently conducting an investigation into the role of directors and management of Teachers Credit Society?
- (2) Can he advise who will conduct an investigation into the role that previous and current registrars played in the failure of Teachers Credit Society?

Mr PETER DOWDING replied:

(1)-(2)

The registrar is conducting a proper inquiry - one I hope and feel confident will demonstrate to the public and to those who are concerned about this issue the need for the statutory amendments that we made to the Credit Act last year. It will also clearly demonstrate that the new and fairly rigorous policing and supervision of the credit union industry is required and that actions such as the action which was promptly taken in respect of the Fremantle Credit Society was proper and was on time.

Several members interjected.

Mr PETER DOWDING: I am interested to hear, from the constant bleating of the Leader of the Opposition, that he is not prepared to give the Government credit for that.

The member for East Melville has suggested that there should be an inquiry into the current registrar.

Mr MacKinnon: And the former registrar.

Mr PETER DOWDING: What is the evidence to support an outrageous and insulting question like that about a public servant?

Several members interjected.

Mr PETER DOWDING: Apparently the Opposition thinks it is okay to do these things: First it is okay to steal documents; secondly, it is okay to use stolen documents; thirdly, it is okay not to bother prosecuting people who steal documents; fourthly, it is okay to criticise senior public servants; and fifthly, it is now apparently fair game, in question time, to cast a slur on anyone working in the public sector who is prepared to loyally serve the Government of the day.

**EDUCATION**  
*Unit Curriculum*

56. Mr RIPPER, to the Minister for Education:

- (1) Is the Minister aware of recent criticism of the Unit Curriculum?
- (2) Is she able to advise members of the progress with its implementation?

Opposition members interjected.

Dr LAWRENCE replied:

(1)-(2)

I hardly need say any more in view of the interjections. The sort of criticism I have heard from the members of the Opposition has been of that kind - inchoate, unclear, ill-informed and basically not helpful to the education of students in the State. Nonetheless, I will not keep the House. I could have given members opposite a long lecture on the Unit Curriculum because I think that would be necessary for them to begin to make an informed observation about it.

It is a new system. Changes were made at the beginning of this year, inevitably leading to problems in implementation. If members opposite believe that there should be no problems, they do not understand human nature. If they believe that any change to a system of education which is as wide and diverse as ours could occur without any difficulty, I suggest that they need go away and rethink whatever policy positions they may have obtained dubiously.

I remind members that the Unit Curriculum system enjoyed the support at various times of the WA Principals Association, whose documentation of the issue is clear for anyone to see, and the Teachers Union, which actually developed a video in 1983-84 to indicate its support for the unit education system.

Mr Clarko: What has Jeff Bateman been saying?

Dr LAWRENCE: The member does not want to hear the truth, does he? The WA Organisation of State Schools also supported the Unit Curriculum.

Mr Grill: Don't confuse them with the truth.

Dr LAWRENCE: I will not confuse members opposite with the truth, but if they assume that we can have this sort of change without difficulty they are absolutely silly.

The way to go about dealing with these issues is not to gripe and complain all the time. We should ask: What are the problems; what can be done to monitor and improve the situation; and how can we achieve the best results for the students of the State? We should stop slinging mud at the teachers and various individuals in the system and adopt a helpful response, such as the one that is being undertaken by the present Government. Unit Curriculum for the first time says to students in this State -

Mr Lewis: We didn't ask the question; your member did.

Dr LAWRENCE: I will not keep members much longer. I am shaking my finger at members opposite.

Starting from A and going to Z the problem is that the Opposition is unwilling ever to investigate educational change for the benefit of our community. It is unwilling ever to contemplate the possibility that the world is not a static place, and it is unwilling to contemplate the prospect that it is possible to achieve change over time, that everything does not have to be right on day one, and that the present Government and the present Minister have taken a number of steps which in due course will ensure that this system provides for a high standard of education for our children. They will have the prospect of meeting clearly defined standards, which they can fail. They will not be able to march through as they were able to do with the old Achievement Certificate which members of the Opposition apparently support some return to.

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