

# Legislative Assembly

Wednesday, 4 September 1985

**THE SPEAKER** (Mr Harman) took the Chair at 2.15 p.m., and read prayers.

## INDUSTRIAL DEVELOPMENT: WA DEVELOPMENT CORPORATION

### *State Battery Dumps: Urgency Motion*

**THE SPEAKER:** Honourable members, I have received a letter from the Leader of the Opposition which reads as follows—

Dear Mr Speaker,

I write to give notice that at the commencement of the Sitting of the House today I desire to propose a motion, pursuant to Standing Orders 47 and 48

“That the House do now adjourn.”

The motion will be proposed for the purpose of debating a matter of urgency, namely,

“to express the concern of the House and its opposition to proposals for the Western Australian Development Corporation to involve itself in the reworking of gold tailings dumps contrary to past practice and the wishes of the private sector.”

Mr Speaker, this is a matter of immediate public concern and interest, as the reports in the *Sydney Morning Herald* of Tuesday, 3 September 1985 and *The Australian* newspaper of the same date indicate.

The Opposition has received urgent representations in relation to the matter and our concern is that it should be brought to the attention of the Government and the public before final decisions are made so that the situation will not be pre-empted.

Particular urgency is established by reason of suggestions that the Parliament will not be sitting on Thursday of this week, and also that next week is a Parliamentary recess week.

It may well be that today is the last day of sitting upon which this matter can be brought forward before final decisions are made in an issue which goes to the very heart of the question of the role of Government in private industry.

Yours sincerely,

W. R. B. HASSELL, M.L.A.,  
Leader of the Opposition.

Seven members having risen in their places,

**The SPEAKER:** In pursuance of the Standing Orders I have agreed to allow this motion to proceed. The time for the debate will be one hour. Speakers on my left will be allocated up to 30 minutes to speak and speakers on my right will also have up to 30 minutes to speak.

**MR HASSELL** (Cottesloe—Leader of the Opposition) [2.21 p.m.]: I move—

That the House do now adjourn.

This matter has been brought forward because the Opposition finds that the Government of Western Australia, through the WADC, is about to involve itself in the private enterprise of goldmining and the reworking of tailings dumps which are at the sites of State Batteries. The matter has been brought into the public arena and has been reported in *The West Australian*, *The Sydney Morning Herald* and *The Australian* newspapers as a direct result of the concerns of the private sector—those concerns having been raised in the media and thus having been expressed to the Government resulted in a Press release being issued by the Minister for Minerals and Energy on 1 September.

That Press release in part reads—

The State Government is exploring ways to realise the value of gold left in waste dumps at State batteries as a further step towards the better management of its assets.

The Western Australian Development Corporation has been given responsibility for the treatment of more than 50 000 tonnes of waste material at the Paynes Find State Battery.

Announcing this today, Minerals and Energy Minister David Parker said the move was a pilot programme designed to test the basic economics of re-treating the dumps.

The waste, which has already been treated once, has accumulated at the Battery for the past 70 years, he said.

The release continues in that vein. The truth is that no-one would spend the necessary funds and make the investment proposed for the purpose of treating only 50 000 tonnes. The investment proposed to be made by the WADC will undoubtedly be for a much larger and

more long-term project than the immediate treatment of 50 000 tonnes of waste material.

Many people understand, but some do not, that these tailings are the residue of previous processing of material for gold and that under new processes now available much more gold can be extracted from the ore than previously was the case. Thus in a number of cases in Western Australia there are large stocks of tailings which contain valuable deposits of gold. Those valuable deposits can now be extracted using the new processes which are available. The simple question to be decided in relation to this matter, as in relation to many other matters in Western Australia at the moment, is whether we are to have a socialist enterprise or a private enterprise exploiting and competing for the business opportunities of Western Australia.

The very clear position of the Opposition and of the Liberal Party is that we are a private enterprise State, that we should put our trust in private enterprise and give to private enterprise the opportunities to pursue what it does best, which is to invest its capital, involve itself in business and to go forward to take the opportunities which are available. In this case we have an asset of the State. The asset in effect is held in trust by the State for the private sector because these tailings are the residue from the previously processed ore bodies which have been taken to the State Batteries. This residue has come from the private sector. There are companies in the private sector that would be more than willing to, capable of and extremely keen to reprocess these tailings and to extract the gold from them but the Western Australian Development Corporation, Western Australian Government Holdings, Exim and various other statutory bodies which this Government has put together are now keen to involve themselves increasingly in the private sector. They seek to involve themselves in a way which goes far beyond what the Labor Party told the public prior to the last election and what the Premier told the public at the time he introduced legislation to this House to establish the Western Australian Development Corporation.

Mr Bryce: That's not true.

Mr HASSELL: I point out to the Deputy Premier that prior to the last election—in fact, in 1981—the Labor Party took out an advertisement about the last Budget of Sir Charles Court. The advertisement reads—

On the next two pages Brian Burke outlines the problems of Sir Charles Court's Budget and lists the improvements the Australian Labor Party would make to ensure the Budget is fairer to everyone.

Item No. 5 of this 1981 advertisement under the heading "The Labor Party's Solutions" stated as follows—

We will establish a Western Australian Development Corporation to stop all our profits going overseas.

There is no question of any profits going overseas in relation to the tailings dumps at the State Batteries throughout Western Australia. There would be no question of Western Australia being deprived of anything if the private sector were given the opportunity to go into this business.

Mr Laurance: Think of a good idea now and the Government will pinch it from you.

Mr HASSELL: It will indeed. It is blatantly and unashamedly embarking on a course of Government involvement in business which is bald, blatant, naked socialism.

When the legislation to establish the Western Australian Development Corporation was first brought in we said in this House that it was socialism. The Government members who were freshly elected laughed at us and said, "Of course it is not socialism; this is a completely new era; this is something completely different." We now see that it is not something completely different at all. It is what we said it was all along. It is the same old socialism of the Labor Party. As more time goes by it becomes clearer that it is socialism. It is intended to be socialism and the Government has no shame in pursuing it. I return to the very advertisement of 1981 which, after the heading to which I have already referred, continued—

With all the development going on in Western Australia we need our own development corporation—

I ask members to note the next words; to continue—

—to marshal funds from within the State, Australia and overseas for investment by the private sector.

That was the advertisement of the Labor Party. According to it the WADC was to marshal funds from within the State, Australia and overseas for investment by the private sector.

The advertisement continues—

This would effectively give Western Australians more control over what happens here and provide easy access to funds, and a greater equity in the State's great projects.

When the legislation was introduced the Premier said that the purpose of the Western Australian Development Corporation was to enable the Government to obtain a window into the resource development industry. Of course, at the time the Government moved into the diamond industry, one of Western Australia's great projects, and purchased Northern Mining Corporation NL. This company has now been converted to the Government's socialistic purposes without parliamentary approval by putting it into the private sector competing in business arrangements.

Let us consider the situation with the tailings and with those people in the private sector who want to get on with the job. One of those organisations, the firm of Walters and Downe, made its first application in August 1982 to treat the low-grade tailings dumped at Ora Banda. It has been repeatedly refused permission to treat those tailings and its application is currently the subject of refusal by this Government. It was also refused permission to treat the tailings by the previous Government and I put that on the record now in case a member from the Government should try to make something of it later on. The simple fact is that a lady called Yvonne Hicks, an administrator of the partnership company, wrote to Ministers Dowding and Grill, to the member for Kalgoorlie (Mr Taylor), and to the Small Business Advisory Council. I have copies of those letters and the replies. The Small Business Advisory Council and Mr Grill actively supported the application to enable this company to treat the tailings dumped at Ora Banda. Minister Dowding told Mrs Hicks that she would be informed of any change of position regarding the application, bearing in mind that it had been previously refused.

A suggestion had been made that the Mines Department would treat the tailings dumped but the Treasury, being perhaps wiser than the department, has never put forward the necessary funds to enable the department to carry out that work. No doubt the Treasury refused to do so because it has anticipated the tremendous financial disadvantages to the State which could occur. The treatment of the tailings dumped at Ora Banda, Paynes Find, or any

other tailings dump would require a substantial investment of taxpayers' money and, of course, as in all business ventures, an element of risk.

I ask why the State Government is prepared to risk taxpayers' money, to have its development corporation involved in this socialistic enterprise when I understand that a number of companies are prepared to do it at absolutely no cost to the State and are also prepared to pay the State substantial royalties.

Mr Bryce: How much are they prepared to pay?

Mr HASSELL: I will come to the figures in a moment if the Deputy Premier will keep quiet. Time is short and I will deal with the figures as I can.

It is my understanding that the Western Australian Development Corporation will pay a royalty of \$1 a tonne whereas the private sector partnership was prepared to pay \$4 a tonne in respect of this operation, and is still prepared to pay that amount. From the inquiries we have made and the information we have received, we know that many other companies would be prepared to pay \$4 a tonne. However, the development corporation is referred to as being independent of the Government. The truth is that this development corporation is receiving a favoured deal from the Government and is being put in a preferred position. All private sector operators who have repeatedly sought the opportunity to become involved in this venture of re-treating the tailings dumps have been refused permission, yet now the WADC is to be permitted to enter this area.

I know what the Government fundamentally will say to this: It will say that this venture by the development corporation is a trial run; that what the Government is trying to do is manage the State's assets better and that it wants to ascertain the economic viability of the situation. The Government will also say that the development corporation will enter a joint venture or partnership with a company or group called Grant's Patch Mining. One might well ask what is the basis upon which Western Australian Development Corporation has formed this liaison and association with Grant's Patch Mining. Which other companies were given the opportunity to enter into the joint venture with Grant's Patch Mining? What level of priority has Grant's Patch Mining in relation to other private sector companies and the applications that have been made to rework tailings dumps in Western Australia? What has

been the history of Grant's Patch Mining? I have a copy of its annual report for 1984, which contains a note to the accounts indicating an opstern adopted of open application for other companies with an interest in this matter to give them an opportunity to come forward and become involved? Why is it that the Government cannot let this whole issue be resolved in the old and traditional way by opening up these numerous possibilities for the reworking of tailings dumps, by inviting the numerous people in the private sector to put forward their proposals and compete in an open market situation and by offering them the opportunity to indicate what they will do in terms of payment to the Government? Why cannot the Government lay down the conditions and invite people to apply in the usual way?

Instead, the Government is making the excuse that it is sending in the development corporation to ascertain the situation. But the situation is known; it is known to the Mines Department and it has been known for a long time. The economics of the industry are already well-known. This involvement of the development corporation is nothing more or less than an excuse for the Government to become involved once again in the private sector. It is a rerun of the Western Australian floral exports situation. It is an example of the Government going into business in competition with the private sector. It is also an example of the Government giving this development corporation a special and preferred position. Why is it that the Western Australian Development Corporation is being given this pride of place in relation to a Government activity?

I refer to an article in a magazine called the *Professional Administrator* of April/May 1985 under the heading of "Forum" by Mr John Horgan, FASA, CPA, who is chairman of the Western Australian Development Corporation. One of the things he said was—

Put simply, the W.A.D.C. is charged with the efficient management of government assets. In discharging this responsibility, it must relate to the private sector in bringing about a co-operative strategy to expand the base of the state's economy. To do this it must be totally profit orientated . . .

And, these are the critical words—

and be demonstrably at arms length from government.

Where is the corporation's arm's length from the Government in relation to these dealings on tailings dumps? Clearly and obviously the Western Australian Development Corporation has been put into a favoured and privileged position by reason that it is owned by the Government. Clearly the WADC has not been put on a competitive and fair basis with the private sector.

This whole matter is, as I said at the outset, an illustration of the blatant socialism of this Government of which we warned the day the WADC was created. Slowly but surely the private sector is waking up to it. People are saying very clearly every day they do not want to have this Government corporation involving itself in the private sector business operations.

The Western Australian Development Corporation's involvement in this venture is taking away the lifeblood of private enterprise. It is doing it on a purported false basis by suggesting it is there for some kind of feasibility study when in reality it is absolutely clear from the investment being made, the joint venture arrangements being made, and the whole set up, that it is a long-term Government involvement which seeks to exclude and disadvantage the private sector.

This is a case where the people have a clear choice between private enterprise and socialism. We think that the Government, even now, should wake up to what is going on and recognise that it is breaching the commitment it made prior to the last election; what is said when it introduced the legislation, and what it purported to be the role of the WADC. It should get out of this enterprise, just as it got out of the floral export enterprise, and leave the matter to the private sector which can carry it effectively, totally, and efficiently, and without any risk to taxpayers' funds.

My colleagues will develop other aspects of the issue as time allows.

**MR COYNE** (Murchison-Eyre) [2.42 p.m.]: I second the motion and wholeheartedly support it. Paynes Find is an area on the southern boundary of my electorate. It is the first entry into the Murchison-Eyre electorate on the Great Northern Highway. It is an area with which I have been associated for many years.

My first reaction on reading the Press release yesterday morning was one of total disbelief that a company like the Western Australian Development Corporation should become

involved in such a piddling exercise as the sands treatment at the State Battery at Paynes Find.

Mr Pearce: Not everybody has things like that in their electorate and calls them piddling.

Mr COYNE: If the Minister will let me continue, I shall tell him about it. There are only something like 80 000 tonnes—

Several members interjected.

Mr COYNE: A number of prospectors have been in the area for many years prospecting around there and the proceeds of their little parcels of gold went through the State battery. Residues or tailings have built up over the years.

While I have been in the area I have had the experience of trying to persuade private operators to contract to treat those tailings, but without avail. It has certainly opened my eyes to see the Western Australian Development Corporation getting into this activity because I could not appreciate the purpose of it. There are no mines of any consequence in the area; the mines there are all small operations. There are only about 80 000 tonnes of residue in total.

The attraction to the WADC is that the tailings have a residual recovery rate of about three grams a tonne, which is well above the average normally expected. It will allow pretty handsome rewards to the tenderer.

Throughout the State huge dumps of tailings have accumulated where there were big gold mines. The biggest one would probably be at Wiluna, where there are six million tonnes of tailings. That operation is being directed by Denis Horgan, who is a relative of John Horgan. Tailings throughout the length and breadth of the Murchison-Eyre electorate have been and are being very profitably worked. They have produced rewards of large monetary value for the developers due to the new technology of carbon and pulp treatment, aided by heavy earthmoving machinery which allows the treatment of big tonnages at relatively low cost.

In this operation the WADC will probably act as brokers. Only four or five men will be required, I should imagine. It might become a parasitic influence in the area on the first occasion, but there is a more sinister aspect. Long-term there could be a cosy arrangement with the Mines Department to recover all the tailings residues from each of the State battery instrumentalities throughout the State. That is possibly what the WADC is looking for.

The tide of resentment throughout the mining industry will engulf the Minister. He obviously did this without the approval of his chief departmental advisers and officers. He was sold a pup by the WADC money merchants. To compound this ill-judged foray into the free enterprise field of endeavour, the Minister has made this decision.

Another odious factor which taints this arrangement is that other experienced applicants were ready and waiting to join in this venture. One of them is Vince Ridoeffe's gold venture which has a \$1 million plant at Mt Magnet and which has already had experience with State Battery sands contracts. The Mt Magnet State Battery residues totalled 120 000 tonnes which yielded royalties to the Government of \$314 000.

Royalties are calculated on a sliding scale based on the price of gold at the time. The figure I have just given is what the enterprise at the Black Cat mining operation produced for the State Treasury.

It is demeaning for an organisation like the WADC to compete with small, individual groups which could have handled this operation without any trouble at all. To give one classic example, the Wiluna State Battery tailings dump was operated by four people who invested \$250 000 in a venture similar to, although possibly slightly larger than, the Paynes Find enterprise. These people are doing the work themselves and making a profit. Those are the sorts of people who are competing in the business world, the small individual operator who is following the free enterprise tradition. These operators are very much a part of the mining industry in this State.

The mining industry in this State is the epitome of the free enterprise prospector. Every little advance on such a man's discovery involves free enterprise. There is no government at all, purely free enterprise. That is why the mining industry in this State is so angry about this project being handed over to the WADC on a plate.

I cannot understand how a person like John Horgan could fall for a project like this, or how the Minister himself could do so. Throughout this State every person I ring is angry about this Government's entry into the private enterprise area.

Mr Pearce: Do you say everybody you ring, or everybody?

Mr COYNE: Everybody. I know that area better than anybody else. I have spent the whole of my life there and no-one knows that area better than I do. The last exercise like this was the Exim horticultural exercise. What happened then is nothing compared to what will happen in regard to this proposal.

I can inform the House that I experienced the anger of miners over that Mining Bill, and I know what miners are like. They are a very close-knit group and when they take exception to something like this socialist Government's legislation, they can react very savagely indeed. It is part and parcel of the goldmining industry; it is part of the tradition of the men who came to this country when the gold rushes first started and triggered off the great prosperity that came in waves throughout the entire Murchison-Eyre region. The gold rushes to that region began in the 1890s and there was a second wave in 1936 which was the product of an enterprising fellow called De Bernaldes. De Bernaldes took that goldmining enterprise and made it into a boom.

**MR BRYCE** (Ascot—Minister for Industrial Development) [2.51 p.m.]: With his urgency motion, I would like to welcome the Leader of the Opposition back to Western Australia. Over the last few days of the parliamentary session, we have seen the Leader of the Opposition casting around not only Western Australia but also the entire nation for something to set his teeth into. We have seen him preoccupied with industrial relations in the Northern Territory—with the Mudginberri meatworks—and we have seen him raise the subject of Ayers Rock. Thus I simply welcome the Leader of the Opposition back to Western Australia.

However, it is with a heavy heart that I cannot say to the Leader of the Opposition, "Welcome to 1985" because the Leader of the Opposition, by virtue of what he has moved here today, has demonstrated to all members why the Opposition is going nowhere and why the Leader of the Opposition himself is starting to go down the gurgler as leader of his party, because of his thinking and his priorities in terms of the issues that he raises. The Leader of the Opposition demonstrates his problems every time he comes into this place simply by the motions he introduces. If it is not in industrial relations—an issue of the 1960s—it is racism, which was an issue of the 1970s, or it is

Milton Freidmanism, and Milton Freidman was discredited and basically buried internationally by the end of the 1970s.

Let me put the record straight for the Leader of the Opposition since he seems to have found some difficulty since the concept of the Western Australian Development Corporation was introduced to Western Australia. The Leader of the Opposition feels the need, it seems, to lash out, to kick, at that institution and to denigrate the people associated with it—people who have done a remarkable job in a short time to achieve the economic recovery of this State and to actually put the affairs of Western Australia onto a very efficient plane.

I make the point to the Leader of the Opposition that it is not a case of Government interfering in the sole preserve of the private sector. The Government is very proud indeed to have had the WADC structured in a way that brings to the processes of government the skills, the expertise and the methodology that have proven to be successful in the private sector in respect of this very major task of more appropriately handling the management of the State's assets.

Mr Court: Why can you not leave the small operators to do this particular job?

Mr BRYCE: I will explain it to the member for Nedlands so he is not so intolerant of Government actions. I can inform the Leader of the Opposition that we on this side of the House, to a member, do not believe that he has much longer to spend in his position. The Leader of the Opposition's inbuilt need to kick and to denigrate the WADC at every turn means that he has lost sight of the very valuable work that that corporation has done, and is doing, for Western Australia.

Fifteen of this State's most prominent and successful businessmen have become associated with, and have worked very hard as part of, WA Government Holdings, WA Exim and WADC. The Government is very proud of the work that they have done and what is more the Government will continue to encourage them because we are absolutely convinced—and the track record is already showing up on the board—that the brief they have been given, and the work they have done, are in the best long-term interests of Western Australia.

I intend to demonstrate just how unique this arrangement is. It is unique to Australia for it modernises the handling of the expertise that is

available to us as a community in the private sector, and it brings that expertise to the process of government.

Mr Court: Is it a global view?

Mr BRYCE: I find it rather amazing that the member for Nedlands could be interested in any global view; he is a microspecialist, and even with his spectacles on, he is limited to tunnel vision.

The Leader of the Opposition spent so much of his energy denigrating the Western Australian Development Corporation that I feel I should remind him once again that this State is enjoying very significant economic recovery today because of a number of things that have happened over the last 2½ to three years. I know that the Leader of the Opposition finds that very uncomfortable to swallow because it follows that in the lead-up to an election he would like the economy of this State to be in tatters so that he could point to all the weaknesses that were apparent in the State's economy and promise the people of this State that he would be able to set them right. It is of course a very difficult wicket for the Leader for the Opposition to bat on, and on which to face the shareholders, as we all will be, in about six months' time with the knowledge that the board that is running the affairs of this State—the Cabinet, the Government of Western Australia—has done a remarkably efficient and successful job and that Western Australians appreciate the processes of economic recovery that have occurred. One of the ingredients in that process of recovery has been the outstanding success of the WADC. The functions of the WADC are broadly twofold: One is to work with the private sector in encouraging the development of the right economic climate, and the other, of course, is to improve—

Several members interjected.

Mr BRYCE: I am about to explain to members of the Opposition something to which they, when in Government, closed their minds entirely and that is the whole question of managing more efficiently, responsibly and competently the assets of Western Australia. Not a single person sitting opposite has been—

Several members interjected.

Mr BRYCE: I have no hesitation in saying that I will spend a great deal of my energies while in Government trying to more effectively see that the Government more efficiently manages the affairs and assets of Western Australia. I do not consider that the assets of Western

Australia are something to be squandered. Unlike the member for Nedlands, I do not derive any sense of satisfaction from the fact that the track record of previous Governments in this State was that they squandered the assets of this State through mismanagement, and I suppose that the finest and most demonstrable form of mismanagement was simply no management at all. Members opposite played absolutely no role, and showed no evidence whatsoever of an interest, in actually managing the assets of Western Australia more efficiently.

Mr Court: How much do you think they ought to accept? Do you think \$4 is better than \$1?

Mr BRYCE: That is typical of the superficial manner in which the member for Nedlands approaches these matters. He is inclined to reach out and say it is \$4 irrespective—

Mr Court: The small operator pays \$4 and the big operator pays \$1.

Mr BRYCE: The member for Nedlands' superficial appreciation of this issue might lead him to suggest that the Government ought to reach out and grab the \$4.

Mr Court: It depends on the price in the window in the industry. All you want to do is spy.

Mr BRYCE: With respect to the pilot programme, which is a highly intelligent and appropriate approach to take, we suggest that the Government of the day ought to know what the value of those tailings is and precisely what the economics of that process happens to be. While the member for Nedlands and maybe his leader would suggest that the Government ought to lean out and grab the \$3.93 instead of \$1, they are not thinking any further.

Mr Court: Is this a new technological breakthrough?

Mr BRYCE: The member for Nedlands can ridicule technology; it will be to his peril. He has ridiculed technology for years and so did his daddy before him. I guess it is a genetical problem that he has to cope with. We understand.

Mr Hassell: I think we should move to extend the Deputy Premier's time.

Mr BRYCE: The members opposite should find it in their hearts to accept that the Western Australian Development Corporation has done an outstanding job. Let me show some evidence to demonstrate how well the WADC has done. It has been because of its success that members opposite are feeling uncomfortable

because something leads them to attack, denigrate, and knock the concept at every opportunity it gets. The fourth largest capital venture in this country was organised by the WADC through the Diamond Trust to enable Western Australians to invest in a unique way.

Mr Court: You misled the people of this State. You said the taxpayers could buy shares in the WADC. They still cannot buy shares which your Premier said we could all buy.

Mr BRYCE: I think someone has got to the member for Nedlands with a needle. It was the very first time in this State's history that it has been made possible by a very large capital venture. It was very successfully handled and it became possible for Western Australians to participate in the ownership of the diamond mine.

The second example I would draw to the attention of the House is the role that the WADC has played in helping to establish Perth as a significant financial centre. Members opposite have found it difficult to comment on the work that has been done to attract the new bank to Western Australia. The IBJ (Australia) Bank will play a very important role, and I am very proud of the work that has been done, as are my ministerial colleagues.

Mr Hassell: What has the bank got to do with the tailings dumps, or will you be talking about the hotel in Margaret River next?

Mr BRYCE: I will give the Chamber a couple more examples before I get to the tail end of the argument on tailings! The Leader of the Opposition's preoccupation was not the tailings. He is preoccupied in knocking the WADC. He is not interested in the tailings issues or the small prospectors.

Mr Court: Your Government is trying to destroy the small operators. It does not matter whether it is furniture removals. Every day there is a new example.

Mr BRYCE: I will now complete the examples I intended to cite to the Chamber to demonstrate the work that the WADC is doing contrary to the bile produced by the Leader of the Opposition at every opportunity.

The management of the State's short-term cash surplus has been another example of the WADC's outstanding success. It has been a first-class step in the right direction. The question of the management of the State's assets leads me to the story of the tailings. I find it hard to believe that some of these wise men, including the member for Floreat, spent nine years in Government and never dreamed that

it was an appropriate thing for a Government to establish a property register. The Government of Western Australia has the biggest portfolio of property in this country, and probably in the world. It is extraordinary that when the members opposite left office there was no register of Government property or Government assets.

Mr Hassell: There is not one now.

Mr BRYCE: Well, let us bring the Leader of the Opposition back to this State, into this decade and this day, and tell him that the WADC is very effectively working on the development of a property and assets register for the first time in the State's history for future generations of Western Australians so our assets can be managed more effectively. Members opposite had no idea.

I could imagine the Opposition's eternal embarrassment if they were directors of a company and had to face shareholders at an annual general meeting and they said that they were sorry about the question of assets and that they did not know how many assets they had, whether they were liquid or fixed, or how much they amounted to, but they promised their shareholders that they would take a stab in the dark and do their best. That is not good enough. The then Government's best was not enough; and we are proud to say there is one hell of a lot of sound logic in developing a property register to ensure that the assets of this State are managed efficiently so far as the future is concerned. Let me get to the tail end of the Leader of the Opposition's argument because the tailings issue is not the issue that concerns him, chews him up, and causes him to lose sleep. It is the efficiency and the effectiveness of the success of the WADC that concerns him because it is a first-class plan that will be effectively in existence long after the Leader of the Opposition has disappeared from the leadership of the Liberal Party.

One of the best examples of the work done by the WADC in terms of asset management is the work that has been done with the Perth Mint.

Mr Bradshaw: We want to know about the tailings.

Mr BRYCE: The modernisation of the Mint in Western Australia marks the beginning of a new era in the gold and silver industry in this State. It is regrettable but true that, frankly, the people who managed the Western Australian Mint in the past approached it through old-fashioned eyes. They looked at the process of processing gold bars in very limited terms.

Mr Court: There have been some good operators in it.

Mr BRYCE: They operated in a very physical product fashion and simply overlooked the true significance to Western Australia of the gold industry and the role that gold plays in international financial terms.

It has been determined that the Mint will be given a state-of-the-art set of technology to do its job more efficiently. The Mint will be aided and assisted in its objectives—

Mr Hassell: I thought this debate was about tailings dumps.

Mr BRYCE: No, it was about knocking the WADC—didn't you get it?

An Opposition member: It was about the Government's sticky fingers.

Mr Old: It was about fingers in the till—the sticky fingers king.

Mr BRYCE: Has not the intellectual challenge of this issue really been enlightening, almost mind-blowing? Maybe the minds of some of the members opposite have been blown, and they have come to the Chamber with these utterly empty-headed interjections. Let me illustrate to them how the future of the Mint can be related to the gold industry proper.

Mr Hassell: I have been hearing from the industry. We know only too well.

Mr BRYCE: The gold tailings do constitute a valuable part of the assets of the State.

Mr Hassell: It could be exploited tomorrow by the private sector if the Government let it, but the Government wants to do a deal with the Government sector on a preferential basis.

Mr BRYCE: I would like to hear the Leader of the Opposition deny that, but of course he will not dare deny it. That is the truth. The gold tailings scattered around 70 or 80 different sites in this State do constitute an important asset, and the Government of Western Australia is quite conscious of the potential value of that asset. It is very pleased and proud that the Western Australian Development Corporation will play a central role in this pilot project.

Mr Hassell: Oh, yes! All that investment is for a pilot project. Ho, ho, ho!

Mr BRYCE: I will return in a moment to the question of the \$1 for \$4 figures to which the members of the Opposition have been superficially attracted.

The Government is pleased that a group as competent, efficient, and entrepreneurial as the WADC is to be involved in actually helping the Government to establish policy for the future and guidelines in respect of how this little asset is subsequently treated.

The DEPUTY SPEAKER: Order! May I suggest that if members really wish to point something out to the Deputy Premier, they do so individually. When members talk at the same time it is difficult to understand what they are saying.

Mr BRYCE: With the assistance of the WADC the Government in this State will be taking a more commercially and financially sophisticated approach to the Mint.

An Opposition member interjected.

Mr BRYCE: If my record were as shady as his on that subject, I would be inclined to keep quiet.

Mr Cash: I have the facts, which is something the Deputy Premier does not have.

Mr BRYCE: I am sure that the visitors to the gallery who have heard the jackals and the cackles from members opposite during this debate will be really quite ashamed of them as Western Australian legislators.

The essence of the argument regarding the waste dumps is that the tailings are an asset; they make up part of Western Australia's assets.

Mr Mensaros: They are minerals.

Mr BRYCE: What a remarkable observation on the part of the member for Floreat. It is a tragedy to some extent that in the past the actual treatment of those tailings was done haphazardly and very much less than efficiently. The Government is very keen to see that in future the tailings dumps are developed with maximum efficiency. The new technology and higher gold prices make it possible for these dumps to be treated; in fact, it makes it attractive for them to be treated.

The WADC is actually engaged in this process on a joint venture basis with a private company.

Mr Hassell: That is what I told the House. The Deputy Premier is very disappointed that I told the House that fact first, but I did.

Mr BRYCE: The Leader of the Opposition is again suffering a little information overload. He forgets, that it was his colleagues sitting opposite, together with their colleagues in

another place who insisted when the WADC Bill was being debated in this place that it be made independent of Government.

Mr Hassell: What absolute nonsense! How can the Deputy Premier say it is independent when it is on a sweetheart deal like this?

Mr BRYCE: The Government is now following that course, but because the WADC reaches an agreement with a private company to embark upon this feasibility study and pilot programme, the Opposition now has objections. The WADC is not being conducted as a Government department that has to go to tender; it has the brief and the responsibility to act commercially, profitably, and efficiently. The Government is proud that it does so. What sticks in the craw of members opposite is that the WADC is doing it properly and efficiently.

When the study is completed the data will be available to the Government.

Mr Court: Hamersley is next!

Mr BRYCE: Members opposite may not want to listen to this truth, but it is a very basic truth. When the pilot programme is finished the Government will be in a position to determine in policy terms how it is going to approach the actual treatment of all of the remaining tailings dumps. The data will be made available.

Mr Hassell: It is a sweetheart deal in the meantime!

Several members interjected.

Mr BRYCE: I am surprised at the member for Murchison-Eyre. In his last few days in this Parliament he has sought to speak on behalf of this very traditional and basic industry of Western Australia as if he knows what is in the mind of everybody in the industry. He might be very surprised to know that since the initial announcement of this pilot programme involving the WADC and a private company, there have been numerous inquiries from private companies to the WADC expressing interest in becoming involved.

The bottom line is that once the data on the economics of this industry and this process are available, the private companies will have the opportunity to participate, and we will welcome their participation. The fact that they are going to participate is a reflection of their interest already expressed to the WADC.

Mr Court: Which small business are you going to kick to death tomorrow?

Mr BRYCE: Here comes the nonsense from a man who represents a party which was in office for 27 of the last 30 years, the members of which party never let the words "small business" fall from their lips or find a place in their minds. This member of Parliament discovered small business only after the Labor Party had done so.

Motion, by leave, withdrawn.

### BILLS (3): INTRODUCTION AND FIRST READING

1. Australia Acts (Request) Bill.
2. Construction Industry Portable Paid Long Service Leave Bill.  
Bills introduced, on motions by Mr Tonkin (Leader of the House), and read a first time.
3. Commercial Tenancy (Retail Shops) Agreements Amendment Bill.  
Bill introduced, on motion by Mr Court, and read a first time.

### PARLIAMENTARY PAPERS AMENDMENT BILL

#### *Second Reading*

Debate resumed from 21 March.

MR MENSAROS (Floreat) [3.25 p.m.]: If one wanted to give a Shakespearian description of this Bill one could call it "much ado about nothing." It is a small Bill which intends to put to bed the anxiety of the *Hansard* staff that under certain circumstances they might be held legally responsible for printing extracts from or abstracts of privileged reports which appear in the *Hansard*.

The Minister correctly explained the various forms of protection which now exist for the *Hansard* staff. First, section 354(1) of the Criminal Code applies when the whole speech or whatever contained in *Hansard* is fairly recorded in good faith for the information of the public. The second protection is to be found in section 354(2), which provides that if a copy, extract or abstract is made from *Hansard* and is reported under the same conditions—that is, a fair report provided in good faith for the information of the public—and is published under the order of either House of Parliament, it is protected. The third protection presently available is the fairly old Parliamentary Papers Act of 1891, which contains two provisions concerning this matter. One is the absolute privilege for the full publication by authority of the Legislative Assembly or the Legislative Council. The second is a qualified privilege covering extracts or abstracts

published bona fide and without any malice. These protections are fairly embracing and I think one could be used in any possible circumstance.

We know that legal opinions almost always vary and, to my mind, nothing proves that better than the fact that some lawyer was able to persuade *Hansard* that it could be liable. The *Hansard* staff, efficient and helpful as they are, must be somewhat credulous in these matters to believe that they could be made responsible at all. I do not think they could be held to be liable, and someone would be really hard put to show otherwise.

As to how credulous they might be, let me tell a small story which I heard many years ago concerning a man who was then Minister for Housing, I think, but certainly a man who held the respect, and rightly so, of all members. I refer to Des O'Neil. It was about 1969 that he was sitting in the Chamber on one occasion waiting for the Speaker to arrive when, in order to fill in time, he picked up a petition on the Table of the House which related to the change of the Wooroloo Hospital into a prison structure. He leafed through the pages of the petition and happened to notice the signature of a *Hansard* reporter, indeed the very reporter who happened to be sitting at the Table waiting for the Speaker to arrive.

In his usual manner, he adopted a poker-like face as he always did when he wanted to tell us a joke, and he said to this lady—I will not tell members her real name—"Ann, you know you will lose your job." She just looked very puzzled and said, "Why?" He said, "Because the staff of Parliament House are not allowed to sign petitions." That was of course a joke, but this lady immediately believed it and I assure members that she was very concerned indeed.

Any concern about being libelled for publishing extracts from *Hansard*, taking into consideration the protections which exist and which I have briefly enumerated, is just as superfluous as was the concern of that *Hansard* reporter. The very fact that there has been no prosecution or successful civil action, to my knowledge at least, ever since *Hansard* reports were first published in Western Australia could be justly considered as supporting my view that the doubts expressed by the staff were, to say the least, overcautious. After all, they have helped to edit speeches and members have asked for copies of speeches to distribute in their electorates or to certain people interested

in a particular subject. If anything libellous had appeared in those pamphlets, of course, the staff could always have said that they refused to do it, in much the same way as a newspaper refuses sometimes to publish a letter to the editor. The drafting of the letter may have been done by someone else, but the newspaper could be co-responsible, and therefore, it does not publish the letter.

Also, *Hansard* staff could never have been in any doubt as to their own fair recording which was done in good faith and for the information of the public. These of course are the words used in the current protection clause.

Despite my perhaps too simplistic pragmatic and trusting view, the debate in another place went much further and seriously canvassed the possibility of even this amendment presently before the House not covering every conceivable loophole. There was some doubt expressed about other persons to whom the amending section applies. The Bill provides that the protection applies to—

- (a) a person employed as a member of the Parliamentary Reporting Staff;
- (b) an employee of Parliament;
- (c) the Government Printer; and
- (d) a person employed in the Government Printing Office.

I do not blame members of the other place for asking the question, based on this provision: What about, for instance, secretaries of members of Parliament? They are not members of the parliamentary staff. They do not come under either of these categories. Similarly I could photostat an extract from *Hansard* and that might not necessarily be a print. What about that situation?

What about the electronic display of an extract which comes out on the screen of these marvellous new reporting computers? That is also not a print. So of course, once there is an overdetailed specification for trying to achieve something, there is always something that can be faulted or which might have been left out, and that is precisely the general fault of overcodifying and overspecifying.

There was doubt about the electronic data base process source in the library. Another doubt could be raised: What happens if the Government Printer ceases to be the institution which prints *Hansard*? We often talk about privatisation today and it is quite conceivable that the Government Printer could give the work to a subcontractor, which he has done in

the past with much of his work and he is not then the one who prints it. The legislation in front of us specifies the Government Printer, and only the Government Printer, as being protected. If we accept this doubting attitude, the legislation should have been much simpler and much more all-embracing, something like, I would suggest, a provision that "Any copy or extract from *Hansard* which is produced in any way by whomever produced, is privileged." That is a simple sentence. It is not a long sentence and it is much more embracing than—this was the fault of drafting lawyers—to try to specify everything, to try to go into small details and thereby omit a number of possibilities which it was intended to cover.

However, I represent the other view particularly since the amendment to the Interpretation Act through which the courts have to consider the intention of the legislator; that is, Parliament. Particularly because of that additional safety it is quite clear that the safeguard represents adequate protection. Hence, I am rather inclined to think that the Bill is indeed superfluous. Indeed, in some respects, it could possibly do more harm than good because if the hair-splitting interpretation prevails, such piecemeal protection might induce stricter interpretation of the law specifying other people or other methods. As I mentioned earlier the screen display from *Hansard* may not be regarded as a print, and then it is not protected. This is another proof, and I emphasise that point again, that little, if anything, is achieved by overspecification or overcodification.

No better example could come to mind than the danger which looms above us from the Commonwealth Government, which this Government servilely follows, this so-called Bill of Rights, because it is nothing more than an attempt to try to codify the rights which fortunately we in Australia have, and have to a much greater extent than almost every other civilised and democratic country.

Leave alone our system which is based on tradition and which evolved from day to day, and is therefore not the result of some wise people who come to the problem at some point of time and codify something which is constantly subject to legal interpretation and which introduces the concept of enormously lengthy litigations costing time and money and ultimately taking away the freedom of citizens who simply—and it happens now in America—will not have the money to contest

these litigations. We are introducing things such as the Bill of Rights instead of enjoying the current situation.

However, I am hopeful that the Bill will not cause any harm even if it does not do very much to improve the present situation. Therefore I support the second reading.

**MR TONKIN** (Morley-Swan—Leader of the House) [3.39 p.m.]: I thank the member for Floreat and the Opposition for their support of this measure.

Question put and passed.

Bill read a second time.

*In Committee, etc.*

Bill passed through Committee without debate, reported without amendment, and the report adopted.

*Third Reading*

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mr Tonkin (Leader of the House), and passed.

## ELECTORAL DISTRICTS AMENDMENT BILL

*Second Reading*

Debate resumed from 21 August.

**MR MENSAROS** (Floreat) [3.40 p.m.]: The public perspective of Parliament usually is that the two sides—Government and Opposition—have different views irrespective of which parties are in those positions, and that we always quarrel or accuse each other. Despite the fact that quite a deal of that goes on a number of pieces of legislation—the majority of those which are introduced—are recognised as containing provisions which advance the interests of the people involved, and very often if the whole State is involved, the interests of the State. Those pieces of legislation are usually not news, as is quite clearly demonstrated by the fact that the Press Gallery now is absolutely empty. This piece of legislation will not be contested by the Opposition, so it becomes one of those measures which has the support of both sides and hence is not newsworthy.

It is a fairly well-compiled amending Bill which takes into consideration the practices which evolved during the life of the existing Act, and which because of the flexibility of that Act, were able to evolve. It has two main provisions: One is the procedural rules of the redistribution process itself, and the other is the

additional consideration of drawing up the new boundaries. Both have evolved from past practices as redistribution after redistribution took place. Those evolved practices are being codified in this Bill.

The interesting feature of the Bill is that it does not follow the previous Act, but rather regroups the provisions so that when one looks at the new product it can be said that the sequence is upside down and somewhat hard to recognise by those who are familiar with the existing Act. I would not argue that the new sequence is perhaps more logical than the existing one.

The new sequence of events in the redistribution process will now be that firstly, before the commissioners do any work on the new redistribution they must invite written suggestions from the public via a newspaper advertisement and an advertisement in the *Government Gazette*. That means that having received the proclamation for the redistribution, the calling for suggestions is the commissioners' first duty. No time limit is set for such an advertisement to appear, but presumably it must be done as soon as practicable after the proclamation has been received by the commissioners. A time limit of 30 days for receiving suggestions must be given in the invitation.

The second step is that those suggestions must be available at the Chief Electoral Officer's office, in the form of copies, to anyone who asks for them. The commissioners' second task is then to invite comment from the public about those suggestions. No provision is made as to how comment should be invited, but I presume it will be a like situation to that applying when suggestions are called for through advertisements in a newspaper and the *Government Gazette*. As the Bill specifies that requirement in the first step I wonder whether the Government would consider putting it in the second step as well. If an advertisement is not placed in a newspaper and the *Government Gazette* people will not know they can comment on the suggestions received as a result of the first step.

That is something the Government might take into consideration. Even if it does not, the commissioners will have enough sense to know they must do something about making the public aware of their right to make comments. Those comments in writing must be with the commissioners within 14 days of the date on which the call for suggestions occurred.

The third step is that the commissioners begin to work on the redistribution aided not only by their own resources, but also by the material included in the written suggestions which was the first step, and then in the comments upon those suggestions, which was the second step. The Bill provides that their work shall be concluded within 42 days of the date of expiry for comments on the written suggestions.

To sum up, there are three steps so far: One is to submit suggestions for which 30 days is allowed. The second is the submitting of comments about the suggestions, for which 14 days is allowed; and the third is to prepare the preliminary redistribution maps, for which 42 days is allowed. That comes to a total of 86 days. During the third step which takes 42 days the commissioners have to work out the new boundaries and publish them in both the *Government Gazette* and in a newspaper which is circulated throughout the State. Further specification is not given about which newspaper should be used. There is no description of what the report should be but the Minister said in his second reading speech that this provision would eliminate the necessity for the preliminary report by the commissioners to include the description of the streets and boundaries themselves; rather they should only be placed on the maps.

The fourth step is that, from the date of publication of the first proposal for the redistribution, the commissioners have a further 30-day period for consideration when the public can again make comments. However, in this 30 days, if somebody makes a comment, it becomes part of the commissioner's final deliberation. It could well happen that the members whose electoral boundaries might be changed would have no knowledge of those last submissions or comments because there is no provision for them to be published. I will return to that issue.

The fifth step is that, after the time allowed for objections has expired and within 60 days, the commissioners have to submit the final report to the Government. I wish to make comment about this section because there is no provision for describing the boundaries in the Bill. However, it could be argued that there was no provision in the Act, either. Accordingly, I understand that the final recommendation will have to include not only the maps, but also a description of the boundaries. A long screed always accompanies the commissioner's report—I suppose virtually no-one reads it—and

is there to be referred to if any arguments arise later about the maps. It allows for the designations on the maps to be made more clear.

My next comment concerns the matter which I raised earlier. What happens to a member, whether he is a member of the Legislative Assembly or a member of the Legislative Council in whose province the electoral district is situated, if the commissioners make another decision which contrasts with the preliminary report and which would alter the boundaries? The member would have no knowledge that the commissioners had contemplated that because he has no access to the last comments in the final report. Incidentally, these steps have now increased the total period to 176 days. The commissioners are allowed 60 days to prepare the report.

I suggest, because of the reasons outlined, that there should be an amendment to the Bill. I have provided that amendment to the Minister handling the Bill. It would give an opportunity for the incumbent member to know about the final objections. It would allow the commissioners to communicate with incumbent members about the final objections and those members can, accordingly, make their own submissions within a short period of, say, two weeks to the commissioners. The commissioners would then be able to ask the members to appear at the hearing because the amendment is framed in a way that does not specify that the commissioners have to take cognisance of written submissions by the members. Submissions could be made orally at the hearing. The amendment would extend the time for the whole process to 197 days after allowing for a further 21 days for the hearing. That is somewhat over six months, so the Minister's estimate for the process taking six months is slightly low. However, that would not make a great deal of difference under normal circumstances.

Under normal circumstances, the redistribution becomes operative when there is a proclamation which is triggered, in turn, by the Chief Electoral officer's report after an election. He is obliged to provide that report, under the provisions of the Act, within six months after the election, so many electorates are out of kilter so far as they relate to the average number of enrolments. We would be in the first six months of the term of Parliament which would allow plenty of time, not only for the redistribution, but also for the preparation within the new boundaries for the next election.

The second lot of amendments relate to the guidelines to be observed by the commissioners when they go about their redistribution. It specifies that, in addition to the community interest, which includes the means of communication, the distance from the capital, the physical features, and existing boundaries, a provision for demographic changes must be taken into consideration.

Again, that has always been done in the past and is therefore questionable, but by no means condemnable, that it is being introduced in the amendments.

I think it is commendable that, as was expressed in the Minister's speech and as can be read in the Bill, there should be less necessity for redistributions based on the present provisions and there should be a longer period without redistributions. That is commendable because one of the main duties of a member of Parliament, as we on this side of the House emphasise is that we represent the people and that effective representation can be given much better if an electorate does not alter every so often. Members obviously make personal acquaintances of people within various organisations in the electorate. That applies particularly to electorates within the metropolitan area because members do have special relationships with schools, various sporting and religious groups and service organisations. A city member cannot do as a country member does and on a Saturday morning walk down the main street in his electorate and shake hands with everyone. It is more important, I think, that we have effective representation. We have often emphasised that there should be no playing around with figures in different electorates as is expressed in the slogan, "One-vote-one-value." It is a mathematical exercise and it becomes inhumane in the same way as computers can become inhumane. If we do not take these demographic trends into consideration, according to the present law, a redistribution would have to be undertaken automatically every six years.

It is interesting to observe some of the other States and countries within the Commonwealth which have similar arrangements and where, in some cases, emphasis is being placed on the representation and on the non-changing of the electorates.

As an example I refer to British Columbia which is one of the western Provinces of Canada and in which, as far as anyone can recall, there has been no electoral boundary

redistribution. The interesting point is that if the number of electors increases in an electorate, instead of a redistribution of boundaries being undertaken, another member is elected to represent that electorate. Therefore, there are single member electorates and dual member electorates, and in time I would imagine that there could be three member electorates. Oddly enough the same principle exists—or at least did exist around 1970, when I was there—in Massachusetts in the United States; additional members have been elected to represent their electors in the lower House of their particular Parliament.

The Opposition supports the moves contained in the amendment, but I cannot let the opportunity pass without making a comment which gives me no joy at all. The comment relates to the Minister's second reading speech. Mr Speaker, if you were to read that speech—I submit my comment with the greatest of respect—you would realise that one-quarter of it contains nothing but abuse, directly or indirectly, of our institution.

The Minister has called the Acts of this Parliament corrupt. I am not in the position to judge whether his statements could be classed as unparliamentary behaviour, but I am in a position to have my own opinion. In my humble opinion nothing could be more a contempt of Parliament than for an incumbent member to call an Act of Parliament corrupt.

I deeply regret that we have reached a stage where members can stand in this place and speak in this vein. It has absolutely nothing to do with the provisions of the Bill, the responsibility of the Minister. It is entirely the Minister's opinion. The Minister is of zealous character and he has an obsession. He has aired this obsession in this Parliament which at other times he himself considers is a dignified place.

I do not want to repeat the abuses the Minister made in his second reading speech. They probably did not receive a great deal of attention from members. I am sure that in the United Kingdom such expressions would not be tolerated, but of course that Parliament is placed in a fortunate position because such action would not be attempted. I do not think that any member in the House of Commons, let alone the House of Lords—the debates of which I enjoy because they are of such a high standard and a tremendous example of how people can oppose each other without being rude and discourteous—would allow such a situation to arise.

No member in this Parliament takes Parliament's representation to such a low level, with abusive words and behaviour than this Minister, yet he often talks about the dignity of this Parliament. Every action of the Minister is hypocritical and his second reading speech again proved this. I suggest that the speech should be studied by all members of this Parliament and they should give consideration as to whether it should be a standard for the level of parliamentary debates for the future in this Parliament.

As I said before the Minister has an obsession and he thinks that this sort of situation should prevail. It is most characteristic of him. His second reading speech had much to do with an incident about which, quite frankly, I am very critical. The Minister was subjected to a lengthy cross-examination about a particular question and he misled this Parliament.

The incident to which I am referring concerned a "Dear Elector" letter which was signed by him and distributed by his department. I asked the Minister to whom the "Dear Elector" letters were sent. He replied that they were sent to electors who signed a petition for parliamentary reform. Subsequently, I became aware that the Albany Town Council had received one of these letters, and it complained to me about it. My name was mentioned in the letter in reference to what I was supposed to have said about rural urban seats. It is fortunate that the statement was not libellous—the statement simply was not true and I am not in a position to take any action against the Minister.

Following the complaint I received from the Albany Town Council I asked the Minister whether the petition had been signed by any local government authorities. The Minister, in his usual uppish way replied, saying that he had not examined the petition and how could parliamentary staff look through the names on the petition to ascertain whether it was signed by a local authority? My concern was not about that, it was about the way in which the Minister had misled the House. He had told the House that the letter had been sent to those people who had signed the petition and in his second answer he said that he did not know whether local authorities had signed the petition.

It was a poor performance, but it was characteristic of this Minister and the way in which he treats this place.

Mr Tonkin: As I said, only people sign petitions, not local government authorities.

Mr MENSAROS: Why did the Minister say before that "Dear Elector" letters went only to signatories of the petition?

I hope that in time more objective and dignified members will occupy the seats on both sides of this Parliament.

I am not opposed to this Bill.

MRS BUCHANAN (Pilbara) [4.09 p.m.]: I rise to support this Bill and to make some fairly brief comments on it.

The requirement in the Bill for the electoral commissioners to consult with the public before they make recommendations for distribution will help to bring about more considered decisions in respect of electoral boundary changes. The proviso in existing section 7 of the Act requires commissioners to give due consideration to the matter of community of interest, existing means of communication and distance from the capital city, as well as physical features and existing boundaries; that will now be extended to include demographic changes. It makes good sense and it will help to alleviate the sorts of difficulties that occur when electors perceive boundary changes to be out of tune with the needs of the community.

Mr Tonkin: If there was ever a question of the corruption of an Act of Parliament it was the setting of the boundary between the Pilbara and the Kimberley. The member for Floreat can wax lyrical if he likes. We do not want to use words like corrupt. If conservative Governments stopped passing legislation like that, we would not have to use that language.

Mrs BUCHANAN: I thank the Minister for his comments. I wholeheartedly agree with him that the Act is corrupt. The 1981 changes to the Pilbara-Kimberley boundaries caused considerable ill-feeling in the north-west. They were, of course, made by the Government of the day and were in no way connected with the electoral commissioners.

The people of the north have a great sense of fair play. At the time they were not prepared to sit back in silence and allow such an unfair action to go unchallenged.

Mr Bradshaw: How can it be corrupt if you won the seats?

Mrs BUCHANAN: The member has only to look at the figures which I will give in a moment to see just how bad the situation is.

At the time there was much criticism of the Liberal Government of the day across the whole political spectrum. It was not simply Labor Party supporters going mad at what

happened. In fact, Liberal Party supporters in the north were amongst the most vocal critics, even though it was their Government which had carried out the boundary changes. In view of what took place it is sheer hypocrisy for the Opposition to claim, as it has in recent times, that country people would be adversely affected by the Government's plan for electoral reform. It is totally dishonest of the Opposition to continue to espouse that view when so many people in the north of the State have been so severely disadvantaged under the present warped system which was introduced by the Opposition when it was in Government.

If we look at the four statutory Legislative Assembly seats in the north we see that the current electoral roll figures are: Kimberley, 17 708 electors; Pilbara, 14 451 electors; Gascoyne has a mere 4 905 electors, and Murchison-Eyre has 3 592 electors. The Council provinces are even worse. In Lower North Province there are 8 497 electors only compared to 32 159 electors in North Province. These figures make a complete farce of the Opposition's assertions.

Members of the Opposition were responsible for creating this unfair situation when they were in Government. The Minister has said that that is corrupt and I wholeheartedly agree with him. When we consider that the electorate of Kimberley has more electors than has the electorate of Nedlands, we must wonder where the Opposition's argument about country voters was when those boundaries were set. Not only was it an outrageous gerrymander, but it also divided communities of interest. For instance, the iron ore mining towns of Newman, Tom Price, and Paraburdoo are now electorally separated from their ports at Hedland and Dampier.

It is a very great pity that the Government's reforms, which would have helped to remedy this unfair situation, were rejected by the Opposition last year. Although this Bill does not make the reforms necessary to change that unfair situation in the north, it nevertheless provides the opportunity for a slightly more democratic system of boundary fixing for the rest of the State. I am very pleased to support it.

MR STEPHENS (Stirling) [4.14 p.m.]: Very briefly I indicate the National Party's support for this legislation. It will not take me as long as it took the first speaker to indicate our support for the legislation. It could be said that this is the implementation of National Party policy

from the crossbench because it has been our policy to ensure that prior to any redistribution the public have an equal vote.

Mr Tonkin: But you had to wait for a non-conservative Government to do it.

Mr STEPHENS: Yes, well the Government just beat us to the post. After the next election we will come into the new Parliament with a balance of power.

Mr Tonkin: When will that happen with an Opposition like that?

Mr STEPHENS: The Minister never knows. We will have a balance of power and we would then have brought in such legislation. However, as I say, it indicates that the policy from the crossbench has been implemented.

I congratulate the Government for introducing this legislation. I think it will be to the overall benefit of the State. The second proviso of section 7 of the Electoral Districts Act requires the commissioners to give due consideration to community of interest, means of communication, distance from the capital, physical features, and existing boundaries of districts. It was always my impression that the commissioners did just that. At times, of course, they may have failed, but that may have been only because their prognosis of developments was incorrect. However, it is an advantage that this proviso has now been put in the legislation and they are now directed to give such consideration. Previously they did so on the basis of good common sense. Thus we are happy to support this legislation.

Debate adjourned, on motion by Mr Tonkin (Minister for Parliamentary and Electoral Reform).

## ADDRESS-IN-REPLY: EIGHTH DAY

### *Motion*

Debate resumed from 29 August.

**MR BRADSHAW** (Murray-Wellington) [4.16 p.m.]: I rise to make a few points about a matter to which I have adverted in the last year or so. I would like to talk about the premium charged by the Licensing Court of Western Australia. Earlier this year one of my constituents pointed out to me that he had decided to add a drive-in bottle shop to his hotel, and for that privilege he had to pay a licence fee of somewhere in the vicinity of \$3 000 to \$4 000. The drive-in bottle shop cost him in the vicinity of \$20 000. I found it a bit hard to accept that he was charged \$3 000 to \$4 000 for that privilege! So I made some inquiries to find out

what the situation was. Although the answers were a bit evasive at first, eventually they gave more information.

I find there is certainly an impost put on small businesses such as taverns and hotels. It is placed even on restaurants. People starting up a restaurant have enough costs, particularly now with the moratoriums which mean they have to buy another licence. That has added to the cost. In addition, there are the fees to be paid to the solicitors working on their behalf. I find it hard to believe that the Government then says they must come up with a premium of many thousands of dollars set by the Licensing Court while saying it is trying to help tourism and the small business people of Western Australia.

The imposts also hurt big business. I asked a question recently about the premium for the Burswood Casino Hotel, the Merlin Perth Hotel, and the Orchard Hotel. Surprisingly, the Burswood Casino Hotel application did not attract a premium. The answer in part reads—

The liquor licence for the Burswood Casino Hotel is exempt from the payment of a premium pursuant to recent amendments to the Liquor Act.

The Merlin Hotel premium was \$160 000, plus \$21 000 for a cabaret licence.

The Orchard Hotel premium was \$39 500, plus \$21 000 for a cabaret licence.

I am not against the Burswood Casino not having to pay a premium, but I believe it is receiving preferential treatment.

Mr Brian Burke: They are paying \$400 000 a year for licence fees.

Mr BRADSHAW: I do not think the Premier understands. One would think that the Merlin Hotel would pay out a great deal in various fees and charges.

Mr Brian Burke: Absolutely nothing in the way of a turnover tax of 15 per cent plus \$400 000 a year plus a licence fee for every employee.

Mr BRADSHAW: Is the casino paying a licence fee for the hotel or the gambling side of it?

Mr Brian Burke: For the casino licence, plus 15 per cent of the gross.

Mr BRADSHAW: Yes, it is paying it for the casino, not for the hotel side of it, so there is a slight difference there.

Mr Brian Burke: Do you want to charge them more?

Mr BRADSHAW: I do not want to charge them at all. I said that I did not want anybody charged. The charge represents an impost on small business.

Mr Brian Burke: What, the casino is small business?

Mr BRADSHAW: I made a point about restaurants and small hotels.

I asked a question about whether the Licensing Court had a formula on which to base its premiums and I was told that there was no set rate. In a further question I asked how the assessment of premiums was made. I was told that it was based on a formula known only to the chairman and members of the Licensing Court and that it was not necessarily related to the cost of building the hotel, tavern or restaurant. It seems a magic formula applies which is known only to the Chairman and members of the Licensing Court and the scale is set on that basis. It will be interesting to note whether the new hotel complex in Bunbury will be charged a premium. That information will probably be made known if I ask a question about the premium and inquire from where the licence will be obtained.

It is an example of the imposts on small business. I know of the owner of a restaurant in Perth who had to pay \$125 000 in solicitor's fees, Licensing Court charges, etc. when he transferred a licence from one restaurant which had failed to another. Obviously that cost will be added to the prices charged for meals and drinks in the restaurant. That kind of thing certainly will not help the tourism industry or the small business people of Western Australia.

A further point I make refers to the viability or non-viability of a large section of the farming community. This is one of the most important issues in Australia at the moment. Approximately 25 years ago there was a mass exodus of people from rural areas into the cities. One of the main reasons was the amalgamation of many farms and the situation had reached the stage where the farmers had to expand or get out. Many farmers and their families left the rural areas, the population in country towns decreased, and business and employment in those towns was affected. Previously the proportion of rural residents to city residents had been approximately 40:60; the proportion is now approximately 20:80.

Unless the position is reversed we shall have a similar situation occurring; that is, many farmers on the verge of bankruptcy or already bankrupt. Farmers in the wheatbelt areas have mounting debts and already many small business people are leaving country areas either because they have reached the stage of bankruptcy or their businesses have deteriorated as a result of the farmers' inability to support them because of their own financial problems. I quote the following from WA Business World of June 1985 which appeared under the heading. "Wheatbelt shires losing population in farm decline"—

Nine wheatbelt shires lost 30% of their population as a result of the decrease in farming profitability between 1971 and 1981.

This will result in more unemployment in the city and will certainly be a drain on the social welfare system in Australia.

One of the main reasons for the problems in the rural sector is the world oversupply of farming products. Obviously this has not been caused by the Government but it is a situation in which we must keep costs to the farming sector as low as possible to enable them to compete on the world market and sell their products. The massive increase in Government charges has not helped the situation. Tariffs have also added to the farmers' burden. Drought and in some cases mismanagement have also been contributing factors. The following is a quotation from this morning's edition of *The West Australian* under the heading "Farm move finds favour"

A planned financial counselling service for farmers has been welcomed by the Primary Industry Association.

The service, proposed by the State Government will offer farmers access to the Australian Association of Agricultural Consultants.

Many problems encountered by farmers can be caused by mismanagement; perhaps many are good farmers but they do not know how to control their finances to the best advantage. It is hoped that this move will help them out of the mire in which they are now stuck. Some farmers are probably beyond help at this stage and certainly the increase in interest rates may push some further down financially until they are forced to walk away from their farms.

The world oversupply of farming produce is depressing the prices and consequently returns to the farmers. Of course, the devaluation of

the dollar has helped the farmer a little and perhaps without that many of them would be worse off than they now are. That has helped to keep some of them in business. However, unless we are able to reduce the costs to farmers we shall not keep them on the land. In an article on Mr McLachlan, President of the National Farmers Federation, in *The Weekend Australian* of 17-18 August it states—

It is estimated that the average earnings of farmers will drop 15 per cent to \$5700 this financial year, and a further 12 per cent next financial year. Consequently, the NFF has devised a strategy to deal with what it considers is the Federal Government's discrimination against the rural sector and also public apathy.

It is very important that we reduce costs and one of the ways to do so is to reduce the farmers' fuel bill. It is interesting to note that when the Opposition said it would remove the State fuel levy it received much criticism and carping. The recent decrease of 2.4c a litre is only small but it will help. The Federal Government has gone out of its way with a great deal of rhetoric to emphasise how much it has done for the rural sector and how much it will help all the farmers in Australia. However, it does not seem that either the State or the Federal Government is doing very much to keep rural people on farms. In this connection I refer to the skyrocketing interest rates; the Government's removal of the fuel freight equalisation system; the doubling of stamp duty on vehicles and the removal of the limit on duty. In effect a farmer who purchases a tractor, header or some other farm machinery for, say, \$100 000 will pay \$3 000 stamp duty. The cost of farm machinery would certainly be in that vicinity and it is probably even more expensive in this day and age. These are more imposts on the farming community.

The fuel hike has not helped the farmers and the Federal Government has now imposed an antidumping levy of \$80 dollars a tonne on DAP, or Di Ammonium Phosphate fertiliser which many wheatbelt farmers use on their land.

It would certainly be better if the money were in the pockets of the farmers rather than in the pockets of the producers or the Government. It is time the Federal and State Governments came to the aid of the farmers. Before the Budget many promises were made and the farming community had great expectations about how much help it would receive. In fact, it received 2.4c a litre off the price of diesel fuel and the tariff was removed from harvesters. In

this day and age many farmers cannot afford to buy such machinery and, therefore, it will not be much help to them.

Earlier this year the Minister for Agriculture attended a meeting of dairy farmers at Dardanup. In a quite orderly but forcible manner the farmers told the Minister that they had never been in a worse financial situation than they have been since the Labor Government came into office.

It is a sad thing that the Government of this nation has not been helping the rural people in Australia.

#### *Leave to Continue Speech*

I seek leave to continue my remarks—

Mr Brian Burke: You cannot seek leave to finish your speech, we can continue with private member's business.

Mr Hassell: Why can he not seek leave? It is 4.30 p.m.

Mr Brian Burke: I know it is 4.30 p.m., but he is making a speech on the Address-in-Reply. If he seeks leave, he will not be given leave.

Mr Hassell: The Premier is breaching the undertakings which were given when the Government suspended Standing Orders. You are breaching the undertaking made by your Minister—that the very reason for the suspension was to allow private members' business. Now you do not want to allow it.

Mr Brian Burke: The member for Murray-Wellington is in the middle of a speech on the Address-in-Reply and he can finish that. I am just telling the House that he will not be given leave.

Mr Hassell: You are breaching your undertaking, as we on this side of the House knew you would.

The SPEAKER: Order! The member for Murray-Wellington has the call.

Mr BRADSHAW: I seek leave to continue my remarks at a later stage.

Leave denied.

Several members interjected.

The SPEAKER: Order! If members wish to carry out some private debate which excludes the member for Murray-Wellington, it can be done behind the Chair.

#### *Debate (on motion) Resumed*

Mr BRADSHAW: Over the years the dairy industry in Western Australia has experienced falling percentage returns while its costs have increased at an alarming rate. The producing sector margin—that is, the rate received on—

farm for a litre of milk—decreased from 44.03 per cent in 1980 to the current price of 40.07 per cent, a decrease of 7.6 per cent for the five-year period. In the same period the vending margin—that is, the milkmen who deliver the milk—also decreased, but it decreased by 5.6 per cent. On the other hand, the processors managed to receive an increase of 24.3 per cent for the same period. It seems that the processors have their act together far more effectively than the vendors or the milk producers of this State. Judging by the three-year review, it seems that the producing and vending sectors were putting up an in-house analysis which showed their costs, on the basis of which they should have received increases. However, the processing sector, comprising two companies, is citing figures which vary in the way the companies collate their information. This information is not subject to audit, and it certainly should be subject to scrutiny of some sort. However, the processing companies obviously have had a much more professional approach to applying for increases.

Mr D. L. Smith: Are you suggesting that the vendors are inefficient?

Mr BRADSHAW: I am saying that obviously their case is not being made as well as it should be in order to get the same percentage increases allocated to other sectors of the industry. In the five-year period, the manufacturing sector has had an increase in returns in relation to the retail cost of a litre of milk.

Mr D. L. Smith: I personally agree that the producers could have a larger share. Are you suggesting that?

Mr BRADSHAW: That rests with the DIA; it should sort out how much each section of the industry receives. I am not saying that it is the fault of the DIA; obviously the DIA must assess the facts and figures put forward. Clearly, the DIA is taking more notice of the processors of this State. I am not trying to lay the blame on anyone; I am just saying that it seems inequitable that the producers have the highest costs yet they are getting less for each litre of milk that they produce.

It is interesting that the cost return to dairy farmers in Western Australia is the lowest—until the recent rise this month—farm-gate price in Australia, yet the consumers of Western Australia pay the highest prices in Australia for their dairy products.

The Murray Shire at present is undergoing a great trauma. The flood plain study of a year ago, which was instigated by the then Public Works Department, came out with the warning that a major flood of the Murray river basin must be expected at some time. In addition, Sun Land Pty Ltd undertook a major development in the South Yunderup area of the Murray Shire. Some new canals were commissioned and built this year, and because of the flood plain study, the PWD made recommendations regarding future use of the area. The Murray Shire Council was in the situation where it had to take up these recommendations and make them conditions which were then imposed on Sun Land Pty Ltd in relation to canal building. The company is now in the process of suing the Murray Shire Council for \$890 000, a formidable sum for a small country shire, and a Queen's Counsel has been engaged to act for the shire. The Murray Shire is under siege by Sun Land Pty Ltd. It is interesting to read the following comments of Mr Graham Robertson, the Chairman of Sun Land Pty Ltd—

The shire council was now in the firing line, but there was no other body to whom people could turn for compensation . . .

The flood management schemes and flood patterns had been dictated by the PWD but were being administered by the council.

What Mr Graham Robertson is trying to say is that even though the Public Works Department made the recommendations and did the study, the Murray Shire was then in a situation in which it had to accept those recommendations and set them as standards because had something gone wrong in the area, and had there been floods, people might come back and sue the shire council for not making them build according to the standards set out in the study. Even though there has not been a flood in the area, the developers are now in the process of suing the shire council for this \$890 000.

I wrote to the Minister for Water Resources to see whether he would come to the party and help the Murray Shire Council in some way to overcome the difficulties with which it will be lumbered.

Mr D. L. Smith: Are they going to lose the case?

Mr BRADSHAW: I am not a judge and until I have heard all the facts I cannot say whether the council will win or lose its case. However, when I wrote to the Minister for Water Re-

sources and asked him what help he would give to the Murray Shire, he replied in a letter of 21 August 1985 as follows—

I appreciate that the Murray Shire has long been among the most assiduous of the Local Authorities in implementing flood control conditions within its area. It follows, of course, that in accepting the best advice available on flood protection measures, the shire is protecting itself against future claims for negligence arising out of flood damage. It is ironical, and understandably of great concern to the Council, that it is now being sued for insisting on responsible flood protection measures.

I have arranged to be kept informed on the progress of the claim. I am not prepared, however, to commit the Government to a financial contribution towards the Council's defence of the claim.

The Government has not come to the aid of the Murray Shire; it is a Government department which really put the shire in the firing line. It is interesting to note the lack of concern shown by the member for Mandurah who also lives in the Murray Shire and who may be paying massive rate increases.

Mr Read: I am quite happy. I will come and work in your electorate. You would not complain?

Mr BRADSHAW: No, I would not complain. Another interesting project with which the Minister for Water Resources was associated involved the Benger Drainage Board which has been in operation since 1917. A few years ago the then Fisheries and Wildlife Department began buying up some of the land from the farmers who farmed the Benger Swamp in the summertime when it was being drained. Shortly after this Government came to office in early 1983, I was at a meeting in Bunbury, where the Premier was talking about what was to happen in Bunbury, and how the Government would remove QANGOs, and for some reason he used the Benger Drainage Board as an example of a board that should be got rid of. He said the board had not met for several years. I know for a fact that it had met on a regular basis, and it did not cost the taxpayers one cent because it was run by the farmers who had an interest in the Benger Swamp. These farmers ran the board in quite a satisfactory way and complied with the rules under which it was set up. The Benger Drainage Board has been in operation since 1917, so

it is not a Johnny-come-lately board. The fact that it did not cost the taxpayers a cent to run or administer was a great advantage and I cannot see why it needed to be disbanded. However, late last year the board received a letter from the Minister for Water Resources saying that the board would be wound up on a certain date and that it would be replaced by a Benger Swamp advisory committee which was to be composed of some farmers in the area, and also some representatives of the Fisheries Department and the Water Authority of Western Australia.

Mr D. L. Smith interjected.

Mr BRADSHAW: There is probably very little now because all the farmers are virtually selling up, but it was about 80:20; 80 to the Fisheries Department and 20 to the farmers. This QANGO did not cost the taxpayers of WA a cent. The birds lived quite happily in the swamp in the wintertime in combination with the farming activities, but for some reason or another the decision was made to remove this QANGO. The farmers were able to farm their section of the swamp in the summertime. Now this Benger Swamp advisory committee will be set up, and it will cost the taxpayer money. The staff of the Water Authority of Western Australia and the Fisheries Department who are appointed to the committee and who will attend meetings obviously will have to be replaced by somebody else and that will cost money. If a meeting is held at Benger, obviously it will cost money to get the city people to Benger, and if the meeting is held in Perth, the Benger people will have to get to Perth, and so another cost is involved there. I would not mind if it did not cost the taxpayer money or if some benefit would be gained from it, but I will be blown if I can see any benefit in changing the situation.

Mr D. L. Smith interjected.

Mr BRADSHAW: There were still at that stage 20 farmers farming that area.

Mr D. L. Smith: Now the majority of the swamp is used for the preservation of wildlife. A percentage of that money is to preserve a very valuable wildlife area.

Mr BRADSHAW: That is a very interesting point, but as I said, the Benger Drainage Board had been operating since 1917 and the birds and farmers have lived quite happily together at no cost to the taxpayer. There is now forage harvesting in the summertime. Once the farmers go, management will be required to stop the yangets growing in the summer. They

grow at a prolific rate and they were prevented from growing by the cultivation of that land, and that is another cost which will have to be borne to manage the Bengier Swamp. Once the farmers leave the area the Government will have to plough it up or spray it, although I do not think they will use sprays because that would be a hazard to the wildlife. Somehow or other they will have to stop this threat of the yangets. The problem has been managed quite adequately by the farmers' previous use of that land.

Debate adjourned, on motion by Mr Tubby.

### TAXES AND CHARGES: CAPITAL GAINS TAX

#### *Abandonment: Motion*

**MR HASSELL** (Cottesloe—Leader of the Opposition) [4.46 p.m.]: I move—

This House calls on the Federal Government to abandon all plans for a new capital gains tax as it would be detrimental to the future growth and jobs of Western Australia, and calls on the Premier and the Leader of the Opposition jointly to seek a meeting with the Federal Treasurer to express this viewpoint and present the evidence of Western Australia's public opposition to such a tax.

As the Federal Government races towards the introduction of some form of capital gains tax, it is important that this Parliament should express a clear view on the subject. Despite the fact that it has been mentioned in the course of debate on other occasions, we are seeking through this resolution to have the House express a view clearly and concisely to the Federal Government and to take the trouble to go to Canberra on a bipartisan basis to express that view to the Federal Government and to present our evidence—which the Government has gathered aplenty—of the view of the Western Australian people in relation to a capital gains tax.

In *The West Australian* newspaper of 3 July 1985 the Premier was reported as follows—

The Premier has slammed members of the Federal Cabinet for what he called their undermining and white-anting of the Government's preferred tax option.

That option included a capital gains tax, and it would appear from all the evidence available to us that the Premier of this State is in fact supporting a capital gains tax.

I want it on the record very clearly and simply that the Opposition is totally opposed to the introduction of any new capital gains tax, and it believes such a tax would be detrimental to the people of Western Australia and to the future development of this State. There is plenty of evidence in that regard; plenty of things have been said about it by people in this State and by business people and their representatives.

A capital gains tax at this time will add to the problems already being experienced by large collections of taxation at State and Federal levels, and by high interest rates, together with the difficulties of an industrial system which the Government remains unwilling and incapable of reforming.

The capital gains tax is well-described in a pamphlet expressed to have been authorised by one, P. J Roberts, of 32 Foskett Street, Fraser, ACT, and distributed by the Real Estate Institute of Australia. The front of the pamphlet reads—

Capital Gains Tax

Yesterday \$30 million

Today \$350 million

Tomorrow \$ billion?

In other words, they are saying a capital gains tax is a progressive and growing impost which will come in and gradually strangle us, as have other taxes. We hear much talk about the possible exemption of farms from a capital gains tax and about the exemption of private dwellings. I asked the question of a number of farmers and they had the fair-mindedness to agree with me and understand what I put to them. I asked, "Why is it a farm should be exempted from capital gains tax while businessmen in a country town—the store-keeper, the taxi driver, the chemist, the doctor, and the restaurateur—should not be exempted?" Of course, the answer is that everyone should be exempted; there should be no capital gains tax.

Mr D. L. Smith: Would you do away with the existing provisions for capital gains tax?

Mr HASSELL: This motion is about a new capital gains tax; that is what I am talking about. Why does the member not tell the House whether he supports a capital gains tax? He and his colleagues have been asked this question over and over again. Why does he not tell the House right now whether he supports capital gains tax?

Mr D. L. Smith: As soon as you answer my question which was asked first. Would you abolish the existing capital gains tax?

Mr HASSELL: I would like to see all capital gains taxes removed. I have answered the member's question; what is his answer? Does he support a capital gains tax? He said he would answer.

Mr D. L. Smith: I do not know the format of the new capital gains tax if there is to be one. I do favour a modified kind of capital gains tax.

Mr Brian Burke: We certainly support the retention of the existing provisions.

Mr HASSELL: We have one admission from a Government member that he supports the introduction of a bottom-line capital gains tax. The member for Mitchell, who represents a number of farming people, has admitted that he supports the introduction of a capital gains tax. At last there has been a modicum of honesty from one member of the Government. He has admitted on the record his support for it, and we will have pleasure in reminding his constituents of that.

Mr D. L. Smith: Just in case you didn't hear, I said "in a modified form."

Mr HASSELL: Yes, that is quite all right. I would like the words the member has spoken to be clearly on the record. The member for Mitchell says he supports a modified form of a capital gains tax. Is that right? The member for Mitchell nods in agreement. It is nice to have that on the record. I hope the Premier will be as honest today because he was not that honest at the tax summit or on other occasions when he has had the opportunity. I remind the House of what the Premier did. He went to the tax summit, and the only tax contained in the Government's option C which the Premier actually opposed was the gold tax. He opposed no other tax proposal.

Mr Brian Burke: That is perfectly right.

Mr HASSELL: He said that if there was to be a capital gains tax it should have certain modifications. If there was to be a tax on employee benefits it should perhaps exempt houses in the Pilbara. He said if there was to be some other tax introduced by the Federal Government, such as the consumption tax, maybe it should exempt some other things. The only tax in the package which the Premier opposed was the gold tax. In relation to the general tax package the Premier stated on the record at the summit that he accepted option C, the now discredited and rejected option, as the basis for reform.

Mr Brian Burke: I did not say that at all; why don't you quote correctly?

Mr HASSELL: I seem to recall that the Premier said very precisely that he accepted option C as the basis for reform.

Mr Brian Burke: Well, you are wrong.

Mr HASSELL: That is not the way the Premier was reported.

Mr Brian Burke: That is not right; you read it differently last time. You do not even read the same thing the same way.

Mr HASSELL: Perhaps the Premier would like to say what he did support about option C.

Mr Brian Burke: I said, "The Western Australian Government believes the Commonwealth's preferred option provides a framework within which reform is best addressed." I repeat, "a framework." That is different from what you said.

Mr HASSELL: I am glad the Premier was able to find his comment and quote it in that way.

Mr Brian Burke: If I had not you would have kept on telling untruths.

Mr HASSELL: The Premier has not said anything different in substance from what I said except he was using his words and I was using mine.

Mr Brian Burke: You were saying that your words were mine.

Mr HASSELL: There is no difference in what I said. The fact is the Premier accepted option C as the framework for reform. It included a consumption tax, a capital gains tax, a tax on employee benefits, and various other tax measures. The Premier has now admitted that he accepted that as a framework for reform. The only tax he actually opposed was a gold tax. It follows, therefore, as a matter of logic and reasonable implication that he supported in some form or another all those other taxes, including a capital gains tax.

Of course, the Government will reject this motion and will not support the very clear statement of opposition to a capital gains tax which we have put forward. I remind the House of what the Prime Minister said on 16 February 1983. Mr Hawke said, "There will be no new capital gains tax." That was an unequivocal statement from the Prime Minister when he sought election for the first time.

The Real Estate Institute has accurately identified that Australian capital taxes already take \$30 million a year. Its pamphlet states—

The new one proposed by the Federal Government would take a \$350 million bite.

That's more than 10 times as much! And how much higher might it go?

Who ever heard of new taxes going down?

Remember—income tax was once a penny in the pound.

The next question it poses is—

Do you want death taxes too?

That's what the government wants. When you die, the capital gains on your assets will be taxed.

Do you want higher rents?

There will be fewer homes to rent because fewer investors will buy property.

That means tenants will pay more rent.

Combine that with the negative gearing proposals—the abolition of a legitimate business tax deduction—and we are heading for a housing shortage of monumental proportions in this country. This Government has proclaimed on a number of occasions that Western Australia is going through an economic revival at the moment. That revival, if it exists, is at best tenuous and certainly fragile.

Mr Brian Burke interjected.

Mr HASSELL: While the Premier is spouting about his achievements will he claim credit for the highest interest rates in Australian history? They may not be attributable to the Premier, but they are attributable to his mates, Mr Hawke and Mr Keating, whom he described on his return from the summit, even in the debacle of the summit's remains—

Mr Brian Burke: Your mates, Peacock and Howard, are not exactly covering themselves with glory.

Mr HASSELL: At least they are not in gaol. The courts of this country are being run by a gaolbird, as is the BLF. At least my mates, Peacock and Howard, are not in gaol.

We have the High Court run by a gaolbird and the BLF run by a gaolbird. Is not that a lovely way to run the country? These are the supporters of this Premier.

Let us go back to the real issue; that is, whether this Parliament, as a whole, is prepared—

Mr Brian Burke: To support tax dodgers.

Mr HASSELL: Is the Premier saying that people who do not pay capital gains tax are tax dodgers?

Mr Brian Burke: The most significant thing about today is that you are on record saying that a multimillion dollar capital problem such as that caused by Elders' shares should not be taxed.

Mr Trethowan: I questioned you on that after the tax debate and you did not defend the situation regarding Elders when you were defending other tax dodgers.

Mr Brian Burke: It should have been taxable—it now is taxable—and your leader has gone on record today saying that Elders' shares should not be taxed.

Mr HASSELL: The significant thing about today is that the Government has gone on record supporting a new capital gains tax.

The Federal President of the Small Business Association has stated that a capital gains tax would discourage employers from creating substantial businesses which they could sell for their retirement. That statement was reported in *The Australian* of 5 June 1985.

It is well known that during the Whitlam era, when capital gains tax was last mooted by a socialist Government, the very possibility of a capital gains tax influenced potential investors not to invest; it reduced the flow of capital into Australia and thereby negated the beneficial effects of investment levels of capital expenditure allowances and other capital expenditure.

The Premier might well remember that in the current climate Australia is desperately dependent on overseas investment because the current deficit situation has put the Australian dollar under immense pressure. This has come about through the activities of people whom the Premier supports—Mr Keating and Mr Hawke—and whom he described, after the debacle of the tax summit, as the best people Australia had going for it.

Mr Brian Burke: Hear, hear!

Mr HASSELL: The Premier says, "Hear, hear!" He is still supporting them. Those men are deliberately trying to create the conditions in which there will be capital inflow into Australia. Through the Reserve Bank they are promoting very high interest rates to try to attract capital and any form of investment to

Australia as a means by which to top up the flagging Australian dollar and to give some stability to the Australian economic situation. In that climate the introduction of a capital gains tax will do immense damage to Western Australia. It will take away that very Asian investment which is coming to this State in increasing amounts and which will give Western Australia a new set of difficulties.

The Real Estate Institute of Australia has noted the following—

The United States and Canada have recently been reducing the impact of their capital gains taxes. They have realised what a disincentive to investment such a tax is.

The quotation came from the *Landline* which is the periodical of the Real Estate Institute of Australia, and it can be found in volume 13 No. 3 dated August 1985. I quote the following—

Capital gains tax will push up a wide range of rents by forcing remaining investors to make up, through higher income, the capital gains impost. In Western Australia 22.9 per cent of the population rent privately; that is, more than one in five. The effect of any further squeeze on the rental market will make it even harder for potential home buyers amongst this one in five, particularly young couples, to save sufficient money for their own home purchase.

The source of that statistic is the Australian Bureau of Statistics census data.

We can go on and on about the real estate situation. We have the abolition of the so-called "negative gearing" which is, of course, the abolition of a legitimate tax deduction by a business investor.

Mr Brian Burke: Wage and salary earners could not afford the tax you are proposing. You have abolished capital gains tax as it exists.

Mr HASSELL: The imposition of capital gains tax will add to the problems being created by the abolition of tax deductions of losses through real estate investments and the inevitable result will be a housing shortage. I have no doubt that that will give great encouragement to the socialists because that is exactly what they want to achieve. When we have a housing shortage they can go around promoting more of what they call public housing which will be provided, at enormous expense, by the taxpayers. There will be long waiting lists and

more people will become dependent on the Government, and, therefore, the socialist objective will be achieved.

We will see the inevitable results of the socialist solution to a socialist problem—the socialist problem is a socialist taxation system, a capital gains tax, hitting success, hitting at profit, and hitting at the small people.

The socialists create a taxation regime that is designed to make people dependent. That is their philosophy.

Let us look at the characteristics of the capital gains tax which are proposed to be introduced. The major elements of the draft white paper proposal are—

1. capital gains tax will be levied on real gains, that is the gain calculated after adjusting for inflation;

Goodness knows how that will ever be worked out in practice. There will be enormous practical difficulties in such a proposal. What people do know is that at the end of the day they will be paying a lot more taxation. It continues—

2. gains will be taxed on realisation not on an accruals basis;
3. only that element of a gain arising after the introduction of capital gains tax, will be taxable;
4. the taxable element of gains arising on assets acquired prior to the introduction of capital gains tax may be calculated either by reference to market value at the date of introduction of the tax or on a time apportionment basis;
5. a realisation will be deemed to occur on death or when an asset is gifted.

I am not surprised that the Premier supports this proposal because in the past he has expressed support for a death duty of one kind or another and this is a new form of death duty. It continues—

6. individuals will pay tax at their marginal income tax rate whilst companies will pay tax at the normal corporate income tax rate;
7. nominal, rather than inflation adjusted, losses may be offset against gains realised in the same or subsequent years;
8. capital gains tax will only be applicable if no other provision of the tax legislation would tax the gain realised;

9. capital gains tax will not apply to:
- (a) owner occupied homes;
  - (b) superannuation lump sums;
  - (c) life policy proceeds; and
  - (d) small value transactions arising from personal use assets.

One of the biggest aspects of the capital gains tax is that it will be at the marginal income tax rate. In the case of companies it will be at the company tax rate and that is a massive disadvantage to investments growth, the creation of jobs, and the taking of risks. It does not matter whether that tax is put off for one year or whether there are certain exemptions under the tax, the reality is that the biggest immediate impact of the introduction of a capital gains tax will be to cause a massive loss of confidence in business and in investment. It will also cause people from overseas, and in Australia, to consider alternative investment strategies and with the deregulation of the movement of currencies there will be an outflow of capital.

I am amazed that the Government of this State should now admit that it supports a capital gains tax. Whatever the form of that tax, we believe it is wrong. It should not be introduced and it will be detrimental to the long-term interests of Western Australia. It had been our hope today that we would have seen the Government prepared to acknowledge that it should take some notice of the \$55 000—if my memory serves me correctly—taxation hot line study which the Government undertook. Unfortunately for the Government it was caught out by its own study. It has not discouraged the Government from taking up a position completely in opposition to the views expressed by the people of Western Australia.

On page 26 of this document—issued by the Government and entitled "Taxation Reform in Australia" and dated May 1985—the last item to appear reads—

Respondents indicated a lack of support for the introduction of any new form of taxation.

Nevertheless, the Government supports the introduction of a capital gains tax. We find also in this document a summary of the results of the hot line inquiry. There was overwhelming rejection of a capital gains tax. The document showed that 36.77 per cent of respondents supported a capital gains tax and that 51.22 per cent did not support it. That is what the people of Western Australia told the Government in the Government's own survey. The Government commissioned it and paid for it with taxpayers' money. When the Premier went to

Canberra he supported the tax package Option C as the basis or framework for reform. It does not matter what word is used. Personally, I do not like the word "reform" because tax reform involves tax reduction. While we continue to have deficits of \$5 billion or \$8 billion we will not have tax reduction; we will have tax increases which we should seek to eliminate.

This issue is well understood. It has been extensively debated in the public arena. It is my disappointment today to find that already the motion put forward by the Opposition is rejected and that the Government does not want to urge the Federal Government to abandon all plans for a new capital gains tax. The Government in fact wants the Federal Government to introduce a new capital gains tax. At least we have clarified that. We will find out by debate in this House when it comes precisely what is the position of this Government. We have had an admission from the member for Mitchell. I am sure that his constituents will be interested to find out about it.

**MR TRETHOWAN** (East Melville) [5.13 p.m.]: I second the motion. We need to ask why the Federal Government would seek to introduce a capital gains tax. I suggest that there are probably three reasons, the first being that the Government is confronted with an absolutely enormous accumulated deficit. Most of that deficit was generated in the last three Budgets. The Government is faced with the situation that Australia has one of the highest levels of Government debt per head of population of any developed country. Unless it does something to contain that debt we will be in serious financial trouble. Obviously there are two answers to restraining the growth of deficits and, in fact, reducing them. One is to increase revenue; the second is to reduce expenditure. It is a very simple equation.

The current Federal Government has done little to restrain its expenditure. Therefore, it is quite clear that it requires increased sources of revenue. One of the moves towards capital gains is obviously a means of generating another area of revenue raising.

**Mr Bertram:** To make taxation more equitable, perhaps?

**Mr TRETHOWAN:** It is interesting that the member for Balcatta made that interjection. I suggest that increasing the burden of taxation is not making it more equitable. It is making it more inequitable. The burden of taxation is far too high as it stands at present.

Mr Brian Burke: Do you support the abolition of the present section of the Income Tax Assessment Act relating to the taxing of capital profits?

Mr TRETHOWAN: As that is such a long question it would be better answered at a later stage. I was saying that I support the elimination of sections of the Income Tax Assessment Act that deal with taxation on capital gains that derive from real investments, as opposed to trading profits.

Leave granted to continue speech at a later stage of the sitting.

Debate thus adjourned.

[Questions taken.]

*Sitting suspended from 6.00 to 7.15 p.m.*

Mr TRETHOWAN: As I said earlier this evening, the interjection by the Premier led to a matter which was neither simple nor could be quickly explained.

Mr Brian Burke: About which you have had an hour and a quarter to think.

Mr TRETHOWAN: About which I said quite clearly that I supported the taxation of trading profits but not of capital profits.

Mr Tonkin: What is the difference?

Mr TRETHOWAN: The difference is quite clear. I said at that time that it would take time to explain to the Premier, who is a man of half-truths, and obviously does not understand the sections of the Act, that I believe, as many people in Australia believe, that the Leader of the Opposition is absolutely right in what he said. Sections 25 and 26 of the Income Tax Assessment Act should be abolished because they are not clear in many ways in deciding between trading and capital profits—profits from investment.

Mr Brian Burke: You have changed your ground.

Mr TRETHOWAN: The Premier does not know the truth and is not prepared to accept what people say in this House. He wants to change everything. I suggest he check *Hansard* because I have not moved one small degree from what I said before tea.

It is quite true that there is a difficulty in deciding between trading and capital profits. Let me explain to the Premier, because he does not understand the sections of the Income Tax Assessment Act, that if one purchases, for example, a broom as a hardware merchant, one pays a certain amount for it and on selling that broom a profit is presumably made—it may be a profit of \$10. If one purchases a block of land

and resells it, a profit of \$10 can also be made. They are both profits. The difficulty in the Income Tax Assessment Act is to decide which of the profits results from the normal trading of the person involved and which is the result of a fortuitous profit on the sale of an investment.

Mr Brian Burke: Where does that one fall? Is it capital profit made on the investment? Which category does that fit into?

Mr TRETHOWAN: I do not think the Premier understood. The point I was making is that section 26, in all but one aspect, is very unclear as to how one decides whether something is a trading or a capital profit. It is based fundamentally on the intention of the person entering into the investment. Unfortunately, this section of the Act, unlike most law in Australia, concentrates on the person involved having to establish that his intention was in fact to make an investment to derive income, not an investment to make a capital profit. The discretion lies with the Commissioner of Taxation. The one aspect of section 26AAA states quite clearly that a period of 12 months shall be the cut-off point, on a number of investments, particularly for the profit from the sale of shares.

In other words, it is very difficult to make the decision about what is a trading profit from shares and what is a capital profit.

Mr Brian Burke: It is not just shares.

Mr TRETHOWAN: It is not just shares. I use that example because the Premier did so in the example he raised. In the case of shares it is very difficult to determine what is a capital profit and what is a trading profit. Therefore in Australia as throughout the world there is an arbitrary period installed in legislation which says that when holding an investment, except under certain circumstances, outside that period all profits accruing shall be considered capital and inside that period they shall be assumed to be profit made with a view to resale. The period in Australian legislation is 12 months. Whether that is the right period is a moot point. However, the point the Premier made in regard to Elders-IXL was that the payment of a deemed trading profit was avoided by manipulation of who sold the shares within the company group and in fact that was an avoidance mechanism. I do not hold with avoidance. I believe that if avoidance schemes are legal at the time they should not be corrected retrospectively, but that the Government should move to stop these practices.

In fact that section of the Act and that particular transaction is one of the few clear-cut definitions of what is a trading profit and what is in fact a profit derived from the sale of an investment in the Act. It is probably the only section that is worth keeping.

Mr Brian Burke: Which section is that?

Mr TRETHOWAN: I understand that it is section 26AAA.

Mr Brian Burke: But don't you understand that the Leader of the Opposition committed himself to the abolition of that section?

Mr TRETHOWAN: Yes. Many people in Australia believe that that section should be abolished because of its indefiniteness in so many areas. It should be replaced with a much clearer definition of what is a trading profit. Many people have been charged effectively on capital gains because of the indefiniteness of the descriptions in section 26. I add that the important thing for the people of Australia to realise is that the current Federal Government will pursue every means possible to raise more revenue because of its deficit. I believe that where the Commissioner of Taxation has discretion he will be under severe pressure to exercise it more and more to gain every single ounce of taxation revenue that can be gained because of the major financial crisis that is facing this country due to the mismanagement of the Federal Government.

What I am arguing and what I believe that the Leader of the Opposition argued is that that should not include the imposition of capital profits. Indefiniteness in the current Act in regard to what is a trading profit should be cleared up. The current section should be abolished. More clear definitions of what is and what is not a trading profit should be introduced. The Premier grossly misrepresented what I said. I was not in conflict with the Leader of the Opposition. In fact, the Premier did not understand what I was saying. If he looks at *Hansard* he will see that before the suspension of the sitting for dinner I said that it would take some time to explain because I knew the Premier could not know much about this. Secondly, I drew the distinction between what is a trading profit and what is a profit legitimately accrued upon investment. I am opposed to a capital gains tax on any profit legitimately accrued from an investment. The Premier is not prepared to commit himself to that. That is not something to which this Government is prepared to commit itself. The fact remains that this Government sup-

ports the intention of the Federal Government to introduce a capital gains tax on an already overtaxed business community.

The business community pays one of the highest rates of tax in the world. Until very recently it paid a tax on profits inside a company, particularly company profits at 46 per cent. The shareholders of that company have to pay tax again on that income at the marginal rate, which, while it may be at the rate of 30 per cent, may also be at the maximum rate of 60 per cent. That is annihilating investment and capital generation within this country.

Some moves that I have not yet been able fully to define—I do not believe the legislation is available—have been said to reduce that form of double taxation. I would want to see it, because that is a key way of increasing the generation of capital in this country. Only with increased generation of capital within our community will we see growth in the business sector. Only with the growth in the business sector will we see greater employment. In fact, if there is one thing which will attack growth in employment within this country it will be the introduction of a capital gains tax. That will be the straw that breaks the camel's back with all the other taxes and charges that are involved at present.

The important thing for this House to realise is that we are talking about the last straw, the great disincentive towards investment. In fact there is only one significant incentive for someone to go into business at present: That is that when he works hard and builds up a business he will have something to sell. He will have paid tax on all the income he has earned during the time he has worked. He will have paid charges, rates and taxes to the local authority and State Government. He will have paid land tax, sales duty and the like and will have built up an asset which he feels he can sell, the proceeds from which will keep him and his family when he goes into retirement. At present those proceeds rightly are not taxable because the person concerned will have paid tax on them. He has paid it as he has received his income.

This Government supports the Federal Government which intends to introduce a tax on those assets, on that hard work, on the tax that has been paid by those individuals in order to build up those assets. That is grossly unfair. It will reduce the amount of investment, initiative and growth that the business sector of this country is likely to have. Why should anyone confronted with the burden of Govern-

ment taxes and charges go into business if at the end of the day they will be taxed additionally on what they have managed to create? It is grossly unfair.

One of the reasons that the Federal Government may be looking at imposing this tax is not just to help with its deficit which is the real reason it seeks to introduce it. That Government was not prepared to control its expenditure. It philosophically may not believe that people have the right to create wealth, the right to better themselves, the right to work hard and build up assets for themselves and their children. I believe that one of the prime motivations behind some of the people supporting the Federal Government is that they believe that wealth generation is wrong, that the Government should endeavour to get its slice out of everything, particularly the generation of wealth which might result from an individual's hard work. Capital gains tax if introduced in this country will be the final straw. It will in fact increase the rate of unemployment. It will certainly reduce economic activity in many sectors.

The Leader of the Opposition mentioned the concern of the real estate industry about this matter. Why? Because capital gains have traditionally played a very important part in the way in which the industry has operated. That industry generates not only enormous amounts of employment in our community, but also a large proportion of housing activity outside the State and Commonwealth housing authority. If that market is reduced and the number of units on that market is reduced, there will be a shortage in housing. At the moment there is incentive for long-term investment in that area; there is opportunity to earn a return by way of rent which may not be very large, but at the end of the day the investor knows that his asset is increasing in value and if it does so it is an advantage to him. If that advantage is taxed and the capital gains are reduced, people will be less likely to put money into that sector.

The abolition of negative gearing will have a more rapid effect and will add to the problem. Both factors emanate from the same philosophy that people should not be able to generate wealth and profits in one area and offset them against another investment until it is profitable. The socialist philosophy is that people must start from scratch, earning profits in each separate investment they have otherwise the Government will not allow them to deduct from their profits any losses in other areas. It

demonstrates a complete lack of understanding about how business and property investment operates. Property investment is a long-term prospect; it costs a great deal of money to set up the initial investment. The land must be purchased and the building constructed and money must be borrowed at the initial stages. The rent return is generally low to begin with, but once the building has been constructed the investment is fixed. The longer the investor holds that property the higher is his return.

Generally in the early stages the interest on the money borrowed is high, but as time proceeds the return from rent increases and the interest payment decreases. The loan is paid back over a period of time and after perhaps 10 or 15 years it is natural to assume that inflation will have an effect and rents which may have been \$100 a week at the commencement of the investment could be \$400 a week towards the end. The repayments will not have increased at the same rate. Therefore, negative gearing can be used by an investor at the beginning of his investment and towards the end he can use the profits towards the setting up of a further investment property. Why should an investor not use the income from an existing investment against the costs of a new investment? It is illogical for the Government to act against this kind of investment. It comes from the same philosophical attitude that attacks capital profit and denies people the right to generate wealth and make profits. It is an attitude that the State Government appears to be supporting.

Mr Tonkin: That is like saying because you have income tax, you should not have income.

Mr TRETHOWAN: If the taxation level is as heavy as it is at present by way of the burdens of income tax, State payroll tax, land tax, and other taxes and charges, the Government should not impose a further tax.

Mr Tonkin: It should reduce the other taxes.

Mr TRETHOWAN: That is precisely my argument; the Government should reduce other taxes. The complaint is made that many people make investments in Australia in certain areas because capital gains are not taxable, but other profits are taxed. They move into capital gains areas where presently they can earn money that is not taxed. They invest in that area because the alternative forms of investment are not profitable. The tax on income is so high that it is not worth their making further endeavours in

that field. The answer is to reduce the tax that people pay on income they derive and they will then make different types of investments.

An important factor is that everyone basically accepts that there is a point at which, if the Government tries to raise more tax it will, in fact, accrue less tax in gross terms. I am sure the Sheriff of Nottingham knew about this during the time that Prince John was pushing his subjects for more and more taxes until there was nothing left. Those people had no incentive because everything was taken from them. I do not think it is an unreal analogy to compare this Government to the Sheriff of Nottingham abetting Prince John—the Treasurer in Canberra—to squeeze every drop from the taxpayers in this State. We should perhaps regard the Leader of the Opposition as the Robin Hood of the story who wants to cut back Government spending and reduce the amount of taxation! That is transferring from the public sector to the private sector that which rightfully belongs to the private sector.

There are few arguments in favour of the introduction of a capital gains tax. There is a point at which Governments trying to raise more tax in fact produce less and less gross revenue. That was outlined by Professor Luffler who developed what was called the "Luffler Curve." He was professor of economics at the University of Southern California. He said that when tax equals 45 per cent it reaches an optimum recovery rate. As the percentage is increased above 45 per cent, people have less and less incentive, they do less and less, the amount of growth of taxes reduces and, in fact, the gross amount of tax will reduce in quantity.

In this country we pay much more than 45 per cent income tax and, therefore, we are already well into the disincentive curve. The higher the tax above that level the less incentive there is for people to go into business, to work hard, and to take risks. Why should they do so because they will have to pay so much to the Government which they can see is spending more and more and becoming more inefficient. The high level of taxation in so many areas and the opportunity to make capital gains in one area gave people an incentive to invest in that area. It is absolute suicide for the Government to contemplate the abolition of capital gains.

The profligate spending of the Federal Government is one of the reasons that this country is in a tenuous financial position and why the Federal deficit is so high. Also we have passed the point where the optimum tax is be-

ing imposed. It has been demonstrated in Southern California that if the level of taxation is reduced more revenue is generated. Although the rate of taxation was reduced the deficit was less because more revenue was received. Of course, sometimes it takes a while for business activity to pick up after the taxation has been reduced, but there is nothing surer than that if some action is not taken in this direction we shall wind down economic activity in this country.

Our growth rate and decrease in the creation of new jobs should be compared with those of our neighbours in South-East Asia. It is no use saying that they have a much lower standard of living than we do. That may be true at present, but they will soon have a higher standard of living, better jobs, more employment creation for their children, a better hospital system, and a better education system. At present we are still marginally in front, but we are declining and they are going up. The taxation rates in those countries are still low compared with those in Australia; that encourages people to get out and do their own thing, to take risks, to spend a long time working hard to build assets for themselves and their children so that those children will not be the responsibility of the States to support.

This Government in Western Australia is obviously supporting a Federal Government which is going in the other direction; increasing taxation, reducing incentive, and generating less economic activity and greater unemployment. That will be the outcome of the imposition of a capital gains tax in this country.

It will be a great condemnation on this Government if it is not prepared to support the motion moved by the Leader of the Opposition that we should approach the Federal Government to inform it that the people of Western Australia are against the imposition of a capital gains tax. We should do that for the protection of the economy of this State and for the protection of the future employment prospects of the people of this State, but it appears that this Government is not prepared to do that.

The people of Western Australia will judge this Government by its actions this evening. I have great pleasure in supporting the motion.

**MR BRIAN BURKE** (Balga—Premier) [7.41 p.m.]: At least this debate has done one thing if it has achieved nothing else and that is to clearly outline the position of the Opposition to be one that raises more questions than it answers. I do not want to dally too long with the contribution from the member for East

Melville, but I simply point out to him, and to the Chamber, the glaring inconsistency—if I admit everything else he says—that is involved in his saying that when section 26AAA, a new part of the Act will be brought in to clarify what he refers to as uncertainty. The Leader of the Opposition made no mention of bringing in a new section to replace or to clarify what is a doubtful section now.

Mr Trethowan: Are you suggesting that the existing section should be abolished?

Mr BRIAN BURKE: There is a qualitative world of difference between saying that the existing section should be repealed or abolished and the claim by the member for East Melville that a new section, or part of a section, should be brought in to replace it. I am simply putting to the House the fact that there is a world of difference between the position of the member for East Melville and the position of the Leader of the Opposition. The Leader of the Opposition was asked whether or not the existing sections 25, 26AA and 26AAA—

Mr Hassell: I never said that at all.

Mr BRIAN BURKE: I will accept the blame for all my shortcomings, but I am simply trying to define whether there might be some shortcomings on the other side of the Chamber. When the Leader of the Opposition, was asked whether he would support the repeal of the provisions of the Act which related to capital profits he said, "Yes, I support that they should be repealed."

The member for East Melville said the same thing, but then he took it one step further—and I can understand the step he took—to say that there must be inserted into that area from which the abolished section comes, some sanction that prevents, as the member for East Melville said, a stricter interpretation of trading profits. I can understand the member for East Melville's position, but there is a world of difference between his position and that of the Leader of the Opposition who did not mention anything about any uncertainty as to trading or capital profits. The Leader of the Opposition mentioned nothing about any uncertainty or about the construction as capital profits put on certain income that one might rightly describe as trading profits. Members opposite seem to expect the Government to say that its position is his position. It is not, and members opposite know it is not, and it cannot be because the Leader of the Opposition did not go on to say anything about the strict interpretation of what is a trading profit and the

clarification by the removal from capital profit areas into trading profit areas of those things that the member for East Melville's new stricter definition would remove.

There is absolutely no doubt about the Government's position in this matter and I simply refer to that part of the contribution that I made to the taxation summit that the Leader of the Opposition saw fit not to quote because, I suppose, it did not serve his purposes. I said, when referring to the package of taxation reforms—

The total package of reforms must be progressive rather than regressive.

And in this context, if the package includes a capital tax, consideration should be given to:

- (i) imposing the tax only on real capital gains in excess of a specified threshold;
- (ii) exempting the transfer of assets to a spouse on death;
- (iii) providing for time payment of the tax in the case of deemed realisations; and
- (iv) providing relief, or assistance, for otherwise viable farmers and small business whose viability is threatened by the requirement to pay the tax.

In addition, consideration should be given to capital gains on the sale of a farm or small business when an owner retires, being treated in the same manner as a lump sum payment on superannuation and taxed at the same rate.

That was and is the position of this Government. We on this side of the House contemplate a package of taxation reforms that has been suggested by the national Government, and that has been directed to us for our attention. The Opposition chooses not to refer, except incorrectly, to some aspects of the taxation package.

First of all as part of the package it was proposed to reduce the marginal rate of the tax that was payable by a person on the maximum marginal rate from 60c to 48c in the dollar. That is a substantial concession. It was proposed also that there should be full imputation of company profits which would mean, quite incorrectly when it is compared with what the member for East Melville said, that there would not be the double tax of which he complains.

I will pick up the interjections of the Leader of the Opposition in due course, but he is quite wrong. The Federal Government is still talking

about making concessions as far as the tax rate paid by individuals is concerned. It is still talking about imputation, and it is still talking about a regime of tax applying to services or sales taxes as they presently exist that is altered from the present situation. Now, in addressing the components of that tax package, the Government tried constructively to say that if there was to be a shift from a direct to an indirect tax base, we would expect there to be changes in the marginal tax rate. That seems to the Government to be a sensible way of dealing with matters.

The Government said that if there were to be any capital tax, there should be safeguards to which we referred, and we also said that there should be imputation of company profits. If there were to be a tax on fringe benefits, we could accept that the misuse of credit cards, say, for lost weekends that found their way into the tax deductible expenses of a company, should be taxed, but there were legitimate fringe benefits that should not be taxed, benefits such as the allowance made in respect of company housing in the Pilbara. The Government put those proposals in trying to address sensibly and constructively a package of taxation measures that would have reformed the taxation system in this country. I will tell the House what happened: The self-interests and the sectional views of different people saw pulled down a tax package that had the elements of being of great assistance to the economy. A great wringing of hands followed the destruction of the package that moved from a direct to an indirect base within a progressive framework, the destruction of a package that would have seen a sensible and constructive attack on tax avoidance and evasion, the destruction of a package that included significant reductions in the marginal tax rate, and which included the imputation of company profits, a destruction about which all sensible people now say the wrong thing was done. Sacrificed on the altar of sectional interests and expediency was that range of good measures that were part of the tax package—and we could all object to part of it—that would have benefited this economy.

It is pure political expediency for the Opposition now to be picking this bit and that bit out of the tax package and objecting to it strongly. The Opposition by its actions is avoiding its responsibility to positively and constructively contemplate what is being proposed.

The Opposition has not had much to say about the consumption tax. I presume it supports the consumption tax.

Mr Hassell: No, we oppose it very clearly.

Mr BRIAN BURKE: The Opposition opposes the consumption tax; the Opposition opposes the capital gains tax.

Mr Hassell: We oppose all new taxes until there is a real reduction in expenditure.

Mr BRIAN BURKE: The Leader of the Opposition really does not have a thought in his head if he contemplates some revision or reform of the tax package without seriously contemplating a shift from a direct to an indirect base.

The economy is screaming out for that sort of reform, and the hedge that we put up against that reform was that the totality of the package must make it a progressive package, and we conceded the regressive nature of the shift from the direct to the indirect base. We said it could be tolerated within the context of a package which was generally progressive, and the Opposition in pursuing its selfish, sectional, political interest has effectively set back 100 years the interests of the people it pretends to represent and protect. By its thorough and blinkered pursuit of its own self-interest it has effectively undermined the ability of the Commonwealth Government to make sensible moves in respect of the imputation of company profits; to make sensible moves in respect of the marginal tax rates; to make sensible moves that go to the stemming of avoidance and evasion; and to make sensible moves that would lower the effective costs of Australian industry quite dramatically. It is simply because on the one hand the union said, "We won't take this"; the farmers said, "We won't take that", and the Opposition said, "We will take nothing." On that altar of selfish sectional interests any prospect of realistic taxation reform was sacrificed by those groups which were not prepared to even glance accommodately for more than one second at the other person's point of view, and members know that is true. Members know that if the package does not include the imputation of company profits; if it does not include some widening of the indirect tax base, and if it does not include reforms in marginal tax rates, that is simply as a result of the selfish short-sightedness of all those representatives at the tax summit.

I can understand that the points of view of members of the Opposition are fuelled entirely by their political motives, but the unions on the

one hand, the employers on the other, the welfare groups, the farmers, and the small business people all said, "We will take this part but we will not have a bar of that part." No-one attempted to see anyone else's point of view and no-one attempted to see what was good for the country. All the representatives attempted only to force what they thought was good for themselves. Of course, that is why Governments are elected, but a Government that at least will involve those people affected in the process by which decisions that affect them are made is a Government to be credited at least with the generosity of spirit which is lacking in the Opposition ranks.

Mr Trethowan: You are making the decisions up to those sectional interests. Governments have to make the decision. There is no way out.

Mr BRIAN BURKE: I am not saying that Governments do not have to make those decisions. The Federal Treasurer has said a tax package will be introduced. All I am saying now is that it is hardly appropriate to be wringing one's hands after one has stood amongst the ranks of those people who effectively prevented any realistic and beneficial reform, in the Opposition's case, because members of the Opposition saw their political interests being ill-served by that reform; in the case of the unions, their selfish, sectional interest being pursued; in the case of the employers and in the case of the farmers and welfare groups, the same thing as well.

Mr Trethowan: As far as I was concerned the interests of the people of this State were not being well-served because there was no talk about reducing the level of Government expenditure. There was no real talk about bringing a nexus to the problems this country is facing at present.

Mr BRIAN BURKE: I am not sure what the member for East Melville wants, but I am sure that insofar as the ambit of the tax summit was concerned this State put its case very clearly and precisely and it did so in a positive and constructive manner that tried to admit alternative points of view, that said we could not have tax cuts of the magnitude proposed unless we attempted to reform the system in another area.

The unions cannot have what they want; the farmers cannot have what they want; the business community cannot have what it wants,

and the welfare section of the community cannot have what it wants; all of them; cannot have the things they want.

That was the whole story of the sorry attempt to reform the taxation system. Members know as well as I do that it was completely unrealistic for people to say they would take these selected pieces and ignore the rest; for the employers to say, for example, "We will take the tax on fringe benefits, but the employees should pay it", and for the unions to say, "We will have the tax cuts but we do not want a consumption tax."

Mr Trethowan: And for Government to say it will take more taxes, but it will not talk about cutting expenditure.

Mr BRIAN BURKE: The Government never said it would take more tax, and the reduction in the predicted deficit of \$4.9 billion even caught the Opposition by surprise. It was a drastic reduction in the proposed deficit and the Opposition could only say, "Well, it is a false Budget deficit because the arrangement to discount wages is not in place." It is in place, with real prospects at least, as of today. Where has the Opposition's ammunition disappeared to?

The Opposition cannot escape the responsibility of joining the ranks of the selfish who said, "Here is the package. This seven per cent suits us. We will take that provided you don't do the rest", and the way in which the Opposition has comported itself in view of what is a serious matter is absolutely reprehensible as far as the Government is concerned.

Mr Court: We are paying too much tax and the Government is wasting too much on expenditure. Don't you believe these people have a genuine right to complain?

Mr BRIAN BURKE: The Opposition ignores the fact that in the Budget brought down last month by the national Treasurer the projected Budget deficit has been wound back remarkably. Even business leaders said so. There is a meanness about the Opposition that refuses to even say, "Well, we are surprised at the way in which the Budget deficit has been reduced."

On the afternoon that the Budget was to be delivered Mr Howard put out a Press statement saying that if the Budget deficit came in at \$5 billion that would be a good effort, and after it came in at \$4.919 billion, he ran around saying more should be done. The Opposition cannot have it every which way but, most of all, the Opposition cannot have it unless it thinks the

public is dumb, that we could take out the bits the Opposition wants and not remove those pieces that are essential to the total package, but which do not meet with the Opposition's approval for some sectional, selfish, or political reason. That is what the Opposition is doing. It has reached the stage—I do not know whether members of the Opposition realise this—that this evening the Leader of the Opposition said, without even a beg your pardon, “I favour abolishing the present sections of the Income Tax Assessment Act that relate to capital profits.”

Mr Hassell: I didn't say that.

Mr Old: That is a lie.

Mr Hassell: I just received a *Hansard* copy of my speech and the words are set out very clearly. I did not say that. You have misrepresented me time and time again tonight.

Mr BRIAN BURKE: The Leader of the Opposition did not deny it until he realised the sort of petard with which he had been hoisted.

Mr Hassell: Not at all. I am just telling you what is reported in *Hansard*.

Mr BRIAN BURKE: The Leader of the Opposition certainly said in answer to a question by the member for Mitchell that he did not support the present sections of the Act that imposed some sort of tax on capital profits.

Mr Hassell: I didn't say that.

Mr BRIAN BURKE: He said it. I was here and most of the Opposition was here and they heard him. Then the member for East Melville went on to say that he supported the Leader of the Opposition's position and what will replace section 26AAA will be a narrower, more certain definition of what is a trading profit.

Mr Trethowan: I referred to section 25 and section 26, the whole lot. I said we should abolish the whole lot and replace it.

Mr BRIAN BURKE: All I am saying is that my impression of the Leader of the Opposition's position is that the whole lot would be abolished. Was that the understanding of the member for East Melville?

Mr Hassell: I did not mention any sections at all. I made my position quite clear.

Mr BRIAN BURKE: The Leader of the Opposition is now saying that he did not support the abolition of those sections.

Mr Hassell: I did not say anything about the abolition of those sections.

Mr BRIAN BURKE: Let me say once again that, this evening, we have seen the unseemly spectacle of an Opposition which has gone to the barricades on the question of capital tax and has said that the present capital tax regime should be abolished. The Opposition is inconsistent because the Leader of the Opposition said that he specifically condemned any new tax. Yet, the member for East Melville has said that, in its abolition, those parts of the Income Tax Assessment Act should be replaced by something that is presumably new.

Mr Trethowan: It is an existing tax, but a more certain tax. It deals with income tax.

Mr BRIAN BURKE: What the member for East Melville is saying is that the present capital taxation provisions, in their effect as to taxation revenue produced, shall persist unchanged.

Mr Trethowan: No.

Mr BRIAN BURKE: Is the member saying less revenue will be raised?

Mr Trethowan: I do not know. I am saying that the current provisions are very unclear.

Mr BRIAN BURKE: The member for East Melville is saying, “Let us tighten up the Act to make it more difficult to avoid tax.”

Mr Trethowan: That is right.

Mr BRIAN BURKE: That is completely contrary to what the Leader of the Opposition said.

Mr Hassell: You have misrepresented what I said. The *Hansard* record will tell you what I said.

Mr BRIAN BURKE: I do not know whether the Leader of the Opposition really supports what he said. I listened and I heard how the Leader of the Opposition was gently drawn into an unwise statement by the member for Mitchell, because the member for Mitchell said, “I will answer your question about capital gains tax when you answer my question about the regressive provisions of the income tax Act.” He said he thought the present Income Tax Assessment Act provided for the taxing of capital profits. He said, by implication, that there is an inconsistency in the Leader of the Opposition's attitude, unless he refuses to support the present provisions of the Act. The Leader of the Opposition bit like a bronze whaler and said that he did not support the present provisions.

Mr Hassell: I do not support the provisions.

**Mr BRIAN BURKE:** The Leader of the Opposition does not support the capital tax that is provided. That is what he said; I heard him. He can wriggle as he realises the implications.

**Mr Hassell:** You really should try to tell the truth occasionally. If it was not unparliamentary, your whole position could be summed up in one word: You tell lies over and over again.

**Mr BRIAN BURKE:** I know people generally reject the sort of nastiness in which the Leader of the Opposition trades. Whether he is aware of that fact, I cannot say. All I can say is that there appears now to be some sort of schism between the two positions. I am happy to clarify it and I am happy to assume the Leader of the Opposition now supports the position of the member for East Melville and that is some new part of the Act that more strictly or narrowly defines the capital profit to make it more certain. That is the Leader of the Opposition's position too.

**Mr Hassell:** I will state my position word for word in the reply in this debate.

**Mr BRIAN BURKE:** The member for East Melville at least nodded his head to say that is his position.

**Mr Trethowan:** That is my position.

**Mr BRIAN BURKE:** Let me point out to the Opposition, gently, the inconsistency of anyone who supports a motion like this after having said what he said about capital profits.

**Mr Trethowan:** That exempts capital profits. I spent 30 minutes explaining it.

**Mr BRIAN BURKE:** By turning them into trading profits. I accept that. The member may well say that they are not really trading profits and that they fall within the capital provisions of the Act. However, they are really trading profits.

**Mr Trethowan:** The Act does not define what are trading profits and what are capital profits.

**Mr BRIAN BURKE:** By reference to a period of time.

**Mr Trethowan:** And to other things, too.

**Mr BRIAN BURKE:** Yes, for purposes in purchasing or investing. But whether the member likes it or not, those capital profit positions of the Act to which he referred will, under his own suggestion, be abolished.

**Mr Trethowan:** That is right.

**Mr BRIAN BURKE:** But be translated into a trading profit.

**Mr Trethowan:** No, that is not what I said.

**Mr BRIAN BURKE:** The member cannot escape.

**Mr Hassell:** The Premier has nothing to say about capital gains taxes and has spent half-an-hour ranting and raving about the Opposition without having anything to say about the substance of the motion. He is bereft of an argument.

**Mr BRIAN BURKE:** I think the Leader of the Opposition inevitably regrets the speeches he makes, because he spends half my time trying to interject to clarify his position.

As far as I am concerned, I will repeat it once more for the sake of clarity. There appears to be a very great difference between the position of the Leader of the Opposition and the position of the member for East Melville. One appears to be saying that, at least, the intent of the present capital tax provisions of the Income Tax Assessment Act should be maintained although they should be more certain and more narrowly defined. The Leader of the Opposition, when he dismissed the concept of any capital tax, did not talk about any narrow definition and did not refer to any parts of the Act being uncertain. He did not talk in any way about their replacement by something to which the member for East Melville referred.

Let me state the Government's position quite certainly. The Government does not support any capital tax proposed by the national Government unless it is part of a comprehensive reform package that is fair and equitable, and unless all of those areas of difficulty to which we have referred time and time again are accommodated.

However, what we will not do is to dismiss out of hand every proposed reform simply on the basis that it is politically unpalatable. We can, for example, see some merit in the imputation of company profits. We can see some merit in the reduction of marginal tax rates. We can see some merit in the equating of personal income tax rates and of company tax rates. We can see some merit in the broadening of the tax base to include indirect taxes as a greater proportion of receipts than they presently are, provided that regressive aspect is moulded into a progressive package. We can see some merit in many of the different proposals put forward by the different groups which attended the tax summit. The Opposition refuses, simply because it does not perceive it to suit its political purposes, to confront squarely and positively the fact that we cannot reform the tax system by simply taking

from one or giving to another in isolation from the total process. We have confidently tried to put that view forward both at the tax summit and since the tax summit. We do support the negative gearing changes made by the Federal Government.

Mr Court: The Minister for Housing does not support them. He said it would result in increased rentals.

Mr BRIAN BURKE: Whether the negative gearing proposals result in increased rentals or whether they result in confiscating the incentive of people to build houses or buy properties and develop them, the truth of the matter is that the negative gearing proposition is married to the more generous depreciation provisions permitted by the Commonwealth Government which make it a fairer tax scheme.

As far as the Government is concerned it is time for the Opposition to stand up in this House and say what it supports. All it has said is that it is opposed to this and that without giving any reasons; members opposite think they can reform the taxation system by not implementing any changes. The Opposition is pursuing a negative and less than helpful approach.

As far as the Government is concerned the Opposition is dismissing a capital tax out of hand. It is not saying that in a tax system that is fair and equitable—as it is in other countries where there is a capital tax—there can be within a totally reformed and a fairer system a place for a capital tax. While the Government might disagree about the level of such a tax, it agrees that there should be a consumption tax or some shift to an indirect tax base because it is good for the economy and it is good for the country; and, if it is part of the progressive package it will not be regressive in its effects on those who pay it. The Government has not dismissed that out of hand, but the Opposition has taken to what it thinks is the high and safe road and has seen fit to simply dismiss everything and say that it cannot see the reason for any changes.

As far as the Government is concerned, that sort of attitude, while it might be politically palatable on the surface, is not convincing to the public. They understand that we cannot have roads, bus services and public infrastructure unless someone pays taxes. They realise that we cannot have an education system unless someone pays their tax and we cannot have a fair tax system unless we take into account all the possibilities for reform—and that includes

a consumption tax, lower rates of marginal tax, capital tax and all those taxes which should be considered if we are to look towards establishing a fairer and more equitable system.

Make no bones about it, the Opposition takes the politically comfortable road in trying to avoid its responsibilities. The Government's position regarding capital tax has not altered, and a capital tax which guards against those things to which I have referred, which is fair and equitable and is aimed towards eliminating tax avoidance and tax evasion, and which is part of a tax reform package which is progressive needs to be seriously considered. The Government makes no apology for saying that. When the Opposition realises that the public generally are not convinced by carping, destructive criticism and a complete absence of any constructive approach to any of the affairs of State, it may begin to make progress. People are not fools and they know that they cannot have everything they want and avoid their responsibilities and obligations.

What happened at the tax summit is that people thought they could take what was palatable and disregard the things they did not want.

Mr Hassell: It was one of your disasters.

Mr BRIAN BURKE: I thought the Leader of the Opposition had told the member for East Melville to ignore me.

The process of a selective picking of what suits us and disadvantages our fellow is not to the general good of the community.

The Government opposes the motion, but it notes the gulf between the member for East Melville and the Leader of the Opposition. One says that there should be a replacement of existing provisions and the other says—he argues about what he says now, but I understood him to say—that he does not support any of those capital profit taxes that are presently provided for in the Act. The Opposition's position was later refined by the member for East Melville, but the truth of the matter is that the Leader of the Opposition has gone down on public record as having said that he does not support the present provisions relating to the Income Tax Assessment Act which relate to capital profits. I understood him to say in answer to the member for Mitchell that he would support their abolition.

We oppose the motion moved by the Leader of the Opposition, who has failed to explain and justify it, and most of all has failed to demonstrate any concern for his responsibility as the Leader of the Opposition.

**MR COURT** (Nedlands) [8.17 p.m.]: I support the motion before the House. Tonight we have witnessed one of the Premier's usual misleading and waffling speeches. He spoke about confusion—there is certainly confusion on the other side of the House in regard to the negative gearing proposals.

The Minister for Housing has issued Press releases stating that he does not support the proposals because he is concerned about the effect they will have on the housing market, particularly the rental market. Perhaps a bit of coordination on the Government's side might help them to come together on that subject.

The Premier said that a capital gains tax was part of a comprehensive reform package. He also said that the Federal Treasurer will present a tax package to the public some time this month. It will be a good package! We have already heard what the Commonwealth Government intends to do regarding negative gearing. I ask the Premier what he considers to be a comprehensive reform package. With this Government and the Federal Government one would not know. After years of indecision the Labor Governments still seem to have trouble trying to come to an agreement about what is acceptable. I will explain later the confusion that exists in the Labor Party over the question of tax.

The Premier likes standing in this House and in front of the Press Gallery, and tries to be noble and talks about tax avoiders and the like. We all know about his performance in his last year in Opposition. He and other members of the then Opposition had great delight in personally crucifying people in this House who they claimed had been involved in avoidance schemes. They even named the people, and I understand that some of them might be working for the Government now. There seems to be some sort of double standards involved.

I like the way the Premier has said so nobly that the smaller person must pay more tax because of the avoidance schemes, yet he is prepared to dream up and introduce, on behalf of his Government, some really great avoidance schemes. I refer, for example, to the diamond trust—it is an avoidance scheme, and the Premier appears to be proud of it. Apparently, it is all right for the Government to have its

own avoidance scheme and at the same time use this House to attack other people who, at the time, were abiding by the law.

Some of the Premier's own Ministers were involved in some of the avoidance schemes and the Opposition has never defended those types of actions. It is hypocritical of the Premier to stand in this place and be so noble about people who are paying more tax than they should, while at the same time his Government is employing a tax avoidance scheme. Through corporations such as Exim the Government has tried to buy tax loss companies in order to help its tax situations.

All this is going on, and he has the nerve to get up in this House and start slamming other people. The Premier, when he was in Opposition, was prepared to denigrate people. He should be careful when he makes a big person of himself over this question.

We all agree that the big problem with taxation in this country is that it has become too high. The average person finds himself in great difficulty with the high level of taxation and all the incentive has been taken out of the system.

The final straw to break the camel's back would be the introduction of a capital gains tax. In my responsibility in the Opposition relating to small business I have attended many public forums and spoken to small business groups. I have been struck by the rhetoric and hypocrisy of the Deputy Premier's statements. It is all now beginning to catch up with him. He says he wants to help small business, but the exact opposite is occurring every day. The Government is daily attacking the small business sector. One day it may be the removalists, tomorrow it is the mining people who wanted to treat the tailings dump, the next, horticulturists. We do not know what it will be tomorrow.

**Mr Bradshaw:** They've even removed the goodwill from small business!

**Mr COURT:** True, the Government did want to do that. It seems determined to get rid of the subcontract system. It supports standover tactics. It has fought tooth and nail against the voluntary work agreements concept; a simple concept of employers and employees trying to negotiate wages and conditions agreements. Now the Government supports capital gains taxes. The Premier went to the tax summit and supported the proposals put forward in the Treasurer's option C.

The small business people do not want a capital gains tax. I have attended meetings or joint forums with the Minister where business

people have said in unequivocal terms, "We do not want a new capital gains tax." The Minister asks for input, saying, "We are going to have a tax hot line." We had a tax hot line, and the message came through that the people did not want this new form of capital gains tax.

The Premier then went over to the tax summit and supported the Federal Treasurer in the Hawke-Keating proposals. In fact the Premier is reported in this paper of 3 July under the headline "Burke raps tax rebels as Labor white-ants" as follows—

The Premier, Mr Burke, yesterday bitterly condemned unnamed members of the Federal Cabinet for publicly white-anting the Government's preferred position on tax reform.

Here we have the Premier saying we should all stick together and support these proposals.

Mr Brian Burke: May I interrupt you and say what I was trying to say to the people who were critical, the same thing I said to you, the business people and the welfare groups; "You can all pick out bits you do not like, but what you must do is frame a package which is good for the economy."

Mr COURT: I point out to the Premier that the Minister for Small Business went to great lengths to talk to people in the business community. One thing which was made very clear was that a capital gains tax was not wanted. Those people were whistling in the wind. They were wasting their time putting up propositions because the Premier went over there and that was part of his package proposal—his so-called comprehensive reform package. We are not here tonight debating all the other taxes involved. We are in this case referring only to the capital gains tax.

I do not believe members opposite fully understand the concept of the capital gains tax, but many of their supporters do. At a recent visit to the Pilbara, I talked to a group of people, many of whom were union convenors, and they were very much aware of what the capital gains tax was. Many of them were working, earning a lot of money, and trying to establish themselves. Many had small businesses in the Pilbara, and some had invested in property, and I can assure members opposite that they were very much aware of the effect of capital gains tax, just as they were aware of the effect of a tax on fringe benefits.

Capital gains tax will harm the housing industry. Already the industry has been knocked around by the negative gearing proposals. If

this Government brings in this proposed tenancy legislation, the capital gains tax will be the final straw. Investment will go out of the housing industry. People will invest in other areas, and not in housing.

We all know what the end result of that will be. There will be a large increase in rents. With interest rates going the way they are, there will be no direction for them to go but up.

It was explained by a previous speaker that the capital gains people make are often all they have for their retirement package. At the end of the day, after spending years working hard in their businesses, often earning very little, they do not want to rely on the State when they retire, so they use their capital gains as their nest egg so that they can retire without becoming a burden on the State.

Look at the technology industries which we are all keen to support. This Government talks of promoting the technology industries. One way to put a barrier in the way of new technology industries is to introduce a capital gains tax.

By their very nature, the technology industries often involve capital gains. We are all aware that capital investment is the engine of economic growth, and that has been proved in the United States; the reduction of capital gains—I think President Reagan cut them approximately in half—had a tremendous effect on the level of new capital investment in the technology industries in particular.

That is a real-life experience which we should not ignore. Instead of increasing the burden of taxation, the Government of the United States has provided incentives for more capital investment.

When one makes capital gains in those technology industries, as in any industry, one can reinvest that money, so gains generated by the innovation are reinvested. This has a multiplier effect, instead of its being gobbled up into Consolidated Revenue, and the way Governments are going these days, a lot being wasted.

The small business community is unanimous on this issue and I will quote from the last newsletter of the Council of Small Business Organisations of Australia. It reads—

The independence; the entrepreneurial spirit; the desire to have a go; the striving for success, profit and excellence, that epitomises small business is the very essence of the free enterprise, democratic system.

If these elements are destroyed, as they would be by the imposition of a debilitating tax on the "goodwill" which those elements create, Australia's economic future will be jeopardised.

We cannot ignore what an important group like that is saying. One can look at the comments of any small business group in Australia. They all clearly outline the problems which will arise with the introduction of this tax.

If a capital gains tax is introduced—and it will be because Mr Keating has said so in recent weeks—many business people will be on the warpath throughout Australia. They will very quickly make sure that the Labor Governments are thrown out of office, because this really would be the last straw. Already they are paying a high level of taxes. They have to operate in a highly-regulated economy, as well as a highly-regulated labour market. To put a capital gains tax on top of these problems will mean that they will turn round and start biting back.

The Labor Party is all over the place on this taxation issue. One minute Mr Hawke says there will be no capital gains tax—that was just before the election. He said, "Labor will not consider a capital gains tax if elected to power on 5 March." We have here—

Labor MLA Mr Ron Davies says that property speculation on prime city sites should be discouraged by a land or capital gains tax.

The Minister for Social Security (Mr Howe) wants a capital gains tax and death duties. Senator Button and Mr Hayden want the same. And so it goes on.

After the taxation summit, Mr Keating, speaking on the "AM" programme, remarked in response to a query regarding the success or failure of the summit, that it had been a success and the Federal Government had achieved two things: It now had the Australian public accepting the tax on fringe benefits and the possibility of a capital gains tax. Mr Keating just quietly slotted that in. The country had been through months of argument about whether these different proposals should come in and then Mr Keating quietly came out and said that the public had already accepted a capital gains tax and a tax on fringe benefits. We can be assured that in the September package there will be, whether we want it or not, a capital gains tax, and this State Government will support it. The motion now before the House is that the Opposition and the Govern-

ment combine to make known to the Federal Government that we do not want this tax, yet the Premier opposes the motion. Mr Keating will introduce this tax with the support of the State Government and there will be a huge backlash.

I would like to refer to the effects that the tax on fringe benefits will have on the restaurant industry. I spoke about this the other night. The restaurant industry as a whole will come under attack from a number of directions. It has a problem with the tax on fringe benefits which really will hurt its trade greatly. The statistics predicting the number of restaurants which will be put out of business are dramatic—and this is at a time when we are trying to encourage the hospitality industry. If one looks at the automobile industry one sees a similar problem. Recently, the automobile industry ran a full-page advertisement in a newspaper which read as follows—

Of all the ways to kill the motor industry, here are four of the most effective . . .

- (2) Extend capital gains taxes. This will have the effect of removing the incentive for many business owners to establish and expand businesses. Consequently many jobs which might otherwise have been available will never exist.

Mr Barnett: Do you deny that you are moving against the deputy leadership?

Mr COURT: What a ridiculous thing to say in the middle of a serious debate on an important issue. There is no doubt that this Government, along with the Federal Government, wants more taxes so that it can get more money to spend. The attacks in different directions on the small business community in this State have not gone unnoticed by the community. Members of the community are very concerned about what is happening. The Premier is supporting Mr Keating's tax which he says he will bring in, and the Government's opposition to this motion is indicative of that. The community will not forgive a Government that supports and brings in a capital gains tax. I agree entirely with the Leader of the Opposition and the member for East Melville; we must go in other directions. We must lower the taxation burden and we must try to provide more incentives.

I repeat what I said at the beginning of my speech: It is about time that the Premier stopped his hypocrisy which was evident when he was talking on this whole taxation issue. The

Premier keeps making himself out to be the saviour of small business and the like, yet in this House tonight he was prepared to support the introduction of Mr Keating's new capital gains tax. This tax may not collect much revenue in its first year but further down the years it will become a bigger and bigger burden. It is shameful that members of the Government do not intend to support this motion.

**MR D. L. SMITH (Mitchell)** [8.41 p.m.]: I am modest enough to acknowledge that I have been unwittingly drawn into this debate tonight. I probably should have learnt by now not to be encouraged to interject by the consistent attitude of the Leader of the Opposition. However, when one is confronted by someone who is so negative, so divisive, so mean, and so unconstructive, it is extremely difficult to restrain oneself. It is apparent from the way the Opposition has conducted itself tonight in this debate that the only way it knows to practise politics is to opt for the old ploy of asking a man if he is going to stop beating his wife. If in this case, the unwitting answer is "Yes", the Opposition will interpret the word "beat" to mean a whole host of ugly things that even the worst imagination possible could not conceive it to mean. In the minds of the Opposition members the phrase "capital gains tax" embodies every evil which could possibly be conceived in any taxation system.

**Mr Court:** Do you support Mr Keating's capital gains tax which he says he is going to bring in this month?

**Mr D. L. SMITH:** I think the member for Nedlands ought to stop and analyse his own speech and produce some constructive comments rather than the waffle that he normally produces. The Leader of the Opposition is really attempting by means of semantics to say that certain things are capital gains and certain things are not, and that all those things which other people fear are capital gains, and those which they do not fear are not capital gains.

The member for East Melville in a way approached the debate in a similar fashion by talking about the difference between trading profits and capital gains. He was spot-on by taking the approach which an accountant takes to the existing tax system by acknowledging that under that system, one endeavours, by one means or another, to treat a gain as being a capital gain and not a trading profit or income, because one gain will be taxable and the other will not.

**Mr Blaikie:** I hope the cockies at Boyanup will appreciate what you are saying.

**Mr D. L. SMITH:** The cockies at Boyanup will appreciate what I am about to say. It is a pity that in the years that those cockies were represented by the member for Vasse, he was not able to put together one constructive idea to advance their needs or desires. I will leave the member for Vasse to contribute to this debate in his own way and at a later time.

As I said, the Leader of the Opposition practises his politics not by addressing the question of good government, but rather by looking only to the impression that one makes on voters. The only method the Leader of the Opposition practises in making an effect on voters is to be nasty, destructive and negative. I remind members of the Liberal Party what the National President of the Liberal Party, Mr Valder, said in *The Bulletin* which reads as follows—

We did not always practise what we preached. Too often we were seen to be inconsistent, too pragmatic and finally too expedient.

If he was talking about the Federal Opposition how much truer is that of the State Opposition? The State Opposition has sunk to a new low in its negativity and its lack of a constructive contribution to a redefining of the taxation system that operates in Australia.

If one looks at the Commonwealth white paper on taxation reform and especially at some of the graphs included in it, particularly the one at page 22, one finds that in terms of the total tax burden, Australia ranks seventeenth among OECD countries—somewhat below the average for OECD countries. However, if one then turns to the graph on page 23 one sees that in relation to the relative size of the total income tax take, Australia ranks third among OECD countries. In other words, under the lack of constructive policies of the Opposition, both State and federally, they have allowed a situation to develop in Australia where, in terms of income earning by personal exertion and effort, we are the third most highly taxed country of OECD countries, even though we rank No. 17 in the overall pattern.

If one looks at the question of whether it is the socialist countries where one finds such things as capital gains taxes and indirect taxes, one finds that the two highest taxing countries among OECD countries are those two bastions of socialism, the United Kingdom and the United States of America.

Yet the Leader of the Opposition in his divisive way seeks to make this debate purely one about whether we adopt a free enterprise philosophy or some other philosophy. It is not a question of philosophies; it is a question of equity and fairness.

Mr Hassell: It is about more taxes, mate, which you support.

Mr D. L. SMITH: Let us consider whether it is about more taxes. Part of the trilogy which was promised by the Labor Party prior to the last Federal election was that the total tax take as a percentage of the GNP would not be increased. The Federal Government said that whatever the new tax mix would be, there would be no increase in the total tax take. If we consider the result after this year's Budget, we can see that for the first time in many years the actual percentage of the total tax take by the Federal Government, as a percentage of the GNP, will be less this year than last year. That is the sort of practical achievement people get with a Labor Government. They do not get the kind of tripe we hear coming from the other side. The people get action and constructive policies and a real attempt to deregulate the Australian economy and reform the Australian taxation system.

It has two results: One is that the actual total tax take is reduced and the other is that the total tax take in terms of equity and justice between the various taxpaying components of the Australian community will be better achieved.

Mr Blaikie: Why do you want a new capital gains tax?

Mr D. L. SMITH: If we look at what I said in response to the question earlier from the Leader of the Opposition about whether I was in favour of a new capital gains tax we will see that I said I was in favour of a modified form of capital gains tax. The reason I chose the words, "modified form" is that he well knew that in the context of the interchange, the capital gains taxes to which I was referring were those already existing under sections 25 and 26AA and 26AAA. The Leader of the Opposition has been around long enough to know that those sections exist and provide for capital gains taxes. The only reason he has been able to get away with the imposition of those capital gains taxes—and it was partly under the previous Federal Government that they were tightened up—is the semantic approach of the Leader of the Opposition of defining some capital gains as trading profits or something

else which he does not find offensive. He still does the same thing under those sections; he still provides for an increase in taxation.

One has only to look at the record of the Liberal Party, both State and federally, to see that under State Liberal Governments the total State tax take was constantly increasing as a percentage of GNP in this State. Federally it was out of control. The Liberals did not know how to control spending or taxation.

At least under this Federal Labor Treasurer the Federal Government has attempted to look at where this tax mix can be altered. It has been prepared in a determined way to go about the task of reducing Government spending and the total tax take and introducing a greater degree of equity into the current taxation system.

As the member for East Melville pointed out, modifications need to be made to those sections of the taxation legislation which I have mentioned in order to make those capital gains taxes impinge on the Australian taxpaying community in a way that is fairer and more equitable. We have the ridiculous situation where some of those sections apply according to the subjective assessment of the taxpayer, who determines whether a capital gain is a profit or not.

In the case of traders it is a question of whether they can be determined to be trading that makes that capital gain taxable. In the other categories it is a question of whether a person hangs on to a capital item for a period of 12 months or not. Yet all these forms of taxation derive from a combination of capital gains. A trading profit does. A retailer might bring into his store a packet of Weeties. He does nothing to it but place it on the shelf and then resells it at a higher price and so makes a capital gain on that packet of Weeties. That has traditionally been regarded as something that ought to be taxable because it is called a trading profit and he is in the business of living off the profit of that retailing business.

In the Australian economy there are many people who deal in the business of capital appreciation and who live off the earnings of a business involving capital depreciation. The difficulty is that they do not pay any tax at all. We need to be looking at those people whose only source of disposable money is the realisation, and the rapid realisation in many cases, of capital profit. My suggestion is that we look at some modified form of the capital gains sections currently in the Act, as the member for East Melville suggests, but not a different form

of tax of the sort the Leader of the Opposition pretends is a necessary element of any new capital gains tax system.

For the record, and for the benefit of the member for Vasse and my farming constituents, I say that quite obviously in terms of this farming community there is no way they can be involved in paying any additional taxes of any form. The profitability of the farming sector under the previous Liberal Governments fell to a low level and they are now in a situation where, in many cases, they cannot pay existing taxes let alone any new form of tax. If there were to be any formulation of a capital gains tax which sought to impose a capital gains tax on any of my farming constituents, I would oppose it vehemently, and much more vehemently and constructively and with greater will than any person opposite. I can assure my farming constituents that as long as I remain their member they can expect a constructive contribution to the debate which, I hope, will protect them from the imposition of those kinds of taxes.

They have to recognise, however, that if they allow themselves to be fooled by members opposite with the notion that because there should not be a capital gains tax in their situation there should not be a capital gains tax of any description, the necessary result of that stance will be that no change will take place in the current tax system. The marginal burden on all income tax payers will therefore continue to increase and they, or at least some of the dairy farmers and beef farmers who are enjoying quite healthy markets, will pay a consistently higher rate of marginal tax if there is not some change in the system.

Mr Old: You oppose a capital gains tax for farmers in your electorate?

Mr D. L. SMITH: That is exactly what I said.

The farming community has to appreciate that it cannot simply go along with the Opposition which says that nothing should be changed. If the Opposition is not saying that and wants to be constructive it has to come back to us and say, "We will not impose a capital gains tax, but we will impose a consumption tax or some other form of indirect tax, or we are going to cut spending." If the Opposition is to be believable in relation to spending, it must say where the spending cuts will occur. If they do not have the intestinal fortitude, which many on that side lack, to nominate those areas of the Federal Budget which should be cut, they should tell us. They

are the ones who sit on the political sidelines without any constructive policies and are negative and destructive. Every time the Federal Government attempts, as it did in May this year, to reduce spending they come out of the woodwork and say, "We promise you that we will reinstate the expenditure you were previously the beneficiary of and seek to protect you in any situation which may develop."

The Opposition does not have a hit list in relation to privatisation, or Commonwealth Government expenditure, or reductions in State Government expenditure. All members opposite are able to do in the waffling way of the member for Nedlands is to say, "Do not do that or this; beware of this; be fearful of that."

I had the pleasure tonight of having my wife and children here. I must confess that although my children are young they quickly became bored with the speeches from the Opposition side, and had to leave.

Mr Hassell: They did not stay for yours; they had more sense.

Mr D. L. SMITH: They got bored with waiting for members opposite to finish.

If we are to make this Parliament a place where our constituents and the public will come along and listen attentively to genuine debates about policies and differences of opinion about policy, such as how the tax take should be distributed, how expenditure cuts should be distributed, and other policy formulation, and the direction of this country, and if we expect the Press to take any notice of what we are doing, members opposite must get away from the sort of notions which say without any real explanation at all that they will abandon any consideration of a new capital gains tax of any kind.

Mr Hassell: Are you going to amend the motion to say that you want a capital gains tax, but not one for farmers?

Mr D. L. SMITH: Like most motions moved by the Leader of the Opposition, this is not one which can be amended in any way so as to be a constructive contribution to the debate in this area.

Mr Old: Would you like us to amend it to accommodate you?

Mr D. L. SMITH: I would be happy to listen to any amendments the member might make. I presume there are back-benchers who are aspiring to leadership and want to demonstrate by their amendments that they can do better than the Leader of the Opposition. I only hope

for the sake of this State that there are back-benchers who are capable of doing a better job than the Leader of the Opposition.

If there are not, we will have a situation in this Parliament where the benches on this side are occupied by one party for more years than is healthy as far as the State is concerned. Quite clearly this place will cease to be the Parliament originally envisaged when our founding fathers established it.

I know the Leader of the Opposition will be busily looking at my speech and interjections tomorrow to see whether he can make some political capital by distributing it in my electorate. He will do the same as he did in Stirling. He will take my remarks out of context in a mean and nasty way and with the most mean and nasty motives, and try to damage me in my electorate. If he wants to start attacking my majority in Mitchell, the proper way is to come to this place if he wants to debate Federal issues and look at the overall tax system, and start preparing some constructive ideas on how it might be reformed. He should tell us with some definiteness if there are to be expenditure cuts in the Federal arena and where they are to be.

If one looks at the motion moved by the member for Katanning-Roe which preceded that relating to capital gains tax, one sees it refers to rural hardship in Australia. He was seeking a greater expenditure of Commonwealth funds on rural affairs because of the plight of that industry. It is quite proper that he should be coming before this House and encouraging the Federal Government to spend more money in that area. The corollary of that greater expenditure is that there must be cuts in other areas if we are not to have any change in the tax mix. Expenditure will have to be greatly reduced. He will have to demonstrate as part of his argument in support of the motion exactly where the Commonwealth Government will save enough money out of its current Budget to expend money on the items he wants.

In terms of the total taxation burden in this country we rank seventeenth among OECD countries, and we are below the average. In relation to personal income tax, the wage earner—the person with the least wealth and capacity to avoid taxes—pays the third highest burden among those countries. The reason is the lack of constructive policies and control over Commonwealth expenditure that persisted under the Fraser Government and preceding conservative Governments. That

enormous burden on the income taxpayer will not change until the tax burden is redistributed.

When I say I favour a small part of that redistributed tax burden being directed at a reformulation of a modified version of the existing capital gains provisions of the Income Tax Assessment Act which were put there by the Federal fraternal brethren of members opposite and apparently supported by the member for East Melbourne—because I say I support that small modification does not mean the member for Vasse can go trooping round to my farmers and say I support all the evil things described by the Leader of the Opposition in his speech.

Mr Laurance: If you do not support our motion you will be in favour of a capital gains tax.

Mr D. L. SMITH: The member amazes me.

Mr Laurance: You will be able to oppose a capital gains tax by supporting our motion.

Mr D. L. SMITH: That is a simplistic attitude; it is either black or white according to the member, and if it is black it should be discarded.

Mr Hassell: Do you support a capital gains tax or not? You said you did.

Mr D. L. SMITH: In answer to the Leader of the Opposition's direct question during his speech I said I was in favour of a modified form of capital gains tax in terms of those capital gains taxes which his party had already imposed and which are part of the current system.

Mr Hassell: You are saying that now, but you didn't say it then.

Mr D. L. SMITH: I said that then, and if the Leader of the Opposition reads his speech he will see I did. Simple changes could be made such as extending the period involved from 12 months to two years.

However, changes of this kind need to be made very carefully to ensure that a capital gains tax is not imposed on the residences of ordinary Australians and being those areas which we would traditionally regard in Australia as to ensure that areas which ought to be free of any notion of capital gains should continue to be protected. That will certainly be the way in which I will approach any capital gains package, or any new tax package, that the Federal Government might suggest later this month.

The hypocrisy of the Opposition is that it brought this motion knowing that it did not know, and we did not know, what is to be included in the new tax package. This debate is in a vacuum, and in that vacuum the Opposition is able to say that the package will surely include a whole host of horrible things. The Government is then expected to defend that claim on the basis of beating one's wife and then falling into what that includes.

I repeat Valder's description of the previous Federal Government and extrapolate that to the State scene. But it is more true of this group here, because not only is the Opposition expedient but it is also mean, nasty, destructive, and divisive. So long as the people out in the community appreciate that, then the votes for Opposition members at the next election will be what they deserve and they will remain in opposition for many years to come.

**MR CASH (Mt Lawley) [9.03 p.m.]:** I support the motion proposed by the Leader of the Opposition. I was very interested in the speech just made by the member for Mitchell, because he began by saying all those mean and nasty things about the Opposition, and when he finished he used exactly the same words. I do not know whether he meant to suggest that by saying the mean, nasty, and rather terrible words he would change the fact that the people of Australia either want a capital gains tax, or they do not want a capital gains tax. It is quite obvious that irrespective of what the member for Mitchell says, the people of Western Australia—and the people of Australia—have made it absolutely clear they are not in favour of a capital gains tax, nor any additional tax whatsoever.

As I understand it, the purpose of the proposed capital gains tax by the Federal Government is to raise additional revenue, and nothing else. It is to help finance the massive deficits that the Federal Government has built up over recent years, and to encourage it to continue its free spending and high taxing policies that are the hallmarks of a socialist Government.

The proposition put forward earlier by the member for Balcatta by way of interjection was that the capital gains tax would in fact redistribute the wealth of Australia and make the distribution of wealth more equitable. That is absolute garbage, Mr Speaker, as you well know. As I have already said, the purpose of the capital gains tax is to raise finance—to

raise revenue to enable the Federal Labor Government to continue spending in the way it has.

The member for East Melville clearly showed that in recent years the Federal Government has burdened the people of Australia with massive deficits. The Premier tried to justify those deficits by saying it was believed by the Opposition and the people of Australia that this year the deficit would be in the order of \$5 billion. Because the Federal Government, in its recent Budget, was able to bring its deficit in at around \$4.3 billion or \$4.5 billion, the Premier seems to think that this in itself is justification for the massive spending by the Government. It is not justification at all, and I do not believe that the people of Australia would support the view of the Premier.

The recent tax summit in Canberra was described as a complete sham by many people who watched it. Day by day the Federal Government introduced new options to the various invited groups to consider, and each night the Prime Minister and the Treasurer of Australia left the tax summit with the knowledge that the propositions they were putting forward were totally unacceptable. The next day they would return with new ideas and try to compromise the situation again. By the end of that week Australia recognised that it did not want higher taxes, but the Federal Government, headed by the Prime Minister and his trusty lieutenant, the Treasurer, were still not convinced that this was the right way to go. In fact, during a radio programme some days after the tax summit, a reporter put to the Prime Minister the question of whether or not he would do it again. And what did the Prime Minister say? He said, "If I had the opportunity, I would do it again." In fact, he was prepared to go out and have his head kicked in again and again to get what he wants for Australia, and that is additional revenue to support his massive spending programmes.

I suggest to the House that the only thing the tax summit achieved was total confusion in respect of taxation in Australia. Now, some weeks after that tax summit has concluded, the people of Australia are still unsure of what they can expect from the Federal Government. The people of Western Australia are totally unsure and confused as to what they can expect from their State Government, led by the Premier. The Premier decided tonight that he was opposed to a capital gains tax; and then he was not opposed to it. He shifted his position three or four times, then decided that perhaps he

would support a capital gains tax if it were modified. He then gave a massive list of people and companies which he would expect to be exempted, so that his proposed capital gains tax would be acceptable. Later on he shifted again and decided he really did not want a capital gains tax at all unless he could get those exemptions. The Premier twisted and turned his way through, as did the member for Mitchell, who during the comments of the Leader of the Opposition made his position very clear in so much as he said he supported a capital gains tax. He was then required to spend 30 minutes justifying his position in such a way as to try to convince the farmers in his electorate that, while he was in favour of a capital gains tax, on reflection, because he had so many farmers in his electorate, he would have to modify his position. For 30 minutes we saw the member for Mitchell try to do that.

An Opposition Member: He was roasting on the grill.

Mr CASH: Absolutely! He was roasting on the grill. He said he favoured a capital gains tax and then five minutes later said, "I made a mistake, I forgot that I represent many farmers who oppose that tax. I am going to modify my position in the hope that the member for Vasse does not circulate my comments." For much of that 30-minute period the member for Mitchell tried to tell the House that he clearly understood section 26AAA of the Federal Income Tax Assessment Act. While he may be a lawyer, it seemed to me to be very obvious he did not spend a lot of time studying that Act. He certainly did not convince the House that he has a real understanding of those sections of the Income Tax Assessment Act.

My understanding of the people of Australia is that they are calling out to the Federal Government and the State Government for less taxation and not more taxation. How this Government can come in here and propose to support a Federal Government that wants to increase taxation is beyond me. I simply do not understand the priorities of the State Government. I do understand that if spending continues at the rate shown by both this State Government and the Federal Government, there is a need to raise revenue; but I would put it to the House that if the Government were dinkum about reducing income tax and reducing the need for a capital gains tax, it would get out of those enterprises in which it is involved at the moment, enterprises which should rightfully be handled by the private sector.

One of them was discussed this afternoon. I refer to the entry of the Western Australian Development Corporation into the tailings operation at Paynes Find.

Mr Court: That was a good debate, wasn't it?

Mr CASH: The Deputy Premier when he rose took 30 or 40 minutes trying to convince us that to receive \$1 a tonne from the WADC for the tailings at Paynes Find was in fact better than receiving \$4 a tonne from a private sector operator. I was not convinced with his argument. In fact, it is fair to say that not only the Opposition, but also the House as a whole was totally confused by the argument he put forward.

Mr Laurance: That is called economic dyslexia.

Mr CASH: The member for Gascoyne is absolutely right.

Mr Thompson: It is that sort of mathematical capacity that makes Labor people Treasurers. It is because they reckon that \$1 is better than \$4.

Mr CASH: I understand and recognise the comments of the member for Kalamunda. It is a pity the Premier is not here because I wish to go on to something that flows from that. I am sure it will interest the member for Kalamunda. In talking about the ability of our current Treasurer and Premier, I recall an incident that occurred at the City of Stirling some five years ago when I was a member of the finance committee. The now Premier came to the City of Stirling on behalf of one of the soccer clubs in his electorate. He came to the finance committee and said that he needed an additional \$16 000 to put the roof on a soccer club pavilion. The finance committee said that it had given the club \$60 000 and asked what had gone wrong. The Premier said that it had overspent its budget and went on to say that the real problem was that he had gone guarantor for the club and that the bank was now saying that he had to kick in the \$16 000. The finance committee said that that was not unreasonable. Anyone who signs a form as guarantor is expected to come forward with or make good any funds that are over-budget. The now Premier and Treasurer of Western Australia advised the finance committee that he had not understood what being a guarantor was all about. I am sure that if that proposition is put to him, he will recall quite clearly the muddle that he was in before the finance committee of the City of Stirling four or five years ago.

Mr Court: That is the Treasurer of this State.

Mr CASH: It was the Treasurer of this State who argued before the largest local authority in Western Australia that he was sorry but that he needed another \$16 000 for his club to put the roof on its pavilion and that he did not understand the legal liability or responsibilities of a guarantor.

Mr Blaikie: That's not the same bloke who had flat batteries in his calculator?

Mr CASH: I am afraid so.

Mr Pearce: That is totally untrue and nobody would believe it.

Mr CASH: In view of that particular incident it is not unreasonable to expect that the Treasurer would be somewhat confused as to whether he was supporting a capital gains tax. Obviously we saw that this afternoon when he had three separate goes at it.

Mr Old: It is not a bad way to get money though, is it?

Mr CASH: It is not a bad way. I just advise the member for Katanning-Roe that the City of Stirling was so embarrassed that a member of the State Parliament, its future Premier and Treasurer as it turned out, should—

Mr Thompson: Do you think they thought he was going to be a future Treasurer at that point?

Mr CASH: We had some doubt at that stage, but decided that it would be only proper to serve the good interests of the soccer club and write it off as a bad experience.

Mr Thompson: I do not know how many mistakes you have made in your life, but that was one of them.

Mr Bertram: What happened about the \$16 000? That's all I want to hear.

Mr CASH: The member for Balcatta can calm down because I assure him that we kicked in the \$16 000.

Mr Bertram: That's all that mattered, wasn't it?

The SPEAKER: Order! The House will come to order and the member for Mt Lawley will speak to the motion before the House.

Mr CASH: Thank you, Mr Speaker. Getting back to the motion, I am suggesting—

Mr Bertram interjected.

Mr CASH: With your indulgence, Mr Speaker, I have to deal with the member for Balcatta because he seems to think that his Government should be proud of the fact that

the now Premier and Treasurer of Western Australia four or five years ago did not understand the responsibilities of a guarantor. That is an extremely strange and interesting situation.

The SPEAKER: Order! The motion before the Chair deals with capital gains tax and a request from the Opposition. I do not know that it involves anything to do with a soccer club.

Mr CASH: In speaking to the motion moved by the leader of the Opposition, I make it quite clear that the United States in recent weeks has recognised that capital gains taxes do not encourage incentive. As the member for Nedlands said, they are certainly not the engine for economic growth. In fact, in recent weeks in the United States we have seen that that country has cut in half the taxation rate that it applied in respect of capital gains. I would have thought that that in itself would have been a sufficient message to members of the State Government to recognise that capital gains tax is a disincentive which will do nothing but cause problems for the economy of Australia.

We heard the Premier mention that he was in favour of the recent Federal Government regulation that abolished negative gearing. It interests me that the Premier should say that he was thus in favour when the matter was raised by interjection, when I have an article which clearly shows that the Minister for Housing stated in this House just the other day in answer to a question without notice that in fact he was negotiating with the Federal Government to have that negative gearing regulation cancelled or amended. A recent newspaper report states—

Thousands of Western Australians will be denied the chance to build a nest egg for their retirement if negative gearing gets the axe . . .

The Real Estate Institute of WA, backing State Housing Minister Keith Wilson's plan to lobby Canberra on controversial tax reform issues, warned that it was the small investor who would be hit the hardest.

I do not understand how the Premier on the one hand can say that he favours the abolition of negative gearing and on the other hand, one of his Ministers, the Minister for Housing, who is at the moment meant to be concentrating on lowering interest rates can stand up in this House and tell us that he is negotiating with the Federal Government for the cancellation or

amendment of that negative gearing regulation. It just does not add up. That is the very point about the arguments that have been put forward by the Government tonight in respect of a capital gains tax.

Mr Acting Speaker, I wanted to make some remarks to you as the member for Mitchell and remind you that although you suggested originally to the Leader of the Opposition that you favoured a capital gains tax you later spent some time trying to retract that statement. The Federal Minister for Agriculture was recently reported in *The Australian* of 28 August 1985 as, firstly, warning of a tax backlash.

The article states—

The Minister for Primary Industry, Mr Kerin, yesterday warned the Federal Government against introducing a "full blooded" capital gains tax because of the potential electoral backlash from the rural community.

Mr Kerin said he was opposed to such a tax, which could clearly be shown to be a disadvantage to the rural sector.

You must accept, Mr Acting Speaker (Mr D. L. Smith), that it was somewhat confusing when you made the comment that you did support such a capital gains tax. It was argued in Federal Parliament that if the Federal Government were to introduce a capital gains tax, in fact it would probably lose no fewer than 10 rural seats because of the way the farming community felt about that particular tax.

The Australian Democrats have also come out in recent days with a statement in respect of the capital gains tax. In *The West Australian* of 27 August 1985, an Australian Democrat, Senator Macklin, suggested that—

A capital gains tax in its present form would savagely penalise the farming sector because many families would have to sell their farm to pay the tax at a time when their family structure is at its most vulnerable.

So very clearly the Australian Democrats are prepared to realise the danger of a capital gains tax and its effect on the rural community. In recent days many statements have been made regarding the proposed capital gains tax. In *The Australian* of 10 August this year, it was reported that—

The Real Estate Institute of Australia has come out fighting against a capital gains tax in a special brochure released this week.

Its president, Mr Kevin Sullivan, says people must be made aware of the appalling social consequences of the tax.

It is a very important point that income tax was once a penny in the pound, and it is true to say that no-one has ever heard of taxes being reduced.

The capital gains tax that is proposed by the Federal Government is obviously supported by this State Labor Government, and whether or not it is in a modified form, it is only the beginning of the Federal Government's ability to raise additional moneys by way of this particular tax. The exception that you, Mr Acting Speaker, made in respect of modification of the tax was not unreasonable, but I think that you would accept that once the modification proposed to the capital gains tax is in fact imposed, it could be amended at any time. We would then be left with what Mr Kerin describes as a "good capital gains tax" which would destroy the rural industry.

Mr Laurance: Putting his foot in his mouth while in the Chair.

#### *Withdrawal of Remark*

The ACTING SPEAKER (Mr D. L. Smith): I would ask the member for Gascoyne to withdraw that remark; I find it offensive.

Mr LAURANCE: I withdraw.

#### *Debate (on motion) Resumed*

Mr CASH: Mr Acting Speaker—

#### *Points of Order*

Mr THOMPSON: It seems to me that it is inappropriate for a Deputy Chairman of Committees or an Acting Speaker who has spoken in a debate to then go into the Chair to preside over the continuation of that same debate.

Mr EVANS: I think that the member for Kalamunda has a lot of gall to take advantage of the position in which you, Mr Acting Speaker, now find yourself through no fault of your own. My point of order is that the member for Kalamunda took an advantage to which he had no right.

Mr Old: Get to the point. What Standing Order does that point of order come under?

The ACTING SPEAKER: I suggest to the member for Katanning-Roe that if he wishes to address the Chair he should stand and continue his remarks.

Mr Old: I was just interjecting. I thought the member for Warren should name the Standing Order under which he raised that point of order.

The ACTING SPEAKER: Does any other member wish to speak on a point of order?

Mr TONKIN: I noted the comments of the member for Mt Lawley and I accept that, when the person in the chair has contributed to that debate, a subsequent speaker may in fact wish to refer to that earlier contribution. It occurred to me that the correct way to do it would be for the member to refer to comments made by the member for Mitchell rather than directing his remarks directly to the Chair because, quite obviously, he is in the Chair in a different capacity. It may be right, as the member for Kalamunda says, that it would be best if the person who had contributed to the debate did not sit in the Chair, but we cannot order things in that way because at times people are absent. I am not saying that it may be better not to do so, but it is a longstanding practice of this House for all kinds of members to be Deputy Chairmen of Committee—I was one myself—and I suggest that the best and most tactful way to deal with that subject would be to refer to comments made by the member for Mitchell rather than directing matters to the Chair, because the Chair cannot, and should not, reply.

#### *Acting Speaker's Ruling*

The ACTING SPEAKER (Mr D. L. Smith): There is no rule that prevents a person who has spoken in a debate from taking the Chair. I agree with the Leader of the House that it is an unwise practice, but there will always be circumstances in which it will occur through no fault of either the speaker or the person who has participated in the debate and then goes into the position of Acting Speaker. It is one thing to comment on whether or not it is a wise course, and another to impute a motive to the Acting Speaker, or to someone else, in relation to the way that occurred, and that is why I asked the member for Gascoyne to withdraw his remarks because he was reflecting on the Chair and the motive for the Acting Speaker being in the Chair, rather than the wisdom of the event itself.

#### *Debate (on motion) Resumed*

Mr CASH: If I could just make my position clear, you will remember, Mr Acting Speaker, that when I stood up to participate in this debate and, in fact, you became the Acting

Speaker, I made the point that I was put at somewhat of a disadvantage and I did not want to reflect on the Chair in any way whatsoever.

The ACTING SPEAKER: Your remarks were in order and I take no offence from them.

Mr CASH: If it is that I feel the need to refer to your earlier comments, I will take the advice of the Leader of the House and refer to the Acting Speaker as the member for Mitchell.

I have quoted from recent Press reports that have condemned the proposed capital gains tax that the Federal Government has suggested it would introduce. I would like to quote another item from a newspaper which referred to the fact that the proposed capital gains tax may push up interest rates. I am sure this House is particularly concerned about that. Recently the Minister for Housing was asked just what he was doing to try to hold interest rates down and he was battling to answer, but the point is that if a capital gains tax were to be introduced in Australia, it is very obvious that it would force interest rates up. I quote from *The Australian* of 5 August, in which the Australian Chamber of Commerce is reported as follows—

In its Budget submission to the Federal Government, the chamber says a capital gains tax or an extension of the wealth tax will have "a severe adverse effect" on capital formation and use.

The overriding objective in the preparation of the Budget should be ensuring maximum incentive to the private sector to stimulate real economic growth.

I guess that really sums up my criticism of the Federal Government's intention to introduce a capital gains tax and my criticism of this Government which appears to support the Federal Government's moves. A capital gains tax will have the effect of imposing additional tax on the Australian work force. It will provide less incentive and it will also allow for higher spending by the Federal Government. That is not a particularly good way to go and it will have adverse effects on the economy.

The Premier's argument that anyone who opposes capital gains tax is selfish and short-sighted, and belongs to a special interest group, is not good enough. The Prime Minister of Australia invited all special interest groups to join him in Canberra at a tax summit to discuss taxation in Australia. Those special interest groups gave the Prime Minister and the Government a message. That message obvi-

ously was not explained to the Premier of WA who clearly is prepared to support higher taxes and the introduction of a capital gains tax.

Mr MacKinnon: He cannot do anything else. He is already a high-taxing Premier.

Mr CASH: That is right. A high-taxation, high-spending Government must support additional taxation. I make the point that I do not think it is good enough for the Premier to come here and bellow and flay the Opposition for standing up for what the majority of the taxpayers in Australia want.

The Opposition has an obligation to represent the views of the people and it recognises that the people of WA and throughout Australia want lower taxes. We suggest that one way to achieve those lower taxes is to eliminate all those public operations that could quite capably be handled by the private sector.

I support the motion.

MR COWAN (Merredin) [9.32 p.m.]: The National Party supports the motion moved by the Leader of the Opposition. I was present when Senator Walsh spoke at a forum held recently in Perth which related to the farming costs squeeze and even the form of capital gains tax espoused by him, which I understand involves only real capital gain, assessed after inflation is taken into account; and at the time of realisation. In itself this may not appear to be large in terms of monetary or capital gain, it would be taxed only at comparable income tax rates. That is quite a dilution of the form of capital gains tax where the entire income earned from any sale of capital or asset is in fact taxed. Nevertheless, the fact that this capital gains tax is to be imposed threatens the entire family farming tradition upon which Australian agriculture is based. Traditionally these farms are handed down from one generation to another. At the moment the land and the assets of that farm are transferred from one generation to another and this proposed capital gains tax would apply. Mr Acting Speaker (Mr D. L. Smith), I am sure you would be aware of this point because you represent a rural constituency. I inform the House that currently agricultural land values are the lowest they have been for approximately 15 to 20 years. Taxation values can only improve, and if the capital gains tax is applied after the end of this month it is clear that appreciable real capital gains paid on any transfer of the capital assets of a farm from one generation to another or indeed to another producer will be imposed. It is a tremendous burden upon an already

overburdened section of Australian industry. I refer of course to agriculture and to those businesses which support that industry because, like farmers, businesses also have suffered a depreciation of the capital value of their businesses and if there is a recovery there will be a real capital gain and a tax will be applied to them which will be intolerable and certainly will not be able to be paid.

The Premier made the comment that the tax summit failed because of the selfish short-sightedness of sectional interests—I think I wrote his remarks down accurately—which prevented a shift in the tax base. I put it to the House that in fact the whole motive of the tax summit was designed purely for selfish reasons on the part of the present Federal Government.

Everybody is aware that more than half the Australian work force will move within the next 12 months or so into the marginal income tax bracket of 46c in the dollar. There will be much resentment against that. The present Government wanted to do everything it possibly could to remove the burden of personal income tax to the great number of people who would fall into that high income tax bracket. It wanted to shift the whole of the tax base away from personal income tax onto indirect taxes in the knowledge that while the level of Government revenue from taxation would not change, it would be based on indirect taxation. People do not necessarily attribute the blame for indirect taxes to the Government as much as they do in the payment of personal income tax. The whole reason for the tax summit and for the Commonwealth Government's desire to shift the tax base from personal income tax to an indirect position was a selfish one designed to give it an opportunity to retain the Treasury benches in Canberra.

I suggest to the House that the Federal Government called the tax summit in the first place for very selfish motives. If members want any proof of that suggestion all they have to do is look at who was represented at the tax summit. The people who were responsible for the generation of wealth, especially farmers and small businesses were conspicuous by their absence. However, those people who represented the majority of the Australian work force who are to be elevated to that 46c in the dollar personal income tax bracket were represented in very large numbers indeed.

Of course, the other reason that the Federal Government had to maintain the level of taxation rather than to look at tax reform on the basis of lowering taxation revenue from all

sources was that it had a Budget deficit which had to be reduced. Alternatively it had some fairly wasteful expenditure programmes which it had to maintain and for that reason it could not say, "We are going to implement tax reforms which will reduce the level of taxation. We are going to introduce taxation reforms which will only shift the tax base itself and will not adjust in any way at all total taxation income."

I suggest that the Commonwealth Government could reduce its expenditure quite substantially if it wanted to.

The ACTING SPEAKER (Mr D. L. Smith): Order! There is too much audible conversation in the Chamber. Please desist.

Mr COWAN: I am not completely certain of the number of Commonwealth Government departments which operated from Canberra when federation first commenced, but I understand it was about seven. I defy anybody in this House to tell me how many Commonwealth departments, Government departments, statutory authorities, or commissions are operating out of Canberra. The simplest thing that could be done by the Government is to reduce its expenditure and eliminate all those Commonwealth Government departments which duplicate the services already existing in the State. It would not be a very difficult task, and it would reduce quite substantially the size of Canberra and the amount of taxation revenue that that particular area consumes.

For the information of this House, Canberra now has a population which is far larger than the total population involved in agriculture, a national industry. There are more people living in Canberra, feeding off taxation than there are people working in agriculture trying to generate wealth for this nation. I think we should address this problem rather than try to fiddle with the taxation system if this country is to get anywhere.

The National Party supports the motion moved by the Leader of the Opposition.

MR BLAIKIE (Vasse) [9.43 p.m.]: I also wish to make some comments on the very timely motion moved by the Leader of the Opposition. Let me say that I wholeheartedly support his motion, which is very important and deserves the support of members of the House because only speakers from the Opposition side have pointed out the dire consequences that people in Western Australia will face should the Commonwealth Government proceed with a capital gains tax. There are many people in

many areas of the State who will definitely be financially and socially disadvantaged if a capital gains tax were introduced into Australia.

I ask members to cast their minds back a few short years to the time when this State and the Commonwealth were subject to death duties or a probate tax, as it was called, in the respective States. A very responsible approach was taken by the Court Government at the time, and it brought about the abolition of probate tax.

The ACTING SPEAKER: Order! There is still too much audible conversation in the Chamber. I ask that it cease.

Mr BLAIKIE: There was a move by the Court Government—

Mr Stephens: They were forced by a National Country Party coalition, if you would like to put the facts correctly. It was first indicated that the abolition of probate would be a condition of coalition, and the Court Government said that there was no way it would change its tune.

Mr BLAIKIE: The member for Stirling can have whatever view he likes. It was the Court Government that introduced legislation repealing probate duties; and the legislation had the support of all members on the Government side at the time. I am not sure how the Opposition voted, but that was the case. It was the Premier, Sir Charles Court, and his Government who abolished probate, and to whom the member for Stirling referred as having a change of heart. I was glad because it was a very important measure.

Mr Stephens interjected.

The ACTING SPEAKER: The member for Stirling will cease interjecting.

Mr BLAIKIE: Death duties were a total imposition on the rural community, and people in the business community were affected. I am aware of families where property was in the name of a senior member of the family, the husband or father, who passed away and who, on his death, left the property to his wife who then passed away some 12 months later. Those families had to pay double probate duties. With your extensive knowledge of the legal world you, Sir, would have come up against cases where the emotional effects of probate duties affected people in the rural community. It was an important step that Governments took the challenge and were prepared to do away with taxes after death. We made progress and the people of Western Australia and Australia as a whole benefited.

The Australian Labor Party has an unswerving philosophy of distributing wealth. It hurts ALP members to learn of people who have accumulated wealth and are able to keep it. The Australian Labor Party sees it as its goal to take away the money from successful people who have gained it through diligence and hard work. The Government goes and distributes it to the people who are less fortunate.

For my part I have great sympathy for the people who have not made their way. One must encourage people to be successful and tax them in a reasonable and responsible way so the people less fortunate can be looked after; but those who have made the grade are put down. I believe that will be a result of capital gains tax. I have more to say about that.

One of the horns of the dilemma is that the Australian Labor Party is a Government that looks for social reform and it wants to hand out

to the masses millions of dollars it takes away from those people who have made the grade and are successful.

When one looks at what has happened under the Commonwealth Budget recently introduced and the impact it will have on Western Australia, one can understand the thinking of the Australian Labor Party in Government as to why it has to get new taxes and tear down those people who have made the grade in order that it can fulfil its election commitments and philosophical ideals.

I now wish to quote one section of the Budget statement issued by the Federal Treasurer in August of this year. It relates to the budget outlines for social security and welfare. I seek leave to incorporate a graph relating to social security and welfare.

*By leave of the House, the following material was incorporated—*

Table 6—Commonwealth Government Budget Outlays (\$m)—

	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86 (estimate)
<b>4. SOCIAL SECURITY AND WELFARE—</b>											
Assistance to:											
—The Aged (c).....	2 236	2 562	3 025	3 311	3 593	4 023	4 610	4 995	5 445	5 795	6 196
—Veterans and their Dependents.....	565	659	795	855	960	1 187	1 323	1 710	2 024	2 323	2 519
—The Handicapped.....	469	581	687	793	901	1 006	1 125	1 245	1 462	1 710	1 967
—Widows & Single Parents.....	462	542	652	752	846	1 069	1 323	1 486	1 719	1 956	2 141
—Families.....	294	1 057	1 075	1 037	1 054	1 000	1 097	1 451	1 634	1 681	1 662
—The Unemployed and Sick.....	776	748	951	1 076	1 121	1 256	1 524	2 609	3 341	3 449	3 495
Other Social Security and Welfare.....	230	218	238	271	309	379	482	394	785	919	1 098
<b>TOTAL SOCIAL SECURITY AND WELFARE.....</b>	<b>5 031</b>	<b>6 367</b>	<b>7 425</b>	<b>8 095</b>	<b>8 784</b>	<b>9 920</b>	<b>11 484</b>	<b>14 090</b>	<b>16 410</b>	<b>17 833</b>	<b>19 077</b>
<b>5. HOUSING—</b>											
Net Advances to the States and NT.....	343	350	362	285	135	140	108	252	330	359	442
Grants to the States and NT.....	20	18	16	31	124	127	124	192	360	595	624
Assistance to First Home Owners.....	7	8	35	20	72	45	115	150	242	306	294
Defence Service Homes.....	47	29	40	35	—81	9	88	82	36	35	—8
Housing in the Territories (d).....	112	107	39	—13	—21	—26	—19	—10	—14	—6	2
Accommodation for Aborigines nec.....	30	28	25	29	33	30	9	10	14	16	17
Other Housing.....	—13	—9	—7	—	—26	4	17	20	22	23	27
<b>TOTAL HOUSING.....</b>	<b>545</b>	<b>532</b>	<b>510</b>	<b>386</b>	<b>236</b>	<b>329</b>	<b>440</b>	<b>696</b>	<b>989</b>	<b>1 328</b>	<b>1 397</b>
<b>6. URBAN AND REGIONAL DEVELOPMENT NEC, THE ENVIRONMENT AND SEWERAGE AND SANITATION</b>											
Urban and Regional Development nec.....	193	121	103	66	70	42	16	45	51	—19	—23
Protection of the Environment.....	3	2	1	3	6	7	5	10	13	16	15
Sewerage and Sanitation.....	160	102	39	4	—	—3	—3	6	1	—4	—3
General Administration.....	42	38	37	27	22	25	25	28	33	40	49
<b>TOTAL URBAN AND REGIONAL DEVELOPMENT NEC, THE ENVIRONMENT AND SEWERAGE AND SANITATION.....</b>	<b>398</b>	<b>263</b>	<b>180</b>	<b>100</b>	<b>97</b>	<b>72</b>	<b>43</b>	<b>88</b>	<b>98</b>	<b>33</b>	<b>38</b>
<b>7. CULTURE AND RECREATION—</b>											
Broadcasting and Television.....	169	169	171	180	201	257	324	354	399	458	524
Other Culture and Recreation.....	84	88	90	107	120	145	160	168	214	298	325
<b>TOTAL CULTURE AND RECREATION.....</b>	<b>253</b>	<b>258</b>	<b>262</b>	<b>288</b>	<b>320</b>	<b>402</b>	<b>483</b>	<b>522</b>	<b>613</b>	<b>757</b>	<b>849</b>

(c) See 'Notes on Tables' regarding changed arrangements for grants to the States for pensioner accommodation.

(d) Outlays under this heading from 1978-79 onwards relate only to the ACT.

*Debate (on motion) Resumed*

Mr BLAIKIE: I refer to two figures at this stage because the graph will show the detail in *Hansard*. In 1975-76 the total payout for social security and welfare totalled \$5 billion.

In 1985-86 the estimated payout will be \$19 billion. In that 10-year period the percentage increase will be in the order of 280 per cent. There is an increased payment of \$14 billion dollars. Is it any wonder that the Government continually proposes additional taxes and new taxes to satisfy the ever-growing demand for its social reform policies? It cannot keep going because people are being taxed out of their businesses.

The Government will find that its foray into the capital gains tax arena will be ill-fated as much as it was ill-fated at the ill-conceived tax summit which ended in a fiasco.

In discussing the new proposal for a capital gains tax it is also very important to see the recent tax innovation introduced by the Australian Labor Party. The innovation occurred only months ago. I believe that what occurred at that time in relation to the assets test will be mirrored if the Government proceeds with the introduction of a capital gains tax. The assets test has already been described in *The Australian* of 6 April as "a second great depression for farmers" bearing in mind that the Government said the assets test in Western Australia would affect only some 4 000 people receiving a pension out of a total of 170 000 people. The numbers we are talking about, therefore, are not great. However, it was enough for the columnist in that newspaper to take up the cudgel and say that the assets test would be the second great depression for farmers.

The imposition of a capital gains tax on the rural community and on the small business community will have the same effect. I ask members to look at what happened in relation to the introduction of the assets test and how it was implemented.

In October last year a questionnaire booklet was sent to people who would be subjected to the assets test. Can members imagine what happened when pensioners aged 65, 70, or 75 who may have had some assets received a document which was 42 pages long and which included about 90 questions? That question-

naire asked pensioners to answer the questions to see whether they were eligible to have the assets test applied to them and caused concern and confusion. However, the Labor Party found that there were anomalies in its assets test proposal. To its credit, because of a pending election, the proposal that was introduced in October was changed in November and the family home which was to be a part of the assets test was subsequently taken off that test. Further changes were made again in March of this year when it was introduced. Later, when the assets test had been up and running for a couple of months, the Labor Government heeded the request for more substantial changes to be made.

Although there have been four different changes to the test it is still iniquitous and is still causing hardship. It should be removed from the Australian scene. It is discriminatory and grossly unfair. Worse than that, its unfairness attacks those people who have saved and who have shown a degree of thrift when approaching their twilight years.

There is a parallel between the application of an assets test and the new capital gains tax. I was disturbed, on doing the research for this debate, to find that comparison. In *The West Australian* of 11 May of this year Paul McGeough wrote a feature article about the assets test. I believe that article is relevant to the debate we are having now. The article states—

The Federal Government's crowing that the assets test had deprived all of 12 millionaires of the old-age pension caused only anger among those hit hardest by Canberra's wealth checks.

Is that not precisely what a capital gains tax will also achieve? It is a tax on wealth and the accrued savings of some people when they sell off an asset. The article concerns me because it indicated the lack of understanding, certainly of Federal politicians and the lack of understanding that the Australian Labor Party has for the rural community. The secretary of the Victorian Farmers and Graziers Association, Des Crowe, said that if the Government's fine-tuning failed to remove the iniquity, the test should be scrapped. He then went on to say that the association was telling affected farmers to apply for relief under the hardship provisions of the test. However, last year the Minister for Primary Industry, Mr Kerin, said that

where children were working a farm they were to inherit from pensioner parents, the property would be exempted from the test.

The article continued—

There has been criticism within the Government of the handling of the test, with one prominent back-bencher saying its administration "has not exactly been a triumph for the Hawke Government".

All those comments can be related to the assets test. The Government's electoral chickens will all come home to roost because of the discrimination this will cause.

I go back to a simple example of small business. Members should be able to picture a situation of a husband and wife seeing a corner delicatessen for sale. They have some savings and decide to buy it. In purchasing and operating that delicatessen, those people are prepared to work hard. They do not receive wages or special conditions or a 37½ hour week. They are not paid for four weeks' holiday, sick leave, or holiday pay loading. Their work effort is tied up in the sale of that property when they sell it. If the Government introduced a tax on goodwill through a capital gains tax, those people would be severely disadvantaged. They have worked within the system but have not abused it.

The farming community will be disadvantaged in a similar way. I have experience of this with my own family because my wife and I worked on the farm. My children also worked on the farm and were not paid any wages because we were not in a position to do so. The farming community in the Brunswick district has developed a way of life over the years and its assets are tied to the land. Whatever gain is made from the land is not necessarily in terms of wages or the costs of running a family but rather the profit from the end sale should the property ever be sold. If the property is not sold it passes to the children and then the children's children. That is a turn-over of assets. The Government has already attacked the assets of the elderly in a very harsh and reprehensible manner. It is proposing yet again to attack capital.

The ACTING SPEAKER (Mr D. L. Smith): Order! There is too much audible conversation in the Chamber and it is difficult for the *Hansard* reporter to record the debate.

Mr BLAIKIE: If capital gains are attacked in the same manner the system will completely disadvantage those people who have worked

very hard and particularly those who have been self-employed. The Australian Labor Party will wreak havoc in the small business community and it will do so at its own electoral peril.

It is no use the Premier or the member for Mitchell giving support for a qualified form of capital gains tax. Either there is a capital gains tax or there is not; members of the Australian Labor Party either support it or they do not and will vote for it or not. It is similar to the question of land rights: One cannot have a form of land rights; one either supports it or one does not. The question is as clear and simple as that.

The members of the Australian Labor Party in this Parliament will have this can to carry in the same way as they will carry the can on land rights whether it is introduced in Western Australia or Canberra. There can be no qualifications as to whether it will be a modified, tailored, or tapered version of capital gains tax. On this side of the House we say there is no room in Australia for a capital gains tax; it is a tax on incentive and initiative which we totally reject.

With those comments I completely support the motion moved by the Leader of the Opposition.

#### ABATTOIRS: MUDGINBERRI DISPUTE

##### *As to Suspension of Standing Orders*

MR STEPHENS (Stirling) [10.03 p.m.]: I move, without notice—

That so much of Standing Orders be suspended as would prevent me from moving that Notice of Motion No. 7 be now taken.

I am aware that the debate that has been before the Chair is an important one and views on it have been canvassed from both sides of the House. It is also quite clear that the Government intends to oppose it so that the motion will not be carried.

##### *Points of Order*

Mr TONKIN: If I can believe what I heard on the address system, I understand we have a debate in progress and the member for Stirling has moved that Standing Orders be suspended.

Such a motion cannot be in order because we have a matter before the Chair which must be adjourned or disposed of in some way or another. I am not very impressed with the member for Stirling for trying this on. It is clear

that he is trying to pull a fast one and I suggest that you, Mr Acting Speaker, rule him out of order.

Mr STEPHENS: On a further point of order a precedent has been created for this situation. I refer to pages 5454 and 5455 of *Hansard*, volume 5, 1981-82. On that occasion the then Leader of the Opposition, now the Premier, moved without notice that so much of Standing Orders be suspended as would prevent the Leader of the Opposition moving a motion.

Mr MacKinnon: That was during question time and there was no motion before the Chair.

Mr STEPHENS: I suppose I am entitled to put my point of view and if the Deputy Leader of the Opposition wishes to speak I am sure the Speaker will give him the call. Incidentally the then Premier, Sir Charles Court, took a point of order and after consideration—the Speaker of the day rang the bells and gave it due consideration—the Speaker made the following ruling—

It appears to me I cannot uphold the Premier's point of order. Clearly the practice has been for motions to suspend Standing Orders to be accepted and moved when there has been other business before the House, but not when this interrupts a member who is speaking at the time.

Mr Tonkin: There was no other business before the Chair.

Mr STEPHENS: There was other business before the Chair; it was question time.

Mr Hassell: You are trying to cut off a debate in which your own colleague has spoken.

Mr STEPHENS: I submit that a precedent has been created and it is on that point that I move for the suspension of Standing Orders.

### *Speaker's Ruling*

The SPEAKER: I understand the member for Stirling has moved to suspend Standing Orders. I have ruled on previous occasions that while there is business before the House the opportunity to do so is not available to any member of the House.

## **TAXES AND CHARGES: CAPITAL GAINS TAX**

### *Abandonment: Motion*

Debate resumed from an earlier stage of the sitting.

MR HASSELL (Cottesloe—Leader of the Opposition) [10.08 p.m.]: In reply in this debate I wish firstly to thank my colleagues and the member for Merredin for their support of the motion. I shall not speak at great length in reply because the ground has been very well-covered by a number of members on this side of the House. However, I do want to point out that tonight's debate, which I think has been a good debate, has done precisely what the Opposition set out to do. It has brought to a head and finally defined the position of the Government in relation to a capital gains tax. That position has been made abundantly clear by the Premier and by the only other speaker for the Government, the member for Mitchell. Very simply expressed, it is that with certain qualifications the Government supports a capital gains tax. That stands in sharp, dramatic and precise contrast to the Liberal party and the Liberal position. We are absolutely and unequivocally opposed to a capital gains tax and I am delighted that the Federal parliamentary party has made the decision to oppose a capital gains tax in the Federal Parliament. The Federal parliamentary leader, Mr Peacock, has announced also that on its return to Government the Liberal Party will repeal any new capital gains tax that is introduced by the Labor Party with the support of its cohorts, the Australian Democrats. Not only has Mr Peacock announced that publicly but also I have discussed it with him and he has reaffirmed to me personally that that is a clear and unequivocal commitment of the Federal Opposition, approved by the shadow Cabinet, shadow Ministry and the Federal parliamentary party.

We give our total support to them in their opposition to a capital gains tax. It was our hope today that the Government would declare its support for the motion and would be prepared to respond in a genuine way to the public opinion which has been so clearly shown. Instead we have seen an attempt on the part of the Government to justify a position which, when it is all boiled down, without the Premier's convoluted arguments, shows that the Government supports a form of capital gains tax with some qualifications.

The Premier spent much of his speech trying to weave a web of complication around the debate by picking up an interjection to which I responded in a few words, misrepresenting them. He then tried to draw up an alleged difference between the member for East Melbourne

and myself over an issue which has precisely nothing to do with the motion before the House.

Not only did the Premier do that in the debate, but he also conjured up, very quickly and almost in desperation, a couple of Dorothy Dix questions in question time when deliberately and clearly with malice aforethought he misrepresented what I had said and what it meant.

I am not going to use any of the appropriate epithets which ought to be applied to the Premier, except to point out that it is part of his stock-in-trade to tell half-truths and to misrepresent.

Today he was at his desperate best in that arena. He was desperate because he finally had to face up to the truth and to the reality that all the world can hear and see on the record that he supports a capital gains tax. That will be an issue in the State election, because the whole taxation question is an issue in the State election. The Premier's performance on taxation here and in Canberra will be an issue at the State election.

Let me first of all clarify and put on the record what exactly was said by me in relation to the issue of the existing provisions of the law relating to capital gains taxes. If one refers to the *Hansard* proof which I have checked and which appears to me, with minor corrections, to be accurate, the debate went like this: I said that of course there should be no capital gains taxes. The member for Mitchell interjected to say, "Would you do away with the existing provisions for capital gains tax?"

I then said—

This motion is about a new capital gains tax; that is what I am talking about. Why does the member not tell the House whether he supports a capital gains tax? He and his colleagues have been asked this question over and over again. Why does he not tell the House right now whether he supports capital gains tax?

The member for Mitchell interjected again and said—

As soon as you answer my question which was asked first. Would you abolish the existing capital gains tax?

Now, that was a misconceived interjection because I have no power to abolish existing capital gains taxes, but he did put that question and I responded. These were the precise words I used, and they were the only words I used in

relation to the issue raised by the member for Mitchell. It shows what a litany of misrepresentation and downright lies were told by the Premier in relation to what I said. These were the very simple words I used and the only words I used on the issue raised by the member for Mitchell. I said, "I would like to see all capital gains taxes removed."

That was the position I stated. I did not mention the sections; I did not mention any contrasts between capital gains and taxes on income. I raised no issue about abolishing income taxes or stopping tax avoidance or tax evasion. I simply said very clearly that I would like to see all capital gains taxes removed.

That was the very simple sentence upon which the Premier managed to weave this trail of untruths which he unquestionably did. He did it in question time because he wanted the media to pick up his misleading answer at a time when I had no opportunity to reply. That is another of the tactics which he practices nearly every day in this House. He has a Dorothy Dix question put; he then misrepresents the position of the Opposition; he then attacks his own misrepresentation at a time when the Opposition has no chance to reply.

Unfortunately for him, tonight there is a chance to reply. There is a *Hansard* record, and it shows very clearly and precisely what the Premier has done. It shows the lies he has told. It is as simple as that. It is as blatant and as dishonest as that. In question time and in the debate, he told lies about what I said. When he was finally challenged after the *Hansard* transcript came into my possession—I have been right through it and those are the only words I used in direct terms about the issue raised—he started to talk about it at length, and he quietly moved to back away. I have seen him do that a number of times by repeating the misrepresentation in a slightly different form each time he moves away from the original force of the misrepresentation.

The Minister for the Environment, who is listening at this time, knows this method of the Premier because he has been one of the Premier's opponents and one of his victims.

Mr Davies: I learnt it from Charlie Court. He was an old master at it.

Mr HASSELL: I know that the Premier tonight has systematically and deliberately told untruths. Of course it is not the first time but it is one of the rare occasions when it has been possible to show what he has done, and one of those rare occasions when the Opposition has a

chance to reply. Like the coward he is, he does it over and over again when there is no chance to reply. The Premier has not had the courtesy to remain for the balance of the debate, but his absence is not going to inhibit me from giving the reply which I am entitled to give to his misrepresentations and untruths.

It is there clearly on the record and every member of the Government, whatever he is saying, whatever he is squealing about now, knows full well that the Premier misrepresented and told deliberate untruths in this House tonight on several occasions in regard to what I said about the capital gains tax. I stand by what I said, and I do not retract it at all. I would like to see all capital gains taxes removed, and, for the same reasons, they are incapable of any honest misrepresentation, or misinterpretation in support of tax evasion. My remarks were not capable of being honestly misrepresented, as suggested; they are not capable of being honestly interpreted as being in support of tax evasion; they are not capable of being honestly represented as suggesting that I support people making profits without taxation, profits which really ought to be taxed. I am simply saying that I do not believe in capital gains taxes, and neither does any of my colleagues on this side of the House. We are opposed to a capital gains tax and we want to stop, if we possibly can, the introduction of any new capital gains taxes in Australia. The Federal Treasurer said very clearly what he is going to do.

I want to relate this question to a factual situation which relates to my own family history. It is like the family history of millions of ordinary Australians. When I was born in 1943 my family lived in a rented house in South Perth—I believe it was rented; I do not think we ever owned it. We left there when I was four years old.

The SPEAKER: Order! The Leader of the Opposition cannot introduce any new material.

Mr HASSELL: I am responding to arguments about the capital gains tax.

The SPEAKER: The Leader of the Opposition has been here long enough to be acquainted with the rules of the House. Members are allowed to make a point but they cannot introduce new information or new data into a debate.

Mr HASSELL: All right, Mr Speaker, I will not go on to that subject other than to point out that millions of other ordinary Australians are now about to be affected by capital gains tax.

The recovery of a family from the disaster of the Depression where it lost everything depended on the capacity to make capital profits in the years of the family's working life. That is the simple point about a capital gains tax which the Government really should try to understand. It is about the future of Australia; it is about the sort of country we are going to have; it is about whether we are heading down a path where more and more people will become dependent on the State.

We will undoubtedly get wealthier as a nation; we will be choosing whether we get wealthier at one pace—a slow pace with a capital gains tax and all these other tax burdens—or at a much faster pace. We will be choosing whether we are aiming for self-sufficiency and independence, or whether in fact we see the State as the fount of all support and where people go for their sustenance. That is the choice involved in a capital gains tax. It is not simply about the immediacy of profit, although it will have a tremendous impact on that issue. It is about the direction that this country is going to take.

This Labor Party and these Labor members can put on all the qualifications they like; they can try to cover their tracks for the election by saying, "Well, we want a capital gains tax but we don't want it on small business, we don't want it on farmers, and we don't want it on anybody else it is going to hurt."

Then the Labor members can dash around to the small business people and say, "We do not want a capital gains tax on you", and they can say the same thing to the farmers. Why should one group be exempted as against another, if we are to have a capital gains tax? Why should a taxi driver, who pays \$25 000 for his plates today, and then when he eventually comes to sell them—we must remember he probably does not have any superannuation—have to pay a capital gains tax on the increase in value of the plates that actually represent his nest egg? Why should the farmer be exempted when the storekeeper, the restaurateur, the chemist, and other people in business are not? The talk about exempting farmers, which has come up from Mr Kerin and from the member for Mitchell tonight, is simply temporary expediency; it is put up to try to help the Labor Party win the principle of capital gains tax. Those members know that if a capital gains tax system is introduced, at the end of the day—maybe in three years, maybe five, it does not really matter because we are talking about the long-term future—it will apply to every-

body. It will eat away profits and make it hard for people to become really self-sufficient in capital. It will strengthen the strength of Government, and it will strengthen a system of dependence on the State in which everyone is reduced to the lowest common denominator and people are discouraged from winning for themselves independence, and a capital independence at that.

That is the philosophical choice involved in this issue. It shows up so precisely and clearly the difference between Labor and Liberal. We believe in private enterprise and while the ALP may have taken, for temporary political purposes, the clothing of private enterprise, underneath it is still following a socialist philosophy. It is still the old politics of envy in which the objective at the end of the day is to achieve a situation of democratic—as it is called—socialism, where everybody is uniformly, equally, at the same low level of economic dependence.

That is the issue tied up in this debate and it has been a good debate, because it has shown so clearly that vast gulf between two political philosophies. It allows us to go forth with great confidence to the electors of this State and to be able to put forward the private enterprise philosophy, knowing that that philosophy, that belief, will now be seen more sharply and more clearly because of the contrast with the socialism that the Labor Party supports through its support of a capital gains tax.

In a very real sense the debate today and tonight brings to an end the attempt by this Government over the past 2½ years to characterise and present itself as a reformed socialist party that now believes in private enterprise. It clearly is not reformed, and it does not at heart believe in private enterprise.

Members opposite can put up all the arguments in the world, as the Premier did, about the tax package and say they support it because it is part of a package which will give relief. They can argue the way the member for Mitchell did and say that Australia is seventeenth on the scale of taxed nations but the people who pay taxes on wages are third on the scale. The Government can wriggle around with all those things but it cannot escape, and never will escape, the fundamental question: Does it believe in the private enterprise system or not? Clearly the Government at heart does not believe in it.

Mr Bryce: Which socialist US President introduced a capital gains tax?

Mr HASSELL: I am not interested in the US. It will determine its own future. The United States is a sovereign, independent nation, and so are we. I am concerned about our future and the direction we are going to take as a nation. I am absolutely convinced that the directions being taken now are the wrong directions. We need to get back to those simple beliefs which allowed this country at one stage to be in the forefront of the world's economies and not lumbering along way behind as we are now.

Mr Bryce: After seven years of Fraser.

Mr HASSELL: I am not defending everything Mr Fraser did. I have my very strong views about Mr Fraser's performance in Government, and frankly in a number of areas he let us down. I have said so before.

Mr Bryce: He likes blackfellows; I bet you don't like that.

Mr HASSELL: I am not debating that issue tonight; I am debating the future direction of Australia, and in that debate we saw clearly the direction the Government would like to take.

The member for Mitchell and the Premier said that we had opposed a capital gains tax without ever proposing a course of action. They have remarkably short memories because they publicly attacked the course of action we put forward. To remind members of the Labor Party of the stance we took in relation to the tax summit I will outline our position again.

Firstly, we said there should be no tax summit as planned and as put into operation. We always opposed the tax summit because we knew its outcome would be the debacle, disaster and failure that it was. I remind members of the Labor Party sitting opposite that in Australia we elect Parliaments and Governments to govern, and they will never succeed in replacing that process with these summits. They will never work successfully in that way.

Secondly, we said that if there was to be a summit and the Government was committed to it the summit must give consideration to expenditure as well as taxation. One cannot validly consider tax reform, by which I mean tax reduction, unless one is prepared to cut his cloth by cutting expenditure.

Thirdly, we said this whole matter should be approached on the basis of the Government writing not just a white paper on taxation, but more particularly a white paper on expenditure. It has to be acknowledged that the reduction of expenditure is an extremely difficult

process and one which in a material sense is more in need of consensus and understanding than taxation reform.

It is very easy to talk about cuts in expenditure but hard to get people to accept them. One of the classic examples of that can be found in the years of the Fraser Government when Mr Fraser introduced family allowances in succession to the old child endowment scheme. From memory, that new system cost about \$1 000 million in its first year and it rapidly became a burden. A couple of years later Mr Fraser and his Government decided they should think about whether they could make real and sensible cuts by subjecting family allowances to a means test. There was a tremendous community outcry and backlash against it.

Middle class Australia said to the Fraser Government, "You must not get rid of the family allowances or subject them to a means test." That illustrates the difficulties. I will finish shortly, Mr Speaker.

The SPEAKER: The Leader of the Opposition is straying.

Mr HASSELL: I am responding very directly to what the member for Mitchell and the Premier said. I am answering their point that we did not put a case. We have put a case and I am now trying to put it on the record.

No-one is prepared to accept cuts in his own backyard; everyone wants them in somebody else's backyard. That is the difficulty. We said the tax summit should not be held, but if it was it should look at expenditure. We said there should be a white paper on expenditure so there could be genuine public debate about the difficulty of that issue and maybe some glimmering of understanding of where cuts should be made.

It is very hard to get people to accept that, but a job must be done on it because some day, and it is not far away, Australia will have to face up to the fact that there must be expenditure cuts. That was our view of the summit, and we put it forward in a positive way. We disagreed with the Federal Liberal Party to the extent that we never accepted its proposition for the introduction of a broadly based consumption tax. That was not because we believed it may not be appropriate but because we took the stance that we take now—Australia does not need any new taxes and it will be disadvantaged by such taxes. Australia needs fewer taxes, and that is genuine tax reform. That can only be brought about by people being

prepared to face up to the issue of expenditure. We have opposed all new taxes in the current economic situation; in particular, we have opposed a capital gains tax.

Tonight we have asked the House to ask the Federal Government to abandon its capital gains tax proposals. The Labor Party has made it clear that it will not do so, and it will defeat the motion. It has defined the issues and achieved the objective and demonstrated for all the world to see that the Labor Party in Western Australia supports a capital gains tax. All the qualifications in the world and all the careful wording will not escape the ultimate conclusion and responsibility—the Labor Party supports a capital gains tax; we absolutely oppose it.

Question put and a division taken with the following result—

#### Ayes 16

Mr Blaikie	Mr Laurance
Mr Bradshaw	Mr MacKinnon
Mr Cash	Mr Mensaros
Mr Court	Mr Old
Mr Cowan	Mr Stephens
Mr Coyne	Mr Trethowan
Mr Grayden	Mr Tubby
Mr Hassell	Mr Crane

(Teller)

#### Noes 23

Mr Barnett	Mr Hughes
Mr Bateman	Mr Jamieson
Mrs Beggs	Mr Tom Jones
Mr Bertram	Mr Pearce
Mr Bridge	Mr Read
Mr Bryce	Mr D. L. Smith
Mrs Buchanan	Mr P. J. Smith
Mr Terry Burke	Mr Tonkin
Mr Carr	Mrs Watkins
Mr Davies	Mr Wilson
Mr Evans	Mr Troy
Mr Hodge	

(Teller)

#### Pairs

Ayes	Noes
Mr Thompson	Mrs Henderson
Mr McNee	Mr Taylor
Mr Peter Jones	Mr Gordon Hill
Mr Williams	Mr Burkett
Mr Watt	Mr Parker
Mr Clarko	Mr Grill
Mr Rushton	Mr McIver
Dr Dadour	Mr Brian Burke

Question thus negatived.

Motion defeated.

### ADJOURNMENT OF THE HOUSE: SPECIAL

MR TONKIN (Morley-Swan—Leader of the House) [10.43 p.m.]: I move—

That the House at its rising adjourn until Tuesday, 17 September at 2.15 p.m.

**MR HASSELL**, (Cottesloe—Leader of the Opposition) [10.44 p.m.]: The Opposition is opposed to this motion. It represents another example of the dishonesty and hypocrisy of this Government. Less than a week ago we spent a whole day in this House debating the suspension of Standing Order No. 35 which has required, since time immemorial, that the Parliament should debate the Address-in-Reply before dealing with Government legislation and Government business.

During the length of that debate last Thursday the Leader of the House repeatedly told the House that it was necessary and desirable to pass that unprecedented motion, which breached the traditions and procedures of this House, because of the importance and urgency of getting on with Government business. The Leader of the House told us that over and over again. Now, less than a week later, the Parliament is to be adjourned on a Wednesday so that the Government can engage in party politicking in the Swan Valley on the Thursday.

There is absolutely no reason that this House should not sit tomorrow. There is no reason that it should not go on with normal business tomorrow as was planned and I believe that it should be doing just that.

**Mr Barnett:** You come here and do it. We will not be here.

**Mr HASSELL:** If the member for Rockingham is suggesting that he will leave the House with the Opposition in charge of the numbers, the Opposition would be only too pleased to do it; in fact, it would be delighted to do it.

We would have a pretty good day because we would put a few things in order. Today, the Premier took himself to the Dowerin Field Day.

**The SPEAKER:** Order! If the member wishes to debate this matter he should stick to the motion.

**Mr HASSELL:** I was talking about the handling of the business of the House. I was adverting to the fact that the Premier was away today for a perfectly legitimate purpose about which no-one could complain. He was paired and that is the way the business of the House is conducted and how it should be conducted tomorrow. However, the Government does not want to sit in this House. It has made it clear that it wants to bring the session to an end and it is trying every device and means possible to get out of the place. It wants to be out of this

place tomorrow probably because it is the day before Ronald Joseph Dodd is released from gaol.

I can understand the Government's concern about being once more subjected to questions about its shameful and deplorable conduct in that matter. However, that does not justify its actions. The Government is simply messing around. It is playing politics. It is up to its neck in the conduct of the business of Parliament. Those politics should take place tomorrow in this Parliament.

Parliament will not be sitting tomorrow because the Government does not want to front and it does not want to front for a very strange reason. Either the Government was telling the truth six days ago when it said it had important business to deal with or it was telling untruths because the whole situation could not have turned around in those six days.

We have dealt with a total of two Bills in that time. If that is the extent of the important Government business that should have been dealt with, it could have been accommodated as it has been for years; that is, by putting through the usual motion in co-operation with the Opposition to allow the genuinely urgent Bills to go through. Exactly what the Government has achieved this week could have been achieved without the performance of last Thursday. However, a day was wasted last Thursday debating something about which the Government was clearly in the wrong and it was done on specious grounds, now proven to be absolutely untrue. It was a misrepresentation of the truth.

Let the Leader of the House tell us why, a few days later, urgent business that caused the Government to suspend the Standing Orders of this House now does not have any urgency at all.

**Mr Tonkin:** You will see the urgency after the recess.

**Mr HASSELL:** We will, will we? Why is the House not sitting tomorrow?

**Mr Tonkin:** The House is not sitting tomorrow for the Government's own good reasons. The Premier had a pair to go to the Swan Valley tomorrow. It has nothing to do with the Premier.

**Mr HASSELL:** What are the good reasons?

**Mr Tonkin:** We have business to attend to.

**Mr HASSELL:** Is that not disgraceful and dishonest.

The Government is making a joke of Parliament and trivialising it. The Government tells us a cock and bull story about how important it is to get Government business dealt with and six days later it walks away from this sitting of Parliament as though it meant nothing. That shows the extent of the sincerity of the Government. It shows the extent of its honesty and the extent to which it treats this Parliament with absolute contempt. The Government is hoist with its own petard. It has been caught out being dishonest again. Members of the Government are dishonest all the time.

We oppose the motion because we believe that a motion of this kind should be moved at the end of the sitting tomorrow night.

**MR MacKINNON** (Murdoch—Deputy Leader of the Opposition) [10.50 p.m.]: I join with the Leader of the Opposition in opposing the motion. I ask members to reflect on a couple of facts. Those facts speak for themselves when we debate this motion and the sincerity with which the Government must be looking at this issue. Firstly, just to reflect on the question raised by the Leader of the Opposition, Standing Order No. 35 was considered to be vitally urgent when the Government moved to suspend that Standing Order. But I ask members which urgent Bills have been debated today in the Parliament since that time? The two Bills debated were the Electoral Amendment Bill and the Parliamentary Papers Amendment Bill. They are the only two Bills to have passed through this House. Was either of those matters urgent?

**Mr Tonkin:** Yes.

**MR MacKINNON:** Perhaps the electoral legislation was urgent because included in it was the proposal to shorten the time in which one can give notice of a State election from seven weeks to five weeks. That is probably the reason that Bill was considered urgent.

There is no urgency from the Government's point of view for the Parliament to sit, or so it appears; yet a week or so ago it thought there was.

**Mr Tonkin:** That motion would still apply after the recess.

**MR MacKINNON:** The manner in which the Government deals with the Parliament is also evident when we consider postponed questions today. Thirty-two questions have been postponed. We will now not get the answers to those questions for almost two weeks. We are not sitting next week. It will be the following Tuesday before that information comes to

hand. The Government's attitude tonight is clear. It really does not place any importance on the role of Parliament. It treats the Opposition with disdain. It is its view that the Opposition has no role to play. We have a role to play and we intend to play it. We intend to question the Government and to get the answers to the questions that we want answered. For example, why does the Government continually refuse to tell us how much it is paying Keith Gale? Why does the Government continue to refuse to tell us why it will not answer questions about Mr Gale's expense account at the Parmelia?

**The SPEAKER:** Order! You must confine your remarks to the general subject.

**MR MacKINNON:** Mr Speaker, I am endeavouring to indicate that the suspension of the Parliament seriously disadvantages its work and that of the Opposition which cannot obtain information to which all Western Australians are entitled. It is not as though we have nothing to debate. The Assembly Notice Paper has 19 Orders of the Day. I guarantee that within the next two months, towards the end of the session, we will sit here until 2.00 a.m., 3.00 a.m. or 4.00 a.m. The Government will then say that we are delaying the procedures of the House. Why will we sit until such early hours of the morning? The answer is that we will do so because we are not sitting when we should be on a normal sitting day; that is, tomorrow.

The Government may not want to come to Parliament, but I can assure it that the Opposition does. There has already been a move in the Parliament this evening by the member for Stirling to bring forward a motion to be moved by my colleague, the member for Katanning-Roe, relating to rural hardship. I assure the Government that we are concerned about that issue. We would like to debate it tomorrow.

If the Government has no issues to debate, the Opposition certainly has. At least six or seven members wish to speak on the Address-in-Reply and those members are entitled to put their points of view on such an important debate which gives them the opportunity to speak on any item they wish. The Government has no valid reason for the Parliament's not sitting tomorrow. It is simply to allow the Government to play its political games and clearly we will have no part of it. We oppose the motion.

**MR OLD** (Katanning-Roe) [10.56 p.m.]: This is the most discourteous thing ever to have happened in this House. It was common

knowledge yesterday that we would not be sitting tomorrow? but the Leader of the Opposition was not officially advised until this afternoon when he received a letter. I know that each member of the Labor Party received a letter early this morning advising that the House would not be sitting on Thursday.

The Government has shown complete contempt for the workings of the Legislative Assembly and it is time that it developed some reasonable manners in its running of the House.

Last Tuesday we were informed by the Leader of the House that certain Bills were to be debated on Thursday, none of which has yet been debated. Therefore, the workings of the House leave much to be desired.

I suggest that in future, if the Government feels that the members need a holiday, it should consult the Opposition.

Mr Tonkin: As you always did!

Mr OLD: The members opposite were always consulted when we were in Government. We were given a schedule of sitting dates indicating two weeks' holiday in the first six weeks of Parliament, a period which I believe is sufficient; one week of the school holidays and one week for the Royal Show. School has now broken up earlier than anticipated. The Government does not want one week's holiday, it wants 13 days. It is a nice ploy and I believe it involves the great gathering tomorrow in the Swan Valley. According to the Leader of the House the holiday is required for urgent business and it will be interesting to see what the urgent business is.

We oppose the motion.

MR STEPHENS (Stirling) [10.57 p.m.]: The National Party also opposes the motion. We are rather disconcerted at not having been informed in plenty of time about what was taking place. More importantly, the Government may consider the business on the Notice Paper is not urgent, but I assure the Government that the National Party considers that Notice of Motion No. 7, a motion concerning law and order, is of critical importance and should be discussed by this House as soon as possible. I tried to raise the matter this evening at the end of a long debate. If for no other

reason than that, the Government should sit tomorrow to discuss this important issue. A strike has been going on in the Northern Territory for 113 days.

Mr Tonkin: It is not within this Parliament's jurisdiction.

Mr STEPHENS: That is true, but I hope the Leader of the House will acknowledge that the Government can have some influence on the Federal Government, and this motion calls on the House to urge the Federal Government to uphold the law of the land.

The SPEAKER: Order! The member cannot debate that point.

Mr STEPHENS: I do not want to debate it, but I do want to point out the reason that National Party considers we should not have a holiday tomorrow. I am indicating some of the urgent business to which this House should give its attention.

I am at a loss to understand why the Government suddenly finds it necessary to have a holiday on Thursday. A schedule of sitting dates has been circularised yet this afternoon the Leader of the National Party received a letter indicating that Parliament would not sit tomorrow. No reason was given. I was told about this at lunchtime yesterday by one of the staff of Parliament House and, of course, that is the usual method by which we receive advance information.

However, we indicate that we are opposed to this. As a matter of fact I am also opposed to knocking off at this early hour because there is a motion which should be debated.

Question put and a division taken with the following result—

Ayes 23

Mr Barnett	Mr Hughes
Mr Bateman	Mr Jamieson
Mrs Beggs	Mr Tom Jones
Mr Bertram	Mr Pearce
Mr Bridge	Mr Read
Mr Bryce	Mr D. L. Smith
Mrs Buchanan	Mr P. J. Smith
Mr Terry Burke	Mr Tonkin
Mr Carr	Mrs Watkins
Mr Davies	Mr Wilson
Mr Evans	Mr Troy
Mr Hodge	

(Teller)

Noes 16		Pairs	
Mr Blaikie	Mr Laurance	Ayes	Noes
Mr Bradshaw	Mr MacKinnon	Mrs Henderson	Mr Thompson
Mr Cash	Mr Mensaros	Mr Taylor	Mr McNee
Mr Court	Mr Old	Mr Gordon Hill	Mr Peter Jones
Mr Cowan	Mr Stephens	Mr Burkett	Mr Williams
Mr Coyne	Mr Trethowan	Mr Parker	Mr Watt
Mr Grayden	Mr Tubby	Mr Grill	Mr Clarko
Mr Hassell	Mr Crane	Mr McIver	Mr Rushion
		Mr Brian Burke	Dr Dadour

(Teller)

Question thus passed.

*House adjourned at 11.03 p.m.*

# QUESTIONS ON NOTICE

277 and 337. *Postponed.*

## STATE FINANCE: BUDGET

### *Services and Contracts*

352. Mr MacKINNON, to the Deputy Premier:

- (1) Will he list for me the amounts that have been paid to date, and to whom they were paid, under the heading "Professional Services—Consultancies" as listed in answer to question 1797 of 15 November?
- (2) Will he detail for me the nature of the work completed for each amount expended?

Mr BRYCE replied:

- (1) and (2) Consultancies were carried out on behalf of the Government into the following areas—

Information Technology  
Biotechnology  
Technology Policy  
Telecommunications  
Social Impact of Technology  
Electronics  
Venture Capital  
Marine Technology  
Promotion  
Mining Technology  
Environmental Technology

The consultancies were carried out by the following—

	\$
Access Computing	101 429
Centre for Applied Business Research	64 954
Price Waterhouse & Associates	34 032
Coopers and Lybrand	11 703
Clough Engineering	9 369
Arthur Young & Co	9 147
Teleresources	7 232
Linden Paterson	7 125
SITUPONS	6 580
Kelvin Willoughby	6 000
Fermco	5 845
R. Nussey	4 616
International Congress of Medical Technologists	4 037
W.A. Contract Programmers	4 025
Stanford Research Institute	3 765
Dr. Hashimoto	3 434
Sharley Hames	2 800
Robert Siegel	2 600
L. Madnavarao	2 520
Bryant Media Plan	2 481

	\$
Electrics Industry Assoc.	2 100
Film & Television Institute	2 000
New Era Marketing Services	2 000
Department Industry, Technology & Commerce	1 600
Information Delivery P/L	1 200
G. Melrose & Associates	1 050
Social Impacts	1 000
M. C. Pinnell	500
Australian Videotex Industry	500
C.P. Bird	450
W.A. Information Technology Month Committee	400

## INDUSTRIAL DEVELOPMENT: WA DEVELOPMENT CORPORATION

### *Aluminium Smelter: Investment*

353. Mr MacKINNON, to the Premier:

What were the total costs incurred by the Western Australian Development Corporation on its proposal to invest in the south west smelter development?

Mr BRIAN BURKE replied:

I am advised that the Western Australian Development Corporation made disbursements of \$274 210 to 30 June 1985 in relation to engineering and financial feasibility studies, environmental studies to obtain necessary environmental clearances and other sundry expenses.

## TRADE

### *Exim Corporation: Subsidiaries*

377. Mr HASSELL, to the Premier:

What are all the subsidiary companies of Western Australian Exim Corporation Ltd?

Mr BRIAN BURKE replied:

The only operating subsidiary of Exim is WA Livestock Holdings Pty Ltd. However, if the member wishes to take the opportunity of receiving a full briefing on Exim's activities, I would be pleased to approach the board as I have outlined in the reply to question 376 of 3 September 1985.

390 and 407. *Postponed.*

**TRADE: EXIM CORPORATION**

*Information: Users*

410. Mr MacKINNON, to the Premier:

Referring to question 248 of 27 August 1985, who is to be the ultimate user of the information gathered by Exim?

Mr BRIAN BURKE replied:

No final decisions have been made and no firm arrangements have been entered into.

**PRISONER: RONALD JOSEPH DODD**

*Cabinet Discussions*

415. Mr MacKINNON, to the Minister representing the Attorney General:

(1) Was the matter of the parole of Ronald Joseph Dodd referred to the Cabinet for discussion?

(2) If not, why not?

Mr GRILL replied:

(1) No.

(2) Cabinet has given the Attorney General a broad discretion to deal with parole matters, including a discretion as to which cases should be the subject of Cabinet submissions.

**AGED PERSONS**

*Albany Cottage Scheme Inc.*

416. Mr WATT, to the Minister for Housing:

(1) Has he received an application from the board of management of Albany Cottage Scheme Inc. for financial assistance for additional units at "Boronia Court" at Albany?

(2) When will a decision be made on the request?

(3) As the board has already paid out \$688 for an engineer's report, would he take this into account when considering the matter?

Mr WILSON replied:

(1) Yes.

(2) The board of commissioners considered the application and having regard to overall demand and funding availability, deferred the matter for consideration in the 1986-87 programme.

(3) As indicated in (2) above the board of commissioners' considerations are on the basis of providing priority to a State-wide programme. I understand that Homeswest has reimbursed the Albany Cottage Scheme the \$688 for its engineer's report.

**LOCAL GOVERNMENT GRANTS COMMISSION**

*Membership*

417. Mr CASH, to the Minister for Local Government:

(1) Who are the current members of the Western Australian Local Government Grants Commission and which organisations do they represent?

(2) What amount was received by the Local Government Grants Commission in respect of both—

(a) Element A; and

(b) Element B funds,

for the following years—

(i) 1978-79;

(ii) 1979-80;

(iii) 1980-81;

(iv) 1981-82;

(v) 1982-83;

(vi) 1983-84;

(vii) 1984-85?

(3) What percentage rate applied to—

(a) Element A; and

(b) Element B funds,

for the following years—

(i) 1978-79;

(ii) 1979-80;

(iii) 1980-81;

(iv) 1981-82;

(v) 1982-83;

(vi) 1983-84;

(vii) 1984-85?

Mr CARR replied:

(1) Members of the Grants Commission

Dr Michael Wood, Chairman

Mayor Ray Finlayson, nominee of the Country Shire Councils Association.

Cr Peter Willmott, nominee of the Local Government Association.

Mr Michael Harding, nominee of the Secretary for Local Government.

Mr John O'Dwyer, nominee of the Under Treasurer.

(2)	Element	Element
	A	B
1978-79	13 478 119	3 369 530
1979-80	14 574 460	6 246 197
1980-81	22 594 315	5 648 579
1981-82	26 356 139	6 589 035
1982-83	27 900 593	11 957 397
1983-84	12 939 067	30 191 155
1984-85	13 705 222	31 978 851

(3)	Element	Element
	A	B
1978-79	80 per cent	20 per cent
1979-80	70 per cent	30 per cent
1980-81	80 per cent	20 per cent
1981-82	80 per cent	20 per cent
1982-83	70 per cent	30 per cent
1983-84	30 per cent	70 per cent
1984-85	30 per cent	70 per cent

418. *Postponed.*

### TOURISM COMMISSION

*Chairman: Acting*

419. Mr LAURANCE, to the Minister representing the Minister for Tourism:

- (1) Was the position advertised when Mr Basil Atkinson was appointed as Acting Chairman of the Western Australian Tourism Commission at a salary of \$30 168 per annum?
- (2) If not, why not?
- (3) Is it intended to make this position a permanent position?
- (4) If so, when?
- (5) Will applications be called for the position at that time?

Mr BRIAN BURKE replied:

- (1) No.
- (2) It was not considered necessary to advertise the position.
- (3) Mr Atkinson will continue as Acting Chairman of the Western Australian Tourism Commission.
- (4) and (5) Not applicable.

### TOURISM COMMISSION

*Managing Director: Advertisement*

420. Mr LAURANCE, to the Minister representing the Minister for Tourism:

- (1) Was the position advertised when Mr Brett Goodridge was appointed as the Managing Director of the Western Australian Tourism Commission?

- (2) If not, why not?

Mr BRIAN BURKE replied:

- (1) and (2) Refer to answer to question 2891 of Tuesday, 2 April 1985.

### GOVERNMENT EMPLOYEES: PUBLIC SERVANTS

*Appointments: Advertisements*

421. Mr LAURANCE, to the Premier:

- (1) Is it Government policy to appoint departmental heads and chief executives of Government agencies to these senior positions without advertising the position and calling for applications?
- (2) Why was Mr Brett Goodridge appointed as Managing Director of the Western Australian Tourism Commission on a salary of approximately \$70 000 per year plus expense allowance and a motor vehicle without advertising the position and interviewing other potential candidates?
- (3) Have any other positions of departmental head or chief executive officer of any other Government agency been filled in this way in the life of the current Government?

Mr BRIAN BURKE replied:

- (1) Public Service Board policy provides that appointments to positions of permanent head within the Public Service may be made without calling for applications.
- (2) See reply to question 2891, Tuesday, 2 April 1985.
- (3) Yes. Direct appointments have been made to the Public Service positions of—

Director General, Department of Premier and Cabinet.

Under Treasurer.

Executive Director, Department of Administrative Services.

## EDUCATION: TERTIARY

*Western Australian College of Advanced Education: Student Teachers*

422. Mr WATT, to the Minister for Education:

- (1) How many students were enrolled through the Western Australian College of Advanced Education for the Diploma of Teaching (Primary) in each of the past three years?
- (2) In each of those years, how many were enrolled from—
  - (a) the Great Southern region;
  - (b) the South West region;
  - (c) the Goldfields region; and
  - (d) the Midwest region?
- (3) What reasons are given for not offering at least the first year, but preferably the full course, in regional colleges of Technical and Further Education?
- (4) Is it fact that a primary teaching course was conducted at Broome for some three years in recent times?
- (5) If so, which years, and how was it conducted?

Mr PEARCE replied:

(1) Year	Enrolments
1982	1 566
1983	1 661
1984	1 631

- (2) The information is not available.
- (3) There are financial and educational constraints on the offering of Diplomas of Teaching (Primary) in regional colleges of technical and further education.
- (4) Yes.
- (5) The programme commenced in 1983 and is expected to conclude at the end of this year.

This programme was provided externally for a group of Aboriginal students at Broome with a full-time coordinator paid by the Department of Aboriginal Affairs. Tutorial assistance was provided in some specialist units funded by the Commonwealth Department of Education.

Five non-Aboriginal students were also admitted to the programme once the funding was established.

## FINANCIAL INSTITUTIONS

*Interest Rates: Legislation*

423. Mr CASH, to the Treasurer:

- (1) Does he intend to introduce legislation into the current session of Parliament to control home-loan interest rates?
- (2) If "No", what other methods are available to the Government to ameliorate interest-rate hardship?

Mr BRIAN BURKE replied:

- (1) The Government is monitoring the home interest rate situation closely and is concerned to avoid hardship for existing home-loan borrowers, while ensuring the continued availability of funds for home purchasers. Any action to be taken by the Government will be announced in the normal way.
- (2) The Government, through the State Housing Commission, has a range of measures in place to assist people to purchase their homes and provide relief for home purchasers suffering hardship. These measures are the responsibility of the Minister for Housing and I will arrange for him to forward the member details.

424 and 425. *Postponed.*

## EDUCATION: PRIMARY SCHOOL

*Dianella: Year 5 Students*

426. Mr CASH, to the Minister for Education:

When may I expect an answer to my letter dated 24 July 1985, which sought advice on the lack of teaching continuity for Year 5 students at Dianella primary school?

Mr PEARCE replied:

The answer has been prepared and should be received through the mail before the end of this week.

## MINISTER FOR PLANNING

*Hon. Peter Dowding*

427. Mr CASH, to the Premier:

- (1) Was Hon. Peter Dowding, MLC, Minister for Planning on 16 August 1985?

- (2) If "No", will he advise Hon. Peter Dowding, MLC of this fact in view of Mr Dowding's continued use of the title, "Minister for Planning", which appears at the foot of a letter dated 16 August 1985 and which details recently approved Community Employment Programme projects?

Mr BRIAN BURKE replied:

- (1) No.
- (2) Advice of approval of community employment programme projects was inadvertently forwarded to members on old stationery. This matter has since been rectified.

#### TOMLINSON STEEL LTD

##### *Restructuring: Government Involvement*

428. Mr HASSELL, to the Minister for Industrial Development:

- (1) What has been the involvement of the Government, and through what agencies (Western Australian Development Corporation, Exim, etc.), in the restructuring of Tomlinson Steel operations in Western Australia?
- (2) (a) Has any guarantee or financial assistance been granted;
- (b) if so, under what terms and to what monetary value?

Mr BRYCE replied:

- (1) The Department of Industrial Development has been involved in discussions to bring the parties concerned together to retain the capability and capacity of the Tomlinson works in Western Australia.
- (2) (a) No guarantee or financial assistance has been granted; however, the Government has supported the activities of the parties concerned to enable the transaction to be put into effect.
- (b) Answered by (a) above.

#### FORESTS

##### *Logging: Lane-Poole Reserve*

429. Mr RUSHTON, to the Minister for Conservation and Land Management:

- (1) Has the Department of Conservation and Land Management made any agreement with any company that will

allow that company to obtain timber resources within the Lane-Poole recreation zone?

- (2) If "Yes" what is the name of the company?
- (3) If "No" to (1) will he assure the House that no such agreement will be made prior to final approval and adoption of the Lane-Poole Reserve Management Plan?

Mr DAVIES replied:

- (1) No.
- (2) Answered by (1).
- (3) If bauxite mining takes place over part of the recreation zone, an arrangement will be made to remove the sawlogs first.

#### LAND: NATIONAL PARKS

##### *Logging: Government Policy*

430. Mr RUSHTON, to the Minister for Conservation and Land Management:

Is it Government policy to allow logging in national parks?

Mr DAVIES replied:

No.

#### FORESTS

##### *Northern Jarrah Forest: Logging*

431. Mr RUSHTON, to the Minister for Conservation and Land Management:

- (1) Is it a fact the Premier in his Press statement of 4 December 1984 announcing the setting up of the jarrah reserves indicated that no logging would occur in the conservation zone of the reserves?
- (2) What is meant by the term "salvage logging" used by the Department of Conservation and Land Management?
- (3) Will he assure the House that no logging will occur in the conservation zones of the reserves including that termed "salvage logging"?
- (4) How much of the 96 000 hectares is zoned recreation and how much is zoned conservation?
- (5) In which areas of the new reserves are these zones located?

Mr DAVIES replied:

- (1) Yes.

- (2) Removal of sawlogs of a standard below that acceptable to a general purpose mill.
- (3) Yes.
- (4) Allocation of zones to the 96 000 ha jarrah reserve system has not been completed.
- (5) Answered by (4).

432. *Postponed.*

#### HOUSING: RENTAL

*Arrears: Kellerberrin*

433. Mr COWAN, to the Minister for Housing:

- (1) What rental arrears if any, are owed to the State Housing Commission for the following premises in Kellerberrin—
  - (a) 4 Watt Street;
  - (b) 136 Massingham Street;
  - (c) 138 Massingham Street;
  - (d) 142 Massingham Street;
  - (e) 3 Hanley Place;
  - (f) 89 Hammond Street?
- (2) If maintenance records are kept by the Commission what has been paid by the Commission for repairs and maintenance for each of these homes in the time they have been occupied by the present tenants?
- (3) Have there been any instances where it can be shown that the tenants have indulged in antisocial behaviour which could lead to their eviction?
- (4) (a) Have any eviction notices been sent to the tenants of these homes;
- (b) if "Yes", what was the reason?

Mr WILSON replied:

- (1) to (4) The member's question seeks information which specifically identifies individuals.
- Irrespective of whether the landlord is private or public I do not believe that it is proper to divulge information on matters which are of a personal tenant/landlord nature.
- However, I will ensure that the Regional Manager of Homeswest at Merredin makes arrangements to discuss any concerns the member has about the premises concerned in

Kellerberrin, and provides me with a full report of the outcome of the discussion.

434. *Postponed.*

#### DECISION MAKERS' LUNCHEON

*Number Attending*

435. Mr HASSELL, to the Premier:

- (1) In reference to the reply to question 272 of 27 August 1985, how many people attended the decision makers' luncheon held on 10 July 1985 in the Grand Ballroom of the Merlin Hotel?
- (2) Was the cost of obtaining the services of Phillip Adams met entirely through the \$25 fee charged of guests attending that luncheon?

Mr BRIAN BURKE replied:

- (1) 480.
- (2) Yes, the costs of obtaining Mr Adams' service were listed in the reply to question 272.

436. *Postponed.*

#### MEMBER FOR PERTH

*Overseas Trips*

437. Mr HASSELL, to the Premier:

- (1) On how many occasions during the past year has the member for Perth travelled interstate or overseas other than in his—
  - (a) capacity as a private citizen;
  - (b) capacity as a private member using standard private members' travel entitlements?
- (2) What, in each case, were the occasions and where?
- (3) What was the cost incurred for—
  - (a) travel;
  - (b) expenses?

Mr BRIAN BURKE replied:

- (1) to (3) In accordance with the practice adopted by the previous Government, I am not prepared to place demands on staff to undertake considerable research in extracting and collating the information requested. However, should the member have any reason to believe that travel or other expendi-

ture of an unauthorised or unnecessary nature has been taken, then he should let me have specific grounds for his belief and I will have them investigated.

438. *Postponed.*

### SEWERAGE REVENUE

#### *Country*

439. Mr BLAIKIE, to the Minister for Water Resources:

- (1) What has been the total collection from—
  - (a) country sewerage;
  - (b) country drainage,
 in each year since 1980?
- (2) What is the expected collection in the 1985-86 year?
- (3) (a) Further to (1) would he advise whether there have been any changes to any drainage or sewerage districts in the years under review;
  - (b) if so, would he detail?

Mr TONKIN replied:

(1) (a) and (b)		
Year	Sewerage	Drainage
	\$	\$
1979-80	3 873 480	427 454
1980-81	4 868 430	462 251
1981-82	5 893 058	558 060
1982-83	6 927 236	653 609
1983-84	8 721 479	715 315
1984-85	9 825 557	853 821

- (2) The 1985-86 expected collection from country sewerage is \$10 514 900, and from country drainage it is \$884 100.

- (3) (a) Yes;
  - (b) Drainage: The Preston River Drainage District has been abolished and areas excised from the Wungong, Collic River, and Wilson Torbay Districts. The Bengier Drainage Board was also abolished and the area included in the Harvey Drainage District.
- Sewerage: The Albany, Mandurah-Murray, and Halls Creek areas have been reconstituted. New areas that have been declared are—

Denmark, Lake Argyle, Bremer Bay, Corrigin, Dampier,

Cranbrook, Eneabba, Tom Price, Fitzroy Crossing, Meckering, Paraburdoo, Yanchep, Kalbarri, Bridgetown, Leonora, Broome, Margaret River, Dunsborough and Binningup.

### DRAINAGE REVENUE

#### *Busselton*

440. Mr BLAIKIE, to the Minister for Water Resources:

- (1) What were the collections from the Busselton drainage district in the financial years—
  - (a) 1982;
  - (b) 1983;
  - (c) 1984;
  - (d) 1985?
- (2) What is the expected amount to be collected during this current financial year?

Mr TONKIN replied:

- (1) (a) 1981-82—\$113 142;
- (b) 1982-83—\$131 436;
- (c) 1983-84—\$161 991;
- (d) 1984-85—\$201 727.
- (2) \$215 500.

### CONSERVATION AND LAND MANAGEMENT DEPARTMENT

#### *Aircraft*

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

- (1) How many aircraft are owned by his department?
- (2) What has been the cost of aircraft hire to his department when used for fire control purposes?
- (3) Would he detail the usage of the department "air wing"?
- (4) How many personnel are involved and what has been the total flying hours and operating costs in each year since 1980?

Mr DAVIES replied:

- (1) 9 single-engined Piper super cub aircraft.
- (2) \$190 722
- (3) See (4).

(4)

Aerial Surveillance Management (man years) (approx)	1980-81	1981-82	1982-83	1983-84	1984-85
Pilots	1.4	1.4	1.4	1.4	1.4
Hours Flown	20	20	20	20	20
Costs (\$)	7521	7191	8227	8467	7789
Total budget	403 362	401 976	440 572	531 440	429 792
Aerial Photography					
Pilots	2	2	2	2	2
Crew	5	5	5	5	5
Hours flown	214	184	222	193	199
Costs (\$)	57 409	59 745	80 279	80 811	87 073
Aerial Ignition					
Pilots	2	2	2	2	2
Air crew and training crew	10	10	10	10	10
Hours	482	427	339	496	476
Costs (\$)	96 229	138 806	148 317	145 372	190 722

## CONSERVATION AND LAND MANAGEMENT DEPARTMENT

### Consultants

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

- (1) (a) Does the department have any consultants who advise on aircraft purchase, etc.;
- (b) if so, would he detail—
  - (i) names;
  - (ii) yearly fees paid;
  - (iii) services expected; and
  - (iv) term of contract?
- (2) When did the contract commence and how many other operators were requested to submit proposals to the Forests Department for consideration?

Mr DAVIES replied:

- (1) (a) Yes;
  - (b) (i) Forest Aviation Services;
  - (ii) management fee 1984-85 \$39 060 plus extras for hours on surveillance flown in excess of 7 000 hours \$7 643 plus travelling at public service rates \$2 114; Total \$48 817;
  - (iii) Engages, trains, and monitors performance of surveillance pilots and ensures appropriate payments and adherence to award conditions;
- organises and supervises maintenance of aircraft, prepares works orders, authorises replacement of parts, and liaises with maintenance contractor;

monitors all aspects of air surveillance operations and implements remedial and required action where necessary through liaison with the departmental officers;

ensures provision of fuel at air bases and manages approved surveillance budget;

maintains records of hours flown costs and other necessary statistics;

provides up to 25 hours of consultancy on aircraft operations research;

(iv) initially 3 years.

- (2) Contract commenced in 1977. Forests Aviation Services was selected from four applicants. The contract was renewed in 1980, 1983, and 1984.

## FORESTS

### Woodchipping: Denmark

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

- (1) Has his office seen a report prepared by the Great Southern Regional Development Advisory Committee promoting a woodchip industry at Denmark?
- (2) (a) Does his Government support the proposal; and
- (b) would he give details?

Mr DAVIES replied:

- (1) Yes.
- (2) (a) Yes;
- (b) the project does not involve supply of timber from Crown land. The proponent already uses salvage sawlogs from State forests. It is believed that woodchips from the non-millable portions of these logs will be included in the production.

## ALUMINIUM SMELTER

### Pechiney: Response

444. Mr BLAIKIE, to the Premier:

Following his recent overseas visit, what further response has the Government had with the management of

Pechiney, the French company reported to be interested in the south-west smelter?

Mr BRIAN BURKE replied:

The status of discussions concerning the possible interest of Pechiney or other potential participants in a south-west smelter is commercially confidential.

#### LAND: RESERVE

##### *Lane-Poole: Logging*

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

Does the Government intend to—

- (a) log;
- (b) mine,

recreational and/or conservation areas of the Lane-Poole reserve, and if so, would he give details?

Mr DAVIES replied:

- (a) and (b) The conservation area of the Lane-Poole reserve is not available for logging or mining.

The recreation zone is available to both logging and mining. There are no immediate plans to log or mine in the recreation zone.

#### AGENT GENERAL: LONDON

##### *Replacement*

446. Mr BLAIKIE, to the Premier:

- (1) Can he advise whether the replacement for Mr Ron Douglas, Agent General in London, will be a current member of Parliament?
- (2) When will the public be informed of Mr Douglas' successor?

Mr BRIAN BURKE replied:

- (1) A decision has not been made about a replacement for Mr Ron Douglas, Agent General in London.
- (2) The public will be informed of Mr Douglas' successor after the Governor has appointed a person to be Agent General under the Agent General Act 1895.

#### GOVERNMENT EMPLOYEES

##### *Conservation and Land Management Department*

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

Would he detail the number of—

- (a) salaried officers;
- (b) wages staff,

in his department who work a 37½ hour week?

Mr DAVIES replied:

- (a) and (b) The Department of Conservation and Land Management employs 753 salaried staff whose conditions of service provide for a 37½ hour week.

No wages staff are employed on a 37½ hour week.

#### FORESTS

##### *Working Plan: Publication*

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

- (1) When will the next general work plan regulating timber harvesting from State forest in the 1986-1991 period be made available for the perusal of members?
- (2) What discussion has the Government had with the timber industry regarding the next working plan?
- (3) What are the projected yields of hardwood and royalty to be charged in the next five year plan?

Mr DAVIES replied:

- (1) The 1987 general working plans are expected to be available in draft form for public comment in late 1986.
- (2) General discussions with the timber industry with respect to the Government's intentions regarding the working plan are continuing.
- (3) Royalties are reviewed annually and will depend on the outcome of these reviews and discussions with industry. Further yields will be outlined in the general working plan when it is completed.

449. *Postponed.*

# PORTS AND HARBOURS: BOAT HARBOUR

## *Point Piquet: Environmental Submissions*

450. Mr BLAIKIE, to the Minister for the Environment:

- (1) How many submissions were received by the Environmental Protection Authority regarding a proposed boat harbour at Point Piquet, Geopraphe Bay?
- (2) (a) Has the Government been advised of the Environmental Protection Authority recommendation; and  
(b) if so, would he detail?
- (3) If "No" to (2), when is the recommendation expected?

Mr DAVIES replied:

- (1) Eighty seven submissions;  
One petition containing 1 800 signatures;  
173 duplicated letters.
- (2) (a) No;  
(b) not applicable.
- (3) When the EPA has completed its assessment, which at this time is expected toward the end of September.

## AGED PERSONS

### *Senior Citizens' Centres: Grants*

451. Mr BLAIKIE, to the Minister for Health:

- (1) Would he give full details of the grants for—  
(a) capital works;  
(b) improvements made, to senior citizens' centres in this State since 30 June 1984?
- (2) What is the extent of outstanding requests in each category as per (1)?

Mr HODGE replied:

- (1) (a) and (b)

Centre	Amount
Narembeen	\$602
Manning	\$17 938
Rod Evans	\$210 000
Shenton Park	\$311 238
Girrawheen	\$8 164
Willetton (Melville)	\$152 828
Rockingham	\$295 840
Lockridge	\$224 000
Whitfords	\$289 875

Bunbury	\$334 033
Stirling (Meals on Wheels)	\$108 000
Stock Road	\$132 000

- (2) Outstanding applications for funding of a capital nature total \$3 073 million.

452 and 453. *Postponed.*

## Mr BRUCE BEGGS

### *Government Appointment*

454. Mr BLAIKIE, to the Premier:

- (1) What positions, posts or appointments does Mr B. J. Beggs have with the Government and would he give details of—  
(a) dates of appointment;  
(b) duration; and  
(c) any emoluments or fees that are either paid or are available?
- (2) On what date did Mr Beggs cease to have the position of Conservator of Forests?

Mr BRIAN BURKE replied:

- (1) (i) Consultant to the Honorary Royal Commission into Conservation and Land Management;  
(a) 1 July 1985;  
(b) to be reviewed in the light of progress of the Royal Commission's report;  
(c) a retainer of \$500 a month.
- (ii) Consultant to the Public Service Board.  
(a) 1 July 1985;  
(b) contracted on a monthly basis subject to review at the end of December 1985;  
(c) same as in (i) (c) above.
- (iii) Consultant to the Department of Conservation and Land Management.  
(a) 1 July 1985;  
(b) same as in (ii) (b) above;  
(c) a retainer of \$1 000 a month.
- (iv) Chairman of the Lands and Forest Commission.  
(a) 22 March 1985;  
(b) a term of one year from the date of appointment;

- (c) no fee was payable whilst Mr Beggs held the position of Director-General of the Department of the Premier and Cabinet. The fee payable from 1 July 1985 is at the rate of \$6 000 per annum plus an expense allowance of \$600 per annum.
  - (v) Chairman of the Sandalwood Export Committee.
- See the answer to question 455.
- (2) Mr Beggs' appointment as Conservator of Forests was superseded by his appointment to the position of Director-General of the Department of the Premier and Cabinet as from 23 March 1983.

### FORESTS

#### *Sandalwood Sales Committee*

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

- (1) Who is the Government representative on the committee involved with the sale of sandalwood from Western Australia?
- (2) When was the appointment made and what are the qualifications of the Government's representative?
- (3) What salaries, benefits, etc, are either paid or available?

Mr DAVIES replied:

- (1) The Minister's nominee and Chairman of the Sandalwood Export Committee is Mr B. J. Beggs.
- (2) 11 July 1972. All the Minister's nominees to date have been the Conservators of Forests of the day.
- (3) Nil.

### FORESTS

#### *Timber Bureau: Members*

456. Mr BLAIKIE, to the Premier:

- (1) Who are the members of the Timber Bureau?
- (2) What is the staff available to the bureau?

- (3) Would he give examples of the bureau's "entrepreneurial role in maximising the commercial return to Government from forest resources" as stated by the Premier in his 18 March 1985 Press release?

Mr BRIAN BURKE replied:

- (1) Mr P. J. McNamara—Director  
Mr J. B. Campbell—Assistant Director.
- (2) One Technical and Administration Officer  
One Secretary/stenographer.
- (3) My Press release of 18 March 1985 actually stated—

Specifically the Bureau will adopt an entrepreneurial role and make recommendations on royalty payments. It will ensure we maximise the commercial return to the Government from our forest resources.

Along these lines the bureau is heavily involved in developing proposals for alternative methods of financing the pine planting programme and with proposals for increasing integrated utilisation of small logs and other currently unmarketable material.

### ROADS

#### *Clearing: Policy*

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

Has his—

- (a) department; or
- (b) Land Resource Policy Council, made any determination on road clearing policy for—

(i) Vasse Highway, Manning Shire;

(ii) Kalbarri-Ajana Road, Northampton,

or other roads in the State and would he provide general policy to be adopted by local authorities and the Main Roads Department?

Mr DAVIES replied:

Neither the Department of Conservation and Land Management nor the Land Resource Policy Council has made a determination in respect of road clearing policy.

The Roadside Vegetation Conservation Committee is a non-statutory committee within the Department of Premier and Cabinet under the control of the Land Resource Policy Council. At its inaugural meeting of 15 April the council decided the composition of this committee.

The Minister for Transport has still to make his appointments to represent local government, so the committee has yet to meet. One of the first actions scheduled for the committee is to provide a set of aims and objectives to submit to the Land Resource Policy Council for endorsement.

#### EMERGENCY SERVICES REVIEW COMMITTEE

##### *Members*

458. Mr BLAIKIE, to the Minister for Police and Emergency Services:

- (1) Who are the members of the Committee of Review of Emergency Services?
- (2) When were they appointed and what were their specific areas of interest?
- (3) On how many occasions did the committee meet?

Mr CARR replied:

- (1) Mr K. M. McKenna—Chairman  
Mr J. H. Porter  
Mr R. A. Brazier  
Mr R. Ellis.
- (2) (a) October 1983;  
(b) Mr McKenna—Chairman, Public Service Board  
Mr Porter—Commissioner of Police  
Mr Brazier—Executive Chairman, WA Fire Brigades Board  
Mr Ellis—Commissioner of Transport.
- (3) Approximately seven times.

#### HEALTH: HOSPITAL

##### *Margaret River: Funding*

459. Mr BLAIKIE, to the Minister for Health:

Has the Government recommended funding for a new hospital at Margaret River?

Mr HODGE replied:

The 1985-86 capital works programme has not yet been finalised.

460. *Postponed.*

#### FORESTS

##### *Hardwood: Royalties*

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

What has been the—

- (a) amount received;
- (b) royalty earned,  
from hardwood logs—  
(i) karri;  
(ii) marri;  
(iii) jarrah,

supplied to the timber industry in each year since 1980?

Mr DAVIES replied:

(a)	1980-81 m3	1981-82 m3	1982-83 m3	1983-84 m3
(i)	374 225	353 272	314 438	318 930
(ii)	400 159	265 903	295 449	351 051
(iii)	608 713	593 892	435 227	461 635
(b)	1980-81 \$	1981-82 \$	1982-83 \$	1983-84 \$
(i)	2 134 657	2 373 980	2 244 745	2 573 157
(ii)	565 523	952 934	983 140	974 619
(iii)	4 862 797	5 493 773	4 916 203	5 169 660

#### STOCK

##### *WA Livestock Holdings Ltd: Interdepartmental Committee*

462. Mr BLAIKIE, to the Minister for Lands and Surveys:

Further to question 155 of Wednesday, 21 August 1985, who are the members of the Government interdepartmental committee referred to as advising Western Australian Livestock Holdings in its decision on the Emanuel pastoral leases?

Mr McIVER replied:

The Government interdepartmental committee is made up of representatives from the Department of Agriculture, the Department of Lands and Surveys, the Pastoral Board and the Department of Regional Development and the North West.

## PASTORAL INDUSTRY: LEASES

*Emanuel Family: Purchasers*

463. Mr BLAIKIE, to the Minister for Lands and Surveys:

- (1) Who were the private purchasers interested in buying the Emanuel pastoral leases?
- (2) When was he aware of private interests in the leases?
- (3) On how many occasions was he or his office contacted regarding conditions relating to lease transfers?
- (4) Why did the private purchasers withdraw from the purchase of the leases?

Mr McIVER replied:

- (1) The Department of Lands and Surveys has recorded several inquiries from parties interested in acquiring the former Emanuel pastoral leases. As is normal practice, details of acquisition proposals remain confidential between the inquirer and the department.
- (2) The first written inquiry was received in October 1984. There may have been other verbal inquiries the details of which would not necessarily have been recorded unless specifically requested.
- (3) As explained in (2), there may have been verbal inquiries not formally recorded and therefore I am unable to be specific in answering this part of the question.
- (4) Not known.

## PASTORAL INDUSTRY: LEASES

*Emanuel Family: Livestock*

464. Mr BLAIKIE, to the Minister for Lands and Surveys:

Further to question 160 of Wednesday, 21 August 1985, as the Commonwealth Government has advanced a substantial amount of finance to assist in the restructuring of the Kimberley pastoral industry with the purchase of the Emanuel pastoral properties by the Western Australian Livestock Corporation, what assurance can he provide that the number of livestock included in the purchase can be substantiated and verified?

Mr McIVER replied:

I am informed that WA Livestock Holdings Ltd acted in accordance with customary practice in respect of determining livestock numbers on pastoral leases.

465 and 466. *Postponed.*

## TRADE: EXIM CORPORATION

*Involvement: Organisations*

467. Mr BLAIKIE, to the Premier:

What has been the extent and number of companies, organisations, businesses, etc, that have either offered or requested financial involvement with Exim Corporation or new companies that have been created by Exim since its inception?

Mr BRIAN BURKE replied:

Exim has received countless approaches from individuals and organisations and it would not be practical to research and list them all.

Also, the commercial confidentiality of these organisations making the approaches must be respected.

However, in response to a similar request by the Leader of the Opposition, I advised him I would approach the Board of Exim to request that the Leader of the Opposition and any of his colleagues he chooses to nominate could receive a full briefing on Exim's activities, subject to the observance of commercial confidentiality.

## PASTORAL TENURE STUDY GROUP

*Members*

468. Mr BLAIKIE, to the Minister for Lands and Surveys:

- (1) Who are the members of the Pastoral Tenure Study Group?
- (2) When were they appointed and what are their individual specialities?
- (3) How often have they met?
- (4) What are their terms of reference?
- (5) When is the committee's report expected?

Mr McIVER replied:

- (1) and (2) On 14 February 1985 the Government approved the formation of the Pastoral Tenure Study Group, the members of which are—

Mr M. J. Cameron,  
President,  
Pastoralists and Graziers Association  
(Chairman)

Mr W. G. Andrews,  
Representing the Australian Banking  
Association

Mr T. D'Arcy,  
Representing pastoral industry

Mr T. S. Emanuel,  
Representing pastoral industry

Mr S. Gregory (Corporate Treasurer)  
Western Australian Development  
Corporation

Mr N. J. Halse,  
Director of Agriculture.

Mr B. G. Jennings,  
Chairman, Pastoral Board

Mr B. L. O'Halloran,  
Under Secretary for Lands

Mr S. J. Tonkin,  
Representing pastoral industry

Mr C. T. Mann,  
Rural Adviser—on secondment to the  
Department of Premier and Cabinet  
from the Primary Industry Associ-  
ation (Executive Officer).

- (3) Six formal meetings.

- (4) (a) To consider the question of a land tenure system which will help stabilise the pastoral industry and establish equity between pastoral landholders and other members of the community while improving the pastoralists' collateral base;
- (b) to analyse and report on the various land title options which will achieve that objective;
- (c) to define land title terms and conditions for pastoralists;
- (d) to develop an equitable system of rentals, lease payments or purchase to suit the options recommended to Government;
- (e) to define and report on the relative benefits of each system of land title;

- (f) to review current legislation (Land Act) with a view to preparing the necessary amendments to give effect to the study group's recommendations.

- (5) A summary discussion paper was distributed to pastoralists, relevant organisations and authorities for public comment on 14 August 1985. The closing date for submissions is 1 October 1985.

Additionally, members from the study group are this week conducting a series of public meetings in pastoral centres throughout Western Australia.

The group's final report is expected during November 1985.

469. *Postponed.*

## FORESTS

### *Woodchipping: Hardwood*

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

- (1) Would he detail the Government's policy on woodchipping of hardwoods—

- (a) marri;  
(b) karri;  
(c) jarrah; and  
(d) plantation timber including Tasmanian blue gum,  
in the Manjimup region and the South Coast-Denmark region?

- (2) (a) Does the Government support clear felling of specific hardwood areas as an overall management strategy;  
(b) if so, will he give details?

Mr DAVIES replied:

- (1) (a) to (d) Timber residues resulting from forest harvesting operations will be converted into utilisable products including woodchips wherever possible.
- (2) (a) Yes;  
(b) clear felling is supported as an appropriate silvicultural practice on those areas designated for timber production in general working plan No. 87 when the technique

will produce superior regeneration of the timber species being harvested.

471. *Postponed.*

#### MR KEITH GALE

##### *Consultancy: Cost*

472. Mr HASSELL, to the Premier:

What has been the total cost to the Government to date of the consultancy of Mr Keith Gale in terms of—

- (a) fees paid to him or his nominees;
- (b) expenses incurred by him?

Mr BRIAN BURKE replied:

See reply to question 241 of 27 August 1985.

#### LAND: RESERVE

##### *Lane-Poole: Alcoa of Australia Ltd*

473. Mr RUSHTON, to the Minister for Conservation and Land Management:

Does the statement by Dr Owen Nicholls in the *Daily News* of 30 August 1985 concerning his alleged no-conflict of interest situation mean that agreement has been reached with Alcoa on the extent of its activities within the Lane-Poole Reserve?

Mr DAVIES replied:

Alcoa has agreed not to mine bauxite in the conservation areas of the Lane-Poole Reserve, while such conservation values remain.

#### LAND: RESERVES

##### *Mining: Proposals*

474. Mr RUSHTON, to the Minister for Conservation and Land Management:

- (1) Respecting the statements in the *Daily News* of 30 August 1985 concerning mining in reserves, will he please specify which areas are proposed for mining?
- (2) If only 100 hectares are to be mined, why were these areas not excluded from the Lane-Poole Reserve, and the balance of the area set as a conservation and recreation zone which excludes industrial uses?

Mr DAVIES replied:

- (1) Bauxite mining is not proposed for many years in the recreation zone of the Lane-Poole Reserve, so that details have not been worked out. In general terms, mining is to be confined to ore bodies located mainly in the ridges of the recreation zone.
- (2) Because of their recreational potential. After any bauxite mining, rehabilitation will be carried out in such a manner as to maximise the reserve's recreational potential.

#### ARTS

##### *Libraries: Talking Books*

475. Mr BRADSHAW, to the Minister for the Arts:

- (1) Does the Government, through any of its agencies, (eg State Library) provide money for "talking books" for blind people?
- (2) Does the Government provide money to the Association for the Blind of Western Australia to obtain "talking books"?
- (3) If so, how much money will be provided in 1985-86?

Mr DAVIES replied:

- (1) Yes.
- (2) No, the Government does not at this stage provide money for this purpose. However the matter is under consideration.
- (3) This will be known when the Treasurer introduces the Budget to Parliament.

476. *Postponed.*

#### FISHERIES: AMATEUR

##### *Nets: Regulation*

477. Mr BRADSHAW, to the Minister for Agriculture:

- (1) Does he intend continuing with the regulation requiring amateur fishermen to attend their fishing nets at all times?
- (2) Why was this regulation introduced?
- (3) Is he aware of the potential disadvantage to the elderly and others by having to wait all night in the cold and wet to retrieve their catch?

Mr EVANS replied:

- (1) No, except that there is a Fisheries Act regulation 12E requiring recreational fishermen using a set net in the waters of Shark Bay to attend the net at all times while it is set.
- (2) It was not introduced. The discussion of the proposed regulation arose from recommendation No. 6 in the report of the Swan-Canning estuary fishery working group which has been tabled. The working group had recommended "That regulations be introduced requiring net fishermen to remain in attendance with their net whilst fishing. The Director of Fisheries be requested to examine the value of extending this proposed regulation, particularly to major estuaries along the west coast of Western Australia."
- (3) Yes.
- (6) Concerning the pamphlet "Flood Plain Management" put out in September 1984 by the engineering division of the then Public Works Department and its statement concerning approval by local authorities when guidelines are observed, since those guidelines are not yet in force, what is the role of the local authorities?
- (7) The pamphlet states: "If a development is not approved or is approved with conditions unacceptable to an owner an appeal may be made to the Drainage Tribunal": since this is not yet law, to whom does an aggrieved owner appeal in the interim period?
- (8) What is the brief of the Murray Plain Consultative Committee?
- (9) Who are its constituents?
- (10) Are copies of its minutes available for inspection under the Freedom of Information Act?

Mr TONKIN replied:

- (1) No.
- (2) Criteria—generally the 1 in 100 year recurrence interval flood but may be the maximum flood actually experienced.  
Scientific data—computer-based hydraulic calculations using meteorological and hydrological measurements realistically tuned by historic information.
- (3) (a) No advisory committees as proposed in the legislation have been set up. The Murray flood plain consultative committee was set up following completion of the initial flood study in 1980 at the request of the shire.  
(b) Consulting engineers and legal advisers can be engaged to provide independent advice. Some developers have done this.
- (4) The flood plain management plans published by the Water Authority indicate to planning bodies the areas which are subject to flooding, and that advice should be sought from the Water Authority before approving any development in these areas.
- (5) Yes.
- (6) To act on the advice of the Water Authority as they see fit.

#### DRAINAGE: FLOOD-PRONE LAND

##### *Development: Requirements*

478. Mr BRADSHAW, to the Minister for Water Resources:

- (1) As the Bill to amend the Land Drainage Act has not been passed, is there any Statutory framework for the Minister to guide development on flood-prone land?
- (2) In determining the extent of flood-prone and what criteria are used and what scientific data is taken into account?
- (3) (a) What official standing have the Advisory Committees set up to advise the Minister on the boundaries of floodways; and  
(b) in seeking advice from the Water Authority of Western Australia, what means of determining the accuracy of that advice from a scientific and legal aspect exist?
- (4) As new controls have not been exercised, do proposed flood-prone and floodway areas have any protection since the public display of plans and time for public objection as proposed have not yet been enacted?
- (5) Can or should local authorities proceed on such advice in advance of the legislative process?

- (7) The appeal provision of the Town Planning and Development Act or the Local Government Act apply as appropriate.
- (8) To provide advice to the authorities controlling development within areas liable to flooding.
- (9) Personnel vary from meeting to meeting but comprise councillors and officers of the Murray Shire Council, officers from the Water Authority, Town Planning Department, and Main Roads Department, and a representative of the Peel Inlet Management Authority.
- (10) Notes of meetings are available for inspection.

479. *Postponed.*

## REAL ESTATE AGENTS

### *Education Courses*

480. Mr BLAIKIE, to the Minister representing the Minister for Consumer Affairs:

- (1) What education courses are—
  - (a) funded;
  - (b) provided; or
  - (c) conducted,
 with funds received from the registration of—
  - (i) land agents;
  - (ii) settlement agents,
 in Western Australia in each year since 1980?
- (2) What is the total amount of registration fees received in categories (i) and (ii) above in each year since 1980?

Mr TONKIN replied:

- (1) and (2) All of the information requested is available from the tabled annual reports of the Real Estate and Business Agents Supervisory Board and the Settlement Agents Supervisory Board. The member is referred to those reports.

## ABATTOIRS

### *Meat Inspection: Dual*

481. Mr BRADSHAW, to the Minister for Health:

- (1) When does he expect dual inspection at export abattoirs in Western Australia to cease?
- (2) Does he intend to legislate to allow the Harvey, Waroona and any other shires holding money from carcase or meat inspection at export abattoirs to use or dispose of this money?

Mr HODGE replied:

- (1) When negotiations with the Commonwealth are satisfactorily completed.
- (2) No, authority already exists for the disposal of surplus income at the discretion of the Treasurer.

482 to 487. *Postponed.*

## SURVEYOR GENERAL

### *Appointment*

488. Mr WATT, to the Minister for Lands and Surveys:

- (1) Is the substantive position of Surveyor General currently vacant?
- (2) How long has it been vacant?
- (3) Who is acting in the position?
- (4) When is a substantive appointment likely to be made?
- (5) Why has a substantive appointment of such significance to the public service and the State as a whole remained vacant for so long?

Mr McIVER replied:

- (1) Yes.
- (2) Since 2 July 1984.
- (3) Mr W. G. Henderson—Deputy Surveyor General.
- (4) and (5) A decision to fill the position substantively has been deferred awaiting the report of the Functional Review Committee into the operations of the Lands and Surveys Department. This report has only just been completed and is under examination prior to Cabinet consideration.

# EDUCATION: TERTIARY

## *Beazley Report: Inservice Training*

489. Mr MacKINNON, to the Minister for Education:

What preservice and inservice professional development programmes and activities have been arranged up to 4 September to prepare teachers for the implementation of the Beasley Report recommendations?

Mr PEARCE replied:

- (1) At conferences of principals and deputy principals of State high schools, high schools and district high schools, sessions have been devoted to the implementation of recommendations of the Beasley report.

All schools have been given two pupil-free days in the second half of the year.

- (2) School administrators have been asked to prepare programmes for these days that will help staff in their schools implement specific recommendations.

Head office superintendents and advisory personnel have been assisting at these pupil-free days.

In addition there have been a number of regional courses designed to assist country and metropolitan teachers with the development of implementation strategies.

# EDUCATION: TERTIARY

## *Beazley Report: Recommendation No. 15*

490. Mr MacKINNON, to the Minister for Education:

Has recommendation 15 of the Beasley Report been implemented, and if so, in what schools?

Mr PEARCE replied:

The Beazley Committee devoted considerable time to the discussion of the issue of a unit system. The text of the report reveals some of the differences in view held by members of the committee. In essence, recommendation 15 indicates that the committee could not agree on the ideal unit size and so suggested that several models be trialled in schools.

Since the publication of the Beazley Report there has been extensive consultation between educators at the Secondary Education Authority, the Education Department, and in the independent schools. A product of this consultation has been the emergence of a flexible approach to units that will meet the needs of students and the needs of the community. When this curriculum model has been developed further it will be publicised. Plans for limited trials of the proposed unit system are being developed.

# EDUCATION: TERTIARY

## *Beazley Report: Recommendation No. 10*

491. Mr MacKINNON, to the Minister for Education:

What action has been taken to implement recommendation 10 of the Beasley Report?

Mr PEARCE replied:

This recommendation is directed to individual schools and to the school systems. Already most independent schools have strong components of moral education and religious studies incorporated into their curricula.

The Education Department's review of its curriculum and syllabus materials will be exploring the extent to which it is appropriate to include these elements in the new curriculum structure.

Already important issues related to morality are identified in the social studies syllabus. Substantive values held important in our society such as respect for life, excellence, integrity, honesty, tolerance, justice, social responsibility, compassion, rationality, and sensitivity are promoted. There is no attempt to intrude on specific religious or cultural beliefs of individuals and families.

The proposed health education syllabus will also explore issues related to morality in both personal and social contexts.

It is envisaged that the new curriculum structure will include units related to religious studies. These will not be compulsory but will be available for students who wish to work in the area.

#### EDUCATION: TERTIARY

*Beazley Report: Recommendation No. 4*

492. Mr MacKINNON, to the Minister for Education:

What action has been taken to implement recommendation 4 of the Beazley Report?

Mr PEARCE replied:

Presently a working party has been set up by the Director of Educational Services of the Education Department of Western Australia to prepare a document that will contain—

- (a) a description of the personal and vocational education curriculum;
- (b) aims for the component;
- (c) subject areas in both primary and secondary schools where these aims can be met;
- (d) suggested strategies that schools can use when they consider how to implement the component.

This document, after review by the directorate, will be released for discussion and comment, following which it will become a policy document on personal and vocational education.

#### EDUCATION: TECHNICAL AND FURTHER EDUCATION

*Grant: Federal Government*

493. Mr MacKINNON, to the Minister for Education:

- (1) What grant did the State Government receive from the Federal Government for technical and further education during the year ended 30 June 1985?
- (2) How much is it estimated that the State Government will receive from the Federal Government in the form of technical and further education grants during the year 30 June 1986?

Mr PEARCE replied:

- (1) (a) State Grants (Tertiary Education Assistance) Acts

Year ended 30 June 1985

Recurrent	\$
General Purpose	est. 8 560 000
Designated Purpose	est. 3 045 000
Special Equipment	est. 1 195 000

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<b>TOTAL RECURRENT</b>	<b>12 800 000</b>
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Capital	15 725 000
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Overall Total	28 525 000
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(b) Participation and Equity estimated	3 200 000
<b>Grand Total</b>	<b>31 725 000</b>

(2) (a) State Grants (Tertiary Educ. Assist.) Acts

Year ending 30 June 1986

Recurrent	\$
General Purpose	est. 8 700 000
Designated Purpose	est. 3 400 000
Special Equipment	est. 1 300 000

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<b>TOTAL RECURRENT</b>	<b>13 400 000</b>
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Capital	est. 14 200 000
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Overall Total	est. 27 600 000
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(b) Participation and Equity estimated	2 400 000
<b>Grand Total</b>	<b>30 000 000</b>

494. *Postponed.*

#### TOURISM COMMISSION

*Subsidiary: Establishment*

495. Mr MacKINNON, to the Minister representing the Minister for Tourism:

Has the Western Australian Tourism Commission proposed the establishment of, or has it established a subsidiary or other corporation for any proposed business venture?

Mr BRIAN BURKE replied:

No.

#### EDUCATION: SCHOOLS

*Peace and Conflict Studies*

496. Mr MacKINNON, to the Minister for Education:

- (1) Are peace and conflict studies being taught in Government schools this academic year?

- (2) If not, is it planned that these studies will be introduced into Government schools during the 1986 academic year?
- (3) In either case, what will be the basic direction of the course?

Mr PEARCE replied:

- (1) Peace and conflict studies are not taught as such in Government schools. Issues related to peace and international cooperation and conflict are incorporated in the K-10 social studies syllabus. Their incorporation in the syllabus in this way ensures that these issues will be discussed in appropriate contexts at appropriate times in relation to students' maturity and in an objective, unbiased, and apolitical way.
- (2) No.
- (3) As for (1).

#### TOURISM COMMISSION

##### *Roadshow Tour: Cost*

497. Mr MacKINNON, to the Minister representing the Minister for Tourism:

- (1) How much is the Western Australian Roadshow Tour tourism promotion budgeted to cost the Western Australian Tourism Commission?
- (2) What contribution is being made to the roadshow promotion by private industry organisations?
- (3) Which private industry organisations are participating in the roadshow?
- (4) What part in the roadshow promotion is being played by the Lord Mayor of Perth and the Mayor of Fremantle?

Mr BRIAN BURKE replied:

- (1) \$120 000.
- (2) \$380 000.
- (3) TAA  
Burswood Island Resort  
El Caballo Blanco  
Hospitality Inns  
Leeuwin Estate  
Perth Ambassador  
Perth Convention Bureau  
Sheraton Perth Hotel  
Skywest Airlines  
The Orchard Perth  
Westrail  
West Coast Aussie Holidays

- (4) Guest speakers at functions in Sydney, Melbourne, and Adelaide.

#### PRISONER: RONALD JOSEPH DODD

##### *Minister for Police*

498. Mr MacKINNON, to the Minister for Police and Emergency Services:

- (1) Was he, as Minister for Police, requested to make a report to Cabinet or comment on the Parole Board recommendation that Ronald Joseph Dodd be paroled?
- (2) If so, did that advice support the release of Dodd?

Mr CARR replied:

- (1) No. However, I remind the member that the Police Force is represented on the Parole Board by a senior commissioned police officer.
- (2) Not applicable.

499 to 501. *Postponed.*

#### STATE ENGINEERING WORKS

##### *Industrial Dispute*

502. Mr COURT, to the Minister for Works:

- (1) Was there any industrial disputation at the State Engineering Works last week?
- (2) If "Yes", how long were the work stoppages for?
- (3) What was the cause of this trouble?

Mr McIVER replied:

- (1) Yes.
- (2) 1½ days.
- (3) A number of workers at the State Engineering Works withheld their services as an expression of their concern over the future of the works.

#### TECHNOLOGY: FORMULAB TECHNOLOGY (AUSTRALIA) PTY LTD

##### *Investment*

503. Mr COURT, to the Minister for Technology:

- (1) Is the Government expecting its investment in the company, Formulab Technology (Aust) Pty Ltd, to yield a profit this year?
- (2) If "No", when is it budgeted for profits to commence?

- (3) Will the Government be making further capital or loan funds available this financial year?

Mr BRYCE replied:

- (1) No.  
 (2) Confidential details relating to the affairs of the company are matters which cannot be disclosed.  
 (3) No.

## SHOPPING CENTRES

### *Tenants: Displays*

504. Mr COURT, to the Minister for Small Business:

- (1) Have landlords at any shopping centres in the metropolitan area stopped tenants displaying and selling wares in common areas since the introduction of the commercial tenancy legislation?  
 (2) If "Yes", was this one of the aims of the legislation?

Mr BRYCE replied:

- (1) Some landlords have limited trading from common areas of shopping centres.  
 (2) This was not one of the intentions of the Government in introducing the legislation.

Industry groups are very aware of the intentions of the Government in this instance, and in most cases have not taken this action.

As an amendment to the Act to eliminate any confusion is currently being drafted, I can only assume that the landlords concerned are persisting with this action for reasons best known to themselves.

## TECHNOLOGY

### *Rockingham Shire: Incentives*

505. Mr COURT, to the Minister for Technology:

- (1) Does the Government support moves by Rockingham residents and the Rockingham Shire to attract technology industries to the Rockingham area?  
 (2) Has the Government offered any incentives to attract technology industries to this area?

Mr BRYCE replied:

- (1) The Government supports endeavours which are aimed to foster economic, industrial, and technological growth in the Rockingham area.  
 (2) The Government, principally through the Technology Development Authority, offers incentives to encourage the growth of viable new industries based on scientific research. These incentives apply throughout Western Australia and are not restricted to any specific locality.

## EXPLOSIVES

### *Warnbro: Report*

506. Mr COURT, to the Minister for Defence Liaison:

- (1) Is there a joint State/Commonwealth report showing details of detected unexploded ammunition in the Warnbro area?  
 (2) If "Yes", where was ammunition found and on what dates was the area fired upon?  
 (3) Is this report available to the public?

Mr BRYCE replied:

- (1) and (2) There have been a number of reports prepared, progressively, during the five years the Warnbro clearance project has been in operation. Maps are included showing where ordnance has been located in the area. It has not been possible to determine dates of firing.  
 (3) No.

## EXPLOSIVES

### *Warnbro: Residential Areas*

507. Mr COURT, to the Minister for Defence Liaison:

- (1) How many unexploded artillery shells have been discovered in the Warnbro residential area in the last 12 months?  
 (2) Was a 25 pound shell recently found by several children playing on a vacant block within the residential area at Warnbro?  
 (3) What steps has the Government taken to clear unexploded ordnances from the residential areas in Warnbro?  
 (4) Are there any insurmountable difficulties in clearing these vacant blocks?

Mr BRYCE replied:

- (1) Since December 1983 two high explosive projectiles have been found within the residential area at Warnbro.
- (2) Yes.
- (3) and (4) The Warnbro UXO Committee has been investigating, and is continuing to investigate, the problem of unexploded ordnance in the residential area at Warnbro.

## EDUCATION

*Textbook: "Take a Part"*

508. Mr COURT, to the Minister for Education:

Will the State Government be distributing to schools the student resource book, *Take a Part*, which has been financed by the Federal Government?

Mr PEARCE replied:

"Take a Part"—a student action resource handbook compiled by Tim Darling and Tim Carrigan has been produced by the West Education Centre, Footscray, Victoria.

The Education Department has not made any plans to distribute the publication.

The Commonwealth has established a Schools Commission provisional development programme with 32 education centres around Australia.

Each centre is autonomous and in each case the management consists of a majority of practising teachers as well as local community representatives.

Western Australia has two centres—

- (i) Geraldton Regional Community Education Centre;
- (ii) Fremantle Education Centre.

## EMPLOYMENT AND TRAINING

*Youth Traineeship Scheme: Government Support*

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

- (1) Does the Government support the Prime Minister's traineeship scheme

for youth including the payment of a \$90 per week wage for 16 and 17 year olds for a short-term job?

- (2) Is the Government still critical of Mr Peter Ritchie's (McDonalds Systems) proposal for 15 and 16 year olds to be paid \$90 per week for a permanent job which includes training programmes?

Mr PEARCE replied:

- (1) See reply to question 117.
- (2) The training programme proposed by Mr Ritchie gave inadequate return to the potential trainee in terms of specific training.

510. *Postponed.*

## QUESTIONS WITHOUT NOTICE

PRISONER: RONALD JOSEPH DODD

*Jigalong Community*

114. Mr HASSELL, to the Leader of the House:

My question without notice was to have been directed to the Minister representing the Attorney General. In his absence it is directed to the Leader of the House who, I believe, has the answers to the questions I indicated yesterday. I ask whether in the past two months Ronald Joseph Dodd has been engaged in a programme of preparation for his release on parole? If so, what are the details of that programme?

The DEPUTY SPEAKER: Order! In respect to questions of Ministers who represent Ministers in another place, it is not appropriate to ask those questions unless prior notice has been given.

Mr Hassell: Prior notice has been given on each of three questions.

Mr Tonkin: I have only one.

Mr Hassell: You must only have today's question. Don't you have the two from yesterday?

Mr Tonkin: I do not carry them around from one day to the other. I would have a pile of them if I had to carry them from six months ago. I said that I was happy to receive them and you went on with a whole lot of other stuff.

Mr Hassell: We had some very long replies yesterday, if you recall.

The DEPUTY SPEAKER: Order! I call the Leader of the Opposition to ask today's question of the Leader of the House.

Mr HASSELL: I ask—

- (1) Can the Minister explain the reasons why Ronald Joseph Dodd is being sent to Jigalong community when he is released on parole?
- (2) How long will he be expected to stay there?
- (3) Have any special arrangements been made to ensure that he stays there for that period?
- (4) Are any other parole prisoners currently living at the Jigalong community?
- (5) Who are they and what crimes did they commit?
- (6) When will Dodd be released from prison on parole?
- (7) How will he travel to Jigalong community?
- (8) Will he be accompanied?

The DEPUTY SPEAKER: Order! Has the Leader of the House received the questions?

Mr Tonkin: I have indeed, Mr Deputy Speaker.

The DEPUTY SPEAKER: I call the Leader of the House.

Mr TONKIN replied:

- (1) It was considered by the Parole Board to have been an appropriate measure to assist his reintegration into the general community.
- (2) A minimum of six months.
- (3) He will be subject to general parole supervision. Failure to remain in Jigalong would constitute a breach of parole and render Dodd liable to be returned to prison.

(4) Other prisoners have previously been paroled subject to their residing with the Jigalong community in the first instance.

(5) To protect the privacy of the individuals concerned I am not prepared to provide further information in this respect.

(6) 6 September 1985.

(7) To protect the privacy of the individual, this information cannot be provided.

(8) Yes.

## TAXES AND CHARGES: PROFITS TAX

### *Abolition*

115. Mrs BEGGS, to the Premier:

- (1) Is he aware of the Leader of the Opposition's support for the abolition of the present sections of the Income Tax Act which relate to capital profits?
- (2) Does the Government support this view?

Mr BRIAN BURKE replied:

- (1) and (2) I am absolutely amazed at what the Leader of the Opposition has been prepared to concede today; that is, that the existing provisions of the Income Tax Act which relate to the taxation of profits should be deleted from the Income Tax Act. It is certainly not the Government's view that that is the appropriate action to take, and I remind members that the abolition of the existing provisions relating to capital profits—something not even the seconder of the motion was prepared to go along with in the terms expressed by his leader—would see the conversion of income to capital profits in a way which would mean that billions of dollars in legitimate taxation revenue would be lost to the Commonwealth. Those billions of dollars would be placed on the shoulders of the average wage and salary earners in our community.

I have not heard anyone previously suggest that the existing provisions of the Income Tax Act relating to capital profits should be abolished. Previously, when discussing tax avoidance and evasion in this Chamber,

members of the Government, as they were then, acknowledged that some of the examples of businessmen avoiding taxation revenue through the derivation of capital profits should have been subject to taxation. The member for East Melville was one of them. Not one member of this House said that the Elders-IXL share arrangement, which saw a profit of \$16 million or thereabouts made free of any taxation at all, should have been free of taxation. Indeed, the Leader of the Opposition says that sort of arrangement is entirely satisfactory. It is not. Not even the member for East Melville was prepared to say that it was. At least he tried to cling to the respectability of real rather than paper profits.

If the Opposition believes, as its leader does, that there should be no tax whatsoever on capital profits, and that the present provisions of the Income Tax Act relating to capital profits should be abolished, then it is a sad and sorry day for this community.

What that means is that the \$3 billion, about which the Commonwealth Taxation Office has previously spoken, will be \$3 billion of tax avoided by one section and put onto the shoulders of the average men and women who are already heavily taxed.

Members cannot have it both ways. Either the merchants who make profits out of paper pay their fair share of tax, or the average working men and women of this country are told they will have to pay, not 60 cents in the dollar if they reach the maximum tax rates, but 80 cents in the dollar. If the Leader of the Opposition wants to abolish the provisions of the Income Tax Act, the marginal tax rate will not be 60 cents; it will be 80 cents.

#### LAND: RESERVE

##### *Lane-Poole: Recreation*

116. Mr READ, to the Minister for the Environment:

What steps has the Government taken to ensure that the conservation and

recreation values of the Lane-Poole Reserve are preserved for future generations?

Mr DAVIES replied:

I thank the member for notice of this question.

Mr Blaikie interjected.

Mr DAVIES: The previous Government did not do a thing about Lane-Poole reserve in nine years. When this Government does something no-one thought it would do, members opposite are critical of it.

Due to an Act of Parliament proclaimed some years ago, Alcoa has the legal right to mine bauxite within the area of its entire lease, which includes the Lane-Poole Reserve. Bauxite mining cannot, therefore, legally be excluded from any part of the reserve.

Who put that into effect? The previous Government.

This Government has, however, after extensive negotiation, entered into an agreement with Alcoa, and in doing so has negotiated two very important concessions. It will do members opposite good to listen to this—

- (1) Alcoa has agreed not to mine bauxite in those areas of the Lane-Poole Reserve which are set aside for the purpose of conservation while conservation values remain.
- (2) Alcoa has retained the right to mine bauxite in the recreation areas of the reserve only on condition that such mining activity will ensure that dieback spread and disruption to recreation activities are minimised. Alcoa has further agreed that rehabilitation of recreation areas mined will be carried out in such a manner as to maximise the area's recreational potential.

The total area set aside in this important reserve is 54 400 hectares, and approximately 75 per cent of this is covered by the conservation area from which logging and bauxite mining are excluded.

With regard to logging in the reserve, the same conditions apply as

with mining. Those areas which are subject to mining—namely, the recreation areas—may also be logged, but logging also will not be permitted in the conservation areas of the reserve. The same strict environmental controls and rehabilitation requirements as apply to mining in this reserve shall also apply to logging activities.

It is the Government's intention to ensure that the Lane-Poole Reserve has "A"-class status which requires that parliamentary approval is obtained before mining can take place. The Government will strongly support the protection offered by the "A"-class status of the reserve.

The Government is grateful to Alcoa for the concession made and understanding shown in negotiations. I also want to congratulate Dr Shea, who was instrumental in negotiating this magnificent agreement. I am only sorry that the previous Government made no attempt to protect this area. One would have thought some of the people now decrying what has been done would be clapping their hands for joy.

#### FINANCIAL INSTITUTIONS: BUILDING SOCIETIES

##### *Mortgage Relief*

117. Mr MENSAROS, to the Minister for Housing:

Is it correct that the Government has under consideration with the building societies a plan to provide relief to home-owners with mortgages by flattening out and fixing repayments despite increasing interest rates?

Mr WILSON replied:

I regret I cannot understand the question. It has been so badly phrased it is almost incomprehensible. I will attempt—

Mr Mensaros: I want to explain. The question is, if interest rates rise, instead of having a higher repayment one keeps the same repayment, but one pays more for interest and less for capital repayment.

Mr WILSON: That sounds like a good idea, with the further explanation.

In response to the question asked by the member for Floreat, as I said before, he is the third spokesman for housing in this Opposition. What the Government has under consideration with the building societies is presently a matter between the Government and the building societies.

#### COMMUNICATIONS: AUSSAT SATELLITE

##### *Services*

118. Mrs BUCHANAN, to the Deputy Premier:

What services will be made available to Western Australians as a result of the launching of the first Australian domestic communications satellite?

Mr BRYCE replied:

The Western Australian Government Office of Communications has been working closely with its Federal counterparts and the Western Australian Communications Advisory Committee to ensure maximum benefits to all Western Australians are derived from the AUSSAT programme.

AUSSAT is the first of a series of communications satellites which will provide television, telephone, radio, and data transmission services to complement the existing terrestrial communications networks within Australia.

AUSSAT 1 will beam ABC television and radio services for the first time to 300 000 Australians in remote areas. The first ABC trial broadcast via AUSSAT is planned for November this year with actual broadcasting scheduled for January 1986. The services will be available to a further 30 000 to 40 000 Western Australians who have no ABC radio or television coverage at present.

The second AUSSAT satellite is to be launched in November and will deliver commercial television through the remote community television services, RCTS. The Golden West Network was recommended for this licence by the Australian Broadcasting Tribunal in June and is planning to

begin transmission in mid-1986. The Golden West Network plans to provide commercial television broadcasting and receiving services to an estimated 60 000 Western Australians in the north-west of this State. The broadcasting facilities will also be available to a further 50 000 people where communities or individuals are considering installing their own transmission stations or individual receiving dishes.

The Western Australian Government supports the remote community television services approach because it will maximise regional input and avoid the two-hour programme time difference caused by national broadcasting on Eastern Standard Time. Most importantly, we are also looking towards minimising recision costs.

#### TAXES AND CHARGES: CAPITAL GAINS TAX

*IBJ (Australia) Bank Ltd: Sale*

119. Mr COURT, to the Premier:

Does the Government expect to pay a capital gains tax on the \$23 million profit it has announced it made on the sale of its equity in IBJ (Australia) Bank Limited, or has it accounted for this in its tax exemptions?

Mr BRIAN BURKE replied:

As the member for Nedlands would know, the Western Australian Development Corporation will pay an amount in excess of the normal company rate of tax in respect of any profit that it makes. The sale of some or all of its equity in the new bank—and I understand that it is some—will result in a profit to the WADC which will then be subject, at the direction of the Treasurer, to an amount to be paid into the State Government coffers. I am not sure whether the member for Nedlands is suggesting that we should pay the Commonwealth part of that money—

Mr Court: You have said that that \$23 million will go towards cutting Government taxes and charges. Well, it is not \$23 million then—

Mr BRIAN BURKE: I do not think that the member for Nedlands has read the legislation establishing the WADC. I suggest that the member for Nedlands cannot even understand his own question.

The WADC is a State Government tax-exempt statutory authority. What is the member for Nedlands suggesting that the Government do? Pay the Commonwealth a tax on its earnings? That is the only alternative to what the Government is doing now—which is charging the WADC on its capital profits, and on any profits on which it makes an amount of at least 50 per cent which is higher than the company tax rate.

What the member for Nedlands is suggesting is that the Government should charge that amount and then cause the WADC also to pay company tax. If that is what the member for Nedlands is suggesting, the Government is not going to do it. The Government does not believe that the WADC should pay an amount equal to something in excess of the normal company tax rate and then also pay income tax to the Commonwealth. The Government does not believe the SGIO should have to do that, and, if the member for Nedlands cannot remember, he voted to support that proposition when he supported legislation the Government introduced in respect of the SGIO.

So I am not sure that the member for Nedlands understood what I had to say, nor am I certain that the member understands what the WADC is responsible for in terms of imposts payable to the State. However, the Government understands one thing: As of today, the Opposition in this Parliament has said publicly that the existing capital tax provisions of the Income Tax Act should be abolished. That is an absolutely unimaginable proposition. No-one, not even the Federal Opposition nor the member of the Real Estate Institute that the Leader of the Opposition quoted, has suggested that this should be the case. However, as of today, the Opposition in Western Australia says that the

existing capital tax provision of the Income Tax Act should be abolished. It is unbelievable.

## EDUCATION: TEACHERS

### *DOTT-time: Industrial Action*

120. Mrs WATKINS, to the Minister for Education:

Could the Minister tell me what the Government's response is to the State School Teachers Union decision to take industrial action over the duties other than teaching time issue?

Mr PEARCE replied:

I am grateful to the member for asking that question. I understand that the Teachers Union conference earlier this morning made a decision to undertake limited industrial action over the issue of seeking an additional amount of duties other than teaching time for primary teachers. In fact, the union has upped its demands, if I may put it like that, from one-tenth time to one-fifth; that is, from half a day to one day a week for primary teachers.

While the Government is sympathetic to the aims of the union in this regard, when I spoke to the union conference last evening I made it quite clear that the Government could not afford the \$24 million a year estimated costs of that particular union demand. I put to the union conference a compromise proposal which would have met its objectives; that is, to have more time for duties other than teaching than primary teachers currently have. That would have met Government objectives of not increasing expenditure in that area, but rather making a more effective use of existing resources. Indeed, I put together a proposal which, in my view, would have been of better educational benefit to the schools than the current system. I might say that that compromise proposal seemed to be well received by the union conference last evening, but perhaps that was a touch misleading because all teachers had been invited to come, and, indeed, a large number did come, to hear what I had to say.

Regrettably the conference this morning put a different view. I do not imagine that the industrial action that is

directed against the Government in a political way will now continue following the appearance of the new shadow Minister for Education at that self-same conference. One would have to say that he did not do all that well in presenting the Opposition's point of view. I feel, in fact, that he might have done a little better had he gone along with a policy. However, he, in fact, informed the conference that he very much regretted that he could not explain what the Opposition policy was on this matter because he had been given the job only recently and the Opposition did not have a policy on it yet.

Mr Clarko: I understand that you weren't well received either.

Mr PEARCE: The member for Karrinyup was not there. I received very few hostile questions. In fact, to summarise the tenor of the conference, one delegate rose and praised Mr MacKinnon for having the courage to come along, and then said to him, "I think I speak on behalf of most delegates here when I say that the worst Labor Government is better than the best Liberal Government on education". The delegate then received a round of applause. The shadow Minister for Education did his best, and I thought that his heart bled towards the end of the session. He said to the conference that he really did not believe that past Liberal Governments had been all that bad. I felt for him when he said that, because I suppose there was even a modicum of truth in that.

To return to the issue of the question: I will be seeking discussions on this matter with the newly elected executive of the Teachers Union to see if we can in fact continue with negotiations along the basis that I indicated to the conference yesterday evening. This would be acceptable to the Government because it is my view that the membership of the union broadly—that is, primary teachers—would be prepared to accept the proposition which the Government is putting, and they would have more stomach for that than to undertake the industrial action which the executive has asked them to take. I understand that two of

the speakers at the conference recognised that there was not much appetite amongst primary teachers for industrial action of this kind. I will certainly do my best to avoid any unnecessary confrontation on this issue, and to ensure that if it can be resolved without any disruptions to our schools, it will be done.

Several members interjected.

Mr PEARCE: People may have thought that I was a touch unfair to the Deputy Leader of the Opposition in respect of his performance at the conference last night, but let me tell members of this House that I defended the Deputy Leader of the Opposition. I went around and said to a lot of people, "Look, be grateful for one thing, it would have been worse if the previous shadow Minister had come along."

I make this offer to the member for Karrinyup in case he gets back into the field. When he finds a parent who is not getting his child's report at the end of the year, he can send that parent to see me and I will fix it for him.

## STATE ENGINEERING WORKS

### *Loss*

121. Mr HASSELL, to the Minister for Works:

Is it correct that the State Engineering Works made a substantial or significant loss last year, and if so, how much was it?

Mr McIVER replied:

At this stage I am not conversant with the figures. I will obtain them for the Leader of the Opposition when they are available and let him know.

Mr Hassell: Was there a loss?

Mr McIVER: I will let the Leader of the Opposition know.

## WAGES AND SALARIES

### *National Wage Case: Arrangement*

122. Mr HUGHES, to the Premier:

- (1) Is he aware of the arrangement concluded between the Commonwealth and the ACTU on the approach to the next national wage case?

- (2) Is the arrangement broadly acceptable to the State Government and, if so, will the State be represented at the hearing?

MR BRIAN BURKE replied:

- (1) and (2) An amazing quietness has come over the Opposition on this particular matter compared with its demeanour when this matter was current some two or three weeks ago when the national Budget was brought down. The Leader of the Opposition was whining and carping in his vehement criticism of an arrangement he said would never come into being. He said the whole Budget depended upon some unagreed, airy-fairy arrangement to discount wages. Today I am pleased to be able to confirm and underline for the Opposition generally that the agreement has been reached, the wage increase in the early part of next year will be discounted by some two per cent, and the accord will be renegotiated to persist for another two years.

So let us have a generosity of spirit from the Opposition in the light of the circumstances which have arisen. As the Government said previously, we supported the discounting of wages. We believed it was critical to the improvement of this country's share of international trade that discounting should be achieved. The Opposition said the Budget was no good and the ACTU would not agree to the attempt to discount wages. In case the Leader of the Opposition is not aware of it, the report in tonight's *Daily News* is headed, "Lower pay rise—it's a deal." Negotiations have been completed which will see the discounting of wages and the two per cent lost as the discounting is effected being granted by way of advance tax cuts.

I wonder what the Leader of the Opposition has to say now. He must think the Budget is a good one because all he could find to criticise previously was the unnegotiated agreement in respect of discounting. That has been achieved, and the Leader of the Opposition should eat his words because he

measures the ability of other people to see alternative points of view by his own capacity to do so, and naturally is led to believe that no-one is capable of entertaining any point of view except his own.

## HEALTH: SMOKING

### *Antismoking Campaign: Effects*

123. Mr THOMPSON, to the Minister for Health:

- (1) Does he adhere to his claim that 20 000 people, or about seven per cent of the population of Western Australia, gave up smoking in the 1984-85 financial year as a result of the Government's antismoking campaign?
- (2) If he does, will he explain why his colleague the Treasurer budgeted for an 18.8 per cent increase in revenue from the tobacco tax in that same period with an actual increase of eight per cent being recorded?

Mr Brian Burke: Because prices of cigarettes rose.

Mr HODGE replied:

- (1) Obviously I still support the statement I made earlier about the number of people who gave up smoking in the highly successful Quit Campaign.

Mr Clarko: Was the Premier one?

Mr HODGE: Unfortunately he has been my most spectacular failure.

- (2) As far as the Treasurer's Budget Estimates go, the member will have to direct that part of the question to him, although I would have thought some of the answers would be fairly self-evident; that is, the prices of the products went up and the population continues to grow. I would have thought those sort of elementary things may have had some influence. I am not responsible for what the Treasurer does, and I suggest the member direct his question to him.

## STOCK: MERINO RAMS

### *Gift*

124. Mr D. L. SMITH, to the Minister for Agriculture:

Can he give details of the financial implications for Western Australia's merino stud breeders following the goodwill gift of 20 merino rams to the People's Republic of China in 1984?

Mr EVANS replied:

Yes, and I am happy to do so. Following the presentation of 20 stud merino rams to the People's Republic of China, officially attended by the Deputy Premier while in China last year, Western Australia's reputation as a reliable supplier of quality breeding stock has been enhanced greatly—so much so that the China National Animal Breeding Stock Import and Export Corporation attended the sixty-seventh annual stud merino rams sale at Katanning last week.

Mr Brian Burke: I might say here that at Dowerin today I was approached by senior farmers who said, "Please don't abolish the State fuel levy; we appreciate that roads are the lifeblood of the country." The Minister was there and saw the reception we got; it was unbelievable. I was very heartened. The member for Mt Marshall is not here; I have not looked at that seat lately, but I would say it is a possibility.

Mr EVANS: I appreciate the point the Premier is making about the importance of transport—

Mr Thompson: If that is the case, then so are Stirling and Merredin.

Mr Brian Burke: I would not be surprised at a clean sweep right through there. The support from the farmers today would have made the member for Katanning-Roe's ears go red. When I asked about the Leader of the Opposition they said, "They don't farm wheat in Dalkeith." They are acutely aware of his failings.

Mr EVANS: Having got the election out of the way—

Several members interjected.

The DEPUTY SPEAKER: Order! If I can just get the ship back on the rails a little. The Minister for Agriculture.

Mr EVANS: Fifty-eight rams from an offering of 181 were bought by the Chinese trade mission. The average price paid by the Chinese was \$2 840 a ram. The Chinese bought 45 rams at prices exceeding \$1 000, bringing the total bought for export in Australia since 30 June to 294. There exists an export quota throughout Australia of 300 rams.

There are some impediments to the expansion of this industry and I have already taken those up with the Minister for Primary Industry (Mr Kerin).

The Government would like to take this opportunity to thank the Stud Merino Breeders Association of WA once again for the generosity of its original gift, and we congratulate its members on their foresight and initiative. The Government was happy to support such an initiative.

In future years I am sure the Western Australian agricultural industry as a whole will benefit by the increased opportunities to trade with the People's Republic of China, bearing in mind of course that it represents one quarter of the world's population.

## DAIRY PRODUCTS

### *Dumping*

#### 125. Mr BLAIKIE, to the Premier:

It is pleasing to see that the Premier now understands there is a State outside Trades Hall. Following the Premier's visit to the south-west over the weekend when he said that his Government had ways of stopping Victorian dairy products being dumped on Western Australian markets—there are increasing quantities of Victorian produced dairy products, namely Big M, which are impacting on the sales of Western Australian products—what action is the Government taking to carry out its undertaking given to farmers in the south-west last weekend?

Mr BRIAN BURKE replied:

The Minister for Agriculture—

Mr Blaikie: You made the statements.

Mr BRIAN BURKE: And I will answer the question.

The Minister for Agriculture has this matter well in hand. He is widely and quite rightly respected by, amongst others, the constituents of the member for Vasse.

As has been consistently stated publicly and privately to the national Government, the Western Australian Government does not think that our dairy farmers should have to bear the cost of the over-production of dairy farmers in other States, whether they be in Victoria or New South Wales, who might see their over-supply sold on the domestic market.

Notwithstanding that section of the Constitution which would inhibit any action that would try to restrict trade across State borders, the member for Vasse should be satisfied that the Minister for Agriculture is actively pursuing all of those areas of discretion that he has, whether it is under the Health Act, or an Act relating to agricultural products, or consumer protection, etc.

The State Government will leave no stone unturned in making sure that the dumping of Victorian milk on the Western Australian market is not permitted to proceed.

Mr Blaikie: It is happening already.

Mr BRIAN BURKE: I do not believe it is happening because it is not a case of dumping.

Mr Blaikie: You are changing words.

Mr BRIAN BURKE: I do not think the member understands what "dumping" means. In any case, the Minister for Agriculture has made it perfectly clear, at a national Government level, that we are not about to tolerate the dumping that was carried out in New South Wales by Victorian farmers and that is not being carried out in this State. As far as I know, there has been no dumping of the same type that is undercutting prices to the same degree, or to any degree, as was the case in New South Wales.

The Minister for Agriculture, without being specific about those things, intends to leave no stone unturned to make sure that Victorian farmers do not dump their milk on our domestic markets.

# EMPLOYMENT AND TRAINING: APPRENTICES

## *Intakes: Media Release*

126. Mr MENSAROS, to the Premier:

- (1) Having been inspired by an interesting commentary on the Australian Broadcasting Corporation, I ask the Premier whether he can recall the interesting answer he gave yesterday to one of his colleagues on the back bench about the apprenticeship intake?
- (2) If so, can he tell me whether the answer was the subject of a previous media release?

Mr BRIAN BURKE replied:

- (1) and (2) I cannot answer the question. I have not seen a media release that outlined it. I have no doubt that it may well have been the subject of a media release or public statement previously.

We would have simply been trying to emphasise or underline a quite outstanding performance in respect of the number of apprentices being trained in this State when compared with the period when the member was in Government.

Mr Mensaros: It is in connection with the report that emphasised the merits or demerits of the Dorothy Dix question.

Mr BRIAN BURKE: I am happy with the answer and I am happy that it is implicit that our performance is better than was the performance of the previous Government. We are training more apprentices than the previous Government ever trained. Unemployment is falling, economic activity is rising, and retail sales are progressing marvellously well. We do not say that there is not a lot more to be done. Housing approvals have never been at the levels we now see them at, and the building and construction industry is ticking over with confidence. We know well that that does not sit well with the Opposition's political ambitions, but it will have to live with it.

# MEMBER OF PARLIAMENT: SENATOR SANDERS

## *Conservation and Land Management Department: Discussions*

127. Mrs WATKINS, to the Minister for the Environment:

- (1) Was any attempt made by visiting Tasmanian Senator Sanders who, while in WA, was very vocal in his opposition to the Hillarys marina, to discuss the project with the Department of Conservation and Environment?
- (2) If not, did the Department of Conservation and Environment contact the good senator?

Mr DAVIES replied:

- (1) and (2) I understand that Dr Sanders was in Perth on the weekend of 27 and 28 July and that he returned to Tasmania on 29 July. When the department attempted to contact him it found that he had hit and run. A meeting was therefore arranged with interested persons, including Dr Sanders' representatives. The meeting included representatives of the Department of Conservation and Land Management, the Coastal Engineering Branch of the Marine and Harbours Department, a Mr Graham Major—who is the candidate-elect for the Australian Democrats—representing Dr Sanders, and Mr Michael Rose of the Wanneroo Beaches Action Group, also representing Dr Sanders.

Mr Brian Burke: What is a candidate-elect?

Mr DAVIES: I wondered about that myself. This information has not been given out before. Although my colleague, the Minister for Planning, was able to point out some of the deficiencies in the attack by Dr Sanders, I thought the House might be interested to know the three points he raised and the reaction to them.

One of his complaints was a complaint of secrecy. The meeting, consisting of those people about whom I have spoken previously, agreed that all available essential information was contained in the Sorrento marina environmental review and management

programme. Mr Major indicated that Dr Sanders had not read the ERMP. There appeared to be no basis for this allegation by Dr Sanders. His two representatives agreed with that.

Dr Sanders said that he had publicly alleged inadequate consideration of coastal processes. Since Dr Sanders had apparently not read the Sorrento marina ERMP, Mr Major and Mr Rose could not explain the basis for this allegation. The officers from the Coastal Engineering Branch nevertheless explained at length their work on other structures on the WA coast and it was concluded that the branch had considered coastal processes adequately. Mr Major and Mr Rose had some objections, but, finally, did not state or imply that they disagreed with the conclusion.

Finally, Dr Sanders spoke about the situation in California where he said that a poorly sited marina had cost something like \$200 million over 50 years in maintenance costs, mainly due to underestimated sediment dynamics. It became obvious quickly that the comparison was totally inappropriate. The known rate of long-shore sediment transport in the California example far exceeds that at

Sorrento. Furthermore, the Californian marina is exposed to direct ocean swells and strong unidirectional weather and current regimes. None of this applies to the location of the Hillarys boat harbour. The Marine and Harbours officers are adamant the sand by-pass operations for the Hillarys boat harbour will cost a maximum of \$35 000 annually. The point was made again that Dr Sanders could have found this out for himself by reading the ERMP.

Before the meeting concluded, Mr Rose left for another appointment. However, Mr Major concluded that the coastal processes perhaps had been considered adequately but that he intended to pursue further social and political aspects of the siting and construction of the Hillarys boat harbour.

We hope they have passed on our invitation to Dr Sanders. Should he again come to Perth, I suggest that he contact the Department of Conservation and Environment to become properly informed and not to make such a fool of himself in acting the way that he did.

