

Legislative Assembly

Tuesday, 7 October 1980

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

HIRE-PURCHASE AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by Mr O'Connor (Minister for Labour and Industry), and read a first time.

BILLS (3): THIRD READING

1. Administration Amendment Bill.
2. Constitution Amendment Bill (No. 3).
3. Waterways Conservation Bill.

Bills read a third time, on motions by Mr O'Connor (Deputy Premier), and passed.

APPROPRIATION BILL (CONSOLIDATED REVENUE FUND)

Second Reading: Budget Debate

Debate resumed from 30 September.

MR DAVIES (Victoria Park—Leader of the Opposition) [4.37 p.m.]: My initial reaction to the Budget was that it was colourless and contained very little of great joy for the average Western Australian family. Since then, I have had time to have a close look at the figures contained in the Budget and I am certain my initial reaction was correct.

The economic and financial policies of the Liberal-Country Party Governments in Canberra and Perth have reduced the standard of living of every Australian family. This continued trend is reflected most markedly in the Budget brought down by the Treasurer a week ago.

I sympathise with the Treasurer in many respects because he has had a very difficult row to hoe in negotiating with his colleagues in Canberra. However, at the same time I repeat once again that the Treasurer has no-one but himself to blame because he went along wholeheartedly with the new federalism policy.

The attack on family living standards has been long, massive, and sustained. As long as the present policies continue to be adopted by the Governments in Canberra and Western Australia, the fall in living standards will continue.

Mr B. T. Burke: Raise the standard!

Mr DAVIES: This trend of falling family living standards is not something normally experienced by Australia and, particularly, by Western Australia. The Opposition has complained before about a constant whittling away of standards in certain areas. However, on this occasion it is quite apparent that unless something happens, the average Australian family will be in a position in which it does not deserve to be; they will be there through no fault of their own.

The reversal of this trend must surely be the most pressing task facing this State and this nation. I believe the only way we can reverse the trend is to abandon the policies which have proved so disastrous. We need to put the family first. The policies being pursued by the Fraser and Court Governments make it harder and harder for the average family to make ends meet each week. We need policies which will help the average family make ends meet each week. That means policies which are going to contain and stop spiralling Government charges. It means policies which are going to put housing within the reach of people. It means spreading the tax burden more equitably. It means sorting out the health insurance mess. It means adjusting family support schemes to bring them into line with the current cost of living. It means ending the inflationary insanity of letting Middle East oil sheiks set the price of Australian crude oil. It means installing Governments which understand the needs of the family. It means getting rid of the Governments in Perth and Canberra that are of the wealthy and govern for the wealthy.

The Budget brought down by the Treasurer last Tuesday reflected the failures of Liberal-Country Party Governments, both here and in Canberra, to do exactly those things. The measures pursued by the Court Government in the first three months of this financial year have made a substantial contribution to reducing family living standards. Those measures have failed to come to grips with the State's needs and they reflect the Court Government's penchant for practicing big government while preaching small government.

These measures are testimony to the financial hegemony the Fraser Government has been inflicting on the States in each of the five years since it took office. They point to the rapidly rising likelihood of a State income tax being brought into being in this State. I believe that will be almost a certainty if the Federal Government is returned to Canberra on 18 October. During the past five years we have been steadily heading in that direction. We are now right on the brink and it needs only the return of the Fraser

Government on 18 October to have such a State income tax introduced. There is not the slightest doubt that the position will be made so hard for this State financially—and goodness only knows it is hard enough now—that we will be in a situation where there will be no alternative but to introduce a State income tax.

As I have said, increasingly, many families are unable to keep pace with rises in the cost of living. In the last month there has been a flood of reports which have indicated how difficult it is for the average Australian family to keep up with these continual rises. The reports have indicated the physical distress which exists among a significant proportion of the community. Some of the reports suggest that the situation is likely to worsen. Perhaps I could remind the House of one or two of these reports.

A Victorian Government social welfare report pointed out that the unemployment benefit payable to young people fell below the poverty line. The report said that this was causing distress and deprivation and making it harder for the unemployed to seek work. I suppose it is even admitted by members of the Government that there are plenty of people who genuinely want work, but with the amount of benefit they are able to get being below the poverty line, these people do not have the resources to get out and seek the work they so earnestly desire.

A second report came from the Catholic Commission for Justice and Peace which drew attention to what it said was a higher incidence of poverty in Australia than in many developed countries. The commission's findings were confirmed by two church welfare agencies in Western Australia which reported a rising demand for their services, including a significant increase in the number of people wanting food parcels. I am getting an increase in the number of people making approaches to my office for assistance in all kinds of directions. Often the best I can do is to steer people to some of these agencies. The agencies said that bills for Government charges were one of the prime reasons that people found themselves unable to cope.

The President of the WA Council of Social Service said in his annual report that the percentage of the community living below the poverty line had increased. He concluded that every rise in inflation, food costs and other charges pushed down the living standard of people on pensions and fixed incomes. His finding is quite understandable. If pensions are not keeping pace and a person is on a fixed income, that

person must find it extremely difficult to meet all the rises in charges.

Another report which came out was, I think, tabled in this House last week. It came from the Distressed Persons Relief Trust, and that report also said that many people were unable to meet their commitments. The trust said that many people did not have the resources to retrieve themselves or their families in times of crisis. In fact, these people are living from week to week, from pay day to pay day. They have no resources behind them. If any increase in charges comes along to upset their carefully balanced budgets, they find themselves in real trouble.

All these reports paint a grim picture of what it is like to be on a low income in Australia today. There is little doubt that in this State and in this country it is hard for the poor and the disadvantaged to live. But, without being explicit, these reports also point to a much wider trend, and that is to the general decline in living standards.

The reports from the various agencies I have quoted point to a growing demand for their services and to a growing problem amongst the lowest income families. But that is just the tip of the iceberg, because the growing number of families seeking assistance from welfare agencies indicates that it is getting harder and harder for people in higher income brackets and for all families to make ends meet.

If more families are seeking welfare assistance, an even greater number of families are struggling to meet their commitments and live comfortably, even if they are not forced to go to welfare agencies for help. The fact is that the standard of living for the average family is falling, and it is falling for the first time in many years.

Increases in wages, salaries, and other forms of income such as family allowances have not kept pace with rising costs. I believe the principal factors in the falling standard of living are inflation; high mortgage repayments because of rising interest rates; spiralling fuel prices; the growing cost of health insurance; and the tax burden and Government charges. All these things add up to making it increasingly difficult for the average Australian family to maintain its standard of living.

For the first time in many years, standards are falling and that is a matter which I am sure every member of Parliament is concerned with and has regret for. Let me first examine how the matters within the control of the Court Government contribute to this decline in family living standards.

Already this financial year the Court Government has announced increases of between 10 and 38 per cent in no fewer than 16 Government charges. The majority of the increases are more than the projected rate of inflation for 1980-81. The Government's charges are themselves inflationary.

The increases in charges already announced will raise an estimated \$113 million this financial year. I point out that these figures were given to me in this House in answer to questions I have asked. The biggest revenue raisers are electricity charges, \$47.5 million; Motor Vehicle Insurance Trust charges, \$20.5 million; Metropolitan Water Board charges, \$14.4 million; and Westrail freight charges, \$11.4 million. When all the charges are added up—water, sewerage, electricity, fares and so on—we estimate that the annual cost of all these increases to the average Western Australian family is about \$260 a year.

All these charges mean that the average Western Australian family will pay at least \$5 a week more and we believe our estimates in many areas are conservative. That is an extra \$5 a week that the Court Government is taking out of the pocket of the average Western Australian family. That is an amount which is well above the State's inflation rate. This amount is coming from family incomes which, during 1979-80, increased by less than the inflation rate.

We are facing an increase in salaries which is less than the inflation rate and the Government will take from the average family more than the inflation rate during the coming year. That is not the end of the story, because the average family will pay those increases again and again. They will pay them when they are levied directly on their own households and they will pay them again when businesses in the community pass them on as higher prices for their goods and services.

This flow-on could increase the average family's weekly bills by at least as much again as the direct increases in charges. The Court Government is playing a major part in the falling standard of living for the average family in this State.

The Fraser Government—by acts of omission and commission—is playing a substantial part, too. Its taxation policies and its economic and financial policies are having a devastating effect on family budgets.

The Fraser Government came to office as a low-tax party. In fact, it has been a high-tax Government—the highest taxing Government in this nation's history.

In 1975 the Federal Budget—that was Bill Hayden's first and last Budget—total tax for the year was estimated at \$17.6 billion. This year—the fifth and final Fraser Budget—estimated tax collections total \$32 billion.

The burden of tax payments has fallen with crushing severity on pay-as-you-earn taxpayers and their families, the people who are the backbone of Australia.

Between 1975-76 and 1979-80, the tax burden for wage earners increased by 59 per cent, but their incomes increased by only 49 per cent. The tax burden increased by 59 per cent during that five-year period and yet the incomes increased by 49 per cent. However, in the same period, company income has risen by 55 per cent but company tax has risen by only 35 per cent. The average family is carrying a bigger burden to lighten the load on the rich and the big companies which should be more able to pay.

When changes have been made to the taxation system, the greatest benefit has always gone to the people on the highest incomes, while the average wage and salary earner has been given the least benefit. In addition to all that, the promise to introduce full tax indexation has been repudiated. We were all promised that again and again and it has been repudiated again and again.

The growing tax grab is reducing the money the average family has to spend each week. Rising interest rates have been another key element in the Fraser Government's contribution to falling living standards.

I talk about the Fraser Government because I think that when discussing financial matters, the root of most of our troubles is that Government. That Government is certainly subject to much criticism. Little has been done by the State Government to contain interest rates. In 1977 the Prime Minister said that interest rates would fall by 2 per cent in 12 months. I have that newspaper at home which reports the promise by Prime Minister Fraser that interest rates would fall.

Mr B. T. Burke: He didn't keep any of his other promises so why should we expect him to keep that one?

Mr DAVIES: The Deputy Prime Minister said he would eat his hat if they did not.

Mr B. T. Burke: He is a bit of a horse.

Mr DAVIES: He has not eaten his hat.

Mr B. T. Burke: The Premier is very quiet.

Mr DAVIES: The fact is that interest rates have risen and pressure is building up for another major rise.

Every time there is a rise in interest rates, the average family gets hammered again, either because mortgage repayments increase, or because the family's capacity to raise and service a loan for a home of their own is reduced.

Mr B. T. Burke: The Fraser Government embarrasses the Premier.

Mr DAVIES: He said it many times. At least I have to be fair to him because on many occasions, particularly with regard to financial matters, the Premier has said just that. He has said that the Fraser Government does embarrass him when it comes to money matters which should be the sole prerogative of the State. So, when interest rates go up, we find that on an average loan the family has to pay \$4 or \$5 extra a week. That is if interest rates go up 1 per cent, so they are in a difficult position—if they are lucky enough, and I query "lucky" to have a mortgage. People are in an almost hopeless position if they are trying to get together the reserves to obtain a loan.

Mr B. T. Burke: The Premier has never had a mortgage. There is real hardship in the community.

Sir Charles Court: I started out with three mortgages on my home.

Mr B. T. Burke: I still have three.

Mr DAVIES: Let us not boast about who has the most mortgages. I know it is very difficult and I find young people are most distressed when their chance of getting a home of their own is slipping further and further away because interest rates are increasing and wages are not increasing in line with the interest rates.

It has been reported on several occasions that the Federal Treasury wants rates to go up. The Commonwealth Bank wants rates to go up and the Australian Bankers' Association wants interest rates to go up. When they do, the family will carry the burden again. Inflation is also eating into household budgets. The acceleration of Western Australia's annual rate of inflation was one of the most alarming developments last financial year.

In 1979-80 the Consumer Price Index for Perth rose by 9.7 per cent compared with only 8.6 per cent in 1978-79. This is from a Government which said it would do something about inflation. It was said, "I will clear it up in six months" by someone standing in this place, who was not of the same political colour as myself. "Give me six months", it was said. "The job has to be done State by State." Our position has worsened in the last financial year.

The Fraser Government was elected on a platform of getting inflation under control.

Mr Fraser was a little more realistic about it. He said that all he wanted was three years and he would have inflation under control. Let us have a look at the figures. In 1975-76 the national inflation rate was 12.3 per cent, and in 1979-80 it was 10.7 per cent. Five years later we have an improvement of only 1.6 per cent in the inflation rate.

Mr B. T. Burke: And going up again, too.

Mr DAVIES: And it is going up during this financial year. The Federal Treasurer himself predicts that in the present financial year inflation will increase to between 10 and 11 per cent. The Federal Government shrugs its shoulders. It says it can do nothing about it. Once again, the promise it made came to nought and inflation is getting out of control, despite all the measures the Federal Government is supposed to have taken. It is a shocking record for a party which projects itself onto the community as a party of sound and responsible economic management.

But in spite of the figures, that party has the gall to go to the electorate on exactly the same policies in the present election campaign, saying, "We will control inflation; we are the only party that can do it." Let us have a look at its record. It has failed miserably. It should say, "Trust us again and you will be just as badly off as you have been over the past five years." I certainly hope the electorate judges the coalition Government on its record, because if it does there is not the slightest doubt that we will see a change as reported in the Gallup polls, which have been most encouraging in the past few weeks. Support for the ALP will be increased and the Fraser Government will be swept from office.

Mr Blaikie: The headline tomorrow will probably be, "Leader of the Opposition punishes Government in a rip-roaring speech".

Mr DAVIES: Unfortunately, I am not responsible for what the newspapers print, and I do not always agree with them.

Mr Blaikie: What a lack-lustre performance!

Mr DAVIES: This is very interesting. I can only suggest that members opposite find the figures I am giving to the House embarrassing. They have been out supporting the Fraser Government and saying what a wonderful Government it is, ignoring all its broken promises and the fact that many members of the Ministry are suspect. They are trying to bolster up a Government which has failed to live up to any of its major promises and which has been a disaster

for Australia. The people of Australia are recognising that; it is clearly coming through.

The Fraser Government was going to reduce inflation and interest rates, do away with unemployment, make it easier for people to get a home, do something about health insurance, and put transport on the right basis throughout Australia. Can members tell me where there has been an improvement in any one of those issues? No wonder members opposite are anxious that I do not talk about them. They must be embarrassed, even at this distance, by the people in Canberra, who have been an embarrassment to the Government in this State and have caused embarrassment with some of their foreign policies. We had the disaster of Vietnam, with cheering all the way by Government members and finally we had to withdraw defeated and broken. Yet members opposite stand up and tell us what a wonderful Government the Fraser Government is. I will be happy to debate with them publicly on foreign policy, internal policy, inflation, unemployment, or pensions. The Fraser Government's broken promises in regard to these matters have been a disaster for the whole of Australia and particularly for this State.

One of the major components in the rising inflation rate has been the unnecessarily iniquitous fuel tax—not to mention the bungled Australian health system. Even the Court Government has recognised that, and I will quote some of the statements the Premier made in his Budget speech.

The survey of the Western Australian economy, prepared by the State Treasury and issued with the State Budget, points out that the biggest increases in the Consumer Price Index in this State were: transportation 12.3 per cent, well above the inflation rate; household equipment and operation 10.5 per cent; and health and personal care 26 per cent, nearly three times the inflation rate. The State Treasury's commentary is—

Changes in the health insurance arrangements announced by the Federal Government in August 1979 were the primary cause for the sharp increase in the cost of hospital and medical services included in the Health and personal care group.

The rises in the Transportation group (12.3 per cent) and the Household equipment and operation group (10.5 per cent) largely reflect the lift in fuel prices resulting from O.P.E.C. price increases and the parity pricing policy for Australian crude oil.

We know those statements are correct; and unpalatable as they might be, the Government

has to deal and contend with them. They are all instances of bungling by the Fraser Government for which we are paying.

It has been estimated that the fuel tax is costing the average Australian family \$700 a year. If current policies continue and there is not a change of Government on 18 October, that figure is likely to rise to \$900 a year. We just cannot afford it. The Fraser Government's revenue from this source has risen by 1 260 per cent in only four years. That increase in revenue is equal to a 23 per cent rise in income tax. We would be in exactly the same position had the Fraser Government not brought in parity pricing for fuel but had increased our income tax rate by 23 per cent.

The Fraser Government takes 20c of the price of every litre of fuel that is sold. The cost of producing a barrel of Bass Strait oil is about \$1, but the selling price set by the Fraser Government is at least \$23. That is the latest accurate figure I could obtain, but it is closer to \$25. Every time the price goes up by \$1, the Fraser Government gets 83c of that dollar. So, the fuel tax is now costing the average Australian family \$700 a year, and it will cost \$900 a year within a short period if the Fraser Government is returned on 18 October.

It is a shameful policy which has hit the family the hardest, but has probably had the most harmful and dire effects on the people on the land. The Fraser Government says it has to charge a fortune for fuel to encourage conservation, but how can a man who has to live on the outskirts of Perth conserve fuel when in many instances his only form of transport is his own motorcar? For a man who, because of housing conditions, is forced to live many miles from the centre of Perth, that is the only way he can get to and from work. For many families expenditure on fuel is not discretionary but unavoidable. They have no chance of cutting their consumption, yet they must pay the Fraser Government's outrageous petrol tax; they cannot avoid it. They must use fuel and they have to pay a tax of 20c on every litre.

The Fraser Government's narrow and unimaginative fuel conservation policy works solely on the basis of pricing fuel out of the reach of the average family. It places the whole burden on the average family and lets the "fat cats" off lightly. It is an iniquitous tax because it takes no account of capacity to pay and no account of whether or not fuel consumption is essential. It is the same across the whole community. It is a vicious tax in that it disadvantages the ordinary person while having only a marginal impact on

the people in the community who are wealthiest. It is the unfair tax of all. The pensioner has to pay the same price for petrol as the millionaire—and there are now a few millionaires around Perth.

Surveys have shown that in country areas low-income earners have to spend almost 10 per cent of their income on petrol, whereas people on higher incomes spend only 2 per cent. If one has to pay 10 per cent of one's income on petrol, one will not be happy about it, especially when one sees the man on the higher income paying only 2 per cent of his income.

Probably no other item in the litany of incompetence that is the Fraser Government's record has contributed more to reducing family living standards than the fuel tax. The only other item which might rival that iniquitous tax is the cost of health insurance. The health insurance system has had four major changes in four years, but I believe it is more like 14 changes of one kind or another in the same period. Every time a change has taken place, there has been one result, and that is that the average Australian family paid more. For anything near the maximum benefit, the average Australian family pays almost \$600 a year. I know that to be so, because I have just paid my six-monthly premium of \$280, which is not for the highest scale and does not include any of the special benefits which are available and which I am carrying myself. So the average man, if he wants any kind of health insurance, must pay something like \$600 a year to obtain minimum cover for his family. This is another element in the declining living standards. When all these factors are taken into account, the policies of the Fraser Government mean that an average family is \$16 a week worse off now than it was five years ago. These policies of the Canberra Liberal-Country Party Government mean that after five years, and allowing for inflation, the average Australian family is \$16 a week worse off. That figure applies to a taxpayer, his spouse, and two children.

Such a taxpayer would need a wage increase of \$23.15 a week before tax in order to be as well off now as he was in 1975. That figure takes into account only the measures taken by the Fraser Government that have reduced the living standard. The figures I have used were produced by the Federal Labor Party. They were challenged by the present Government, but they were confirmed by the legislative research service of the Federal Parliamentary Library—not by the Federal Labor Party alone, but also by the Parliament's research section. Once again, the Fraser Government tried to decry and deny them,

but try as it would it could not deny the figures because they are based on fact. I think the only thing the Federal Government could come up with to say that we must be just as affluent, if not more affluent, than we were five years ago is the fact that there are now more private telephone connections than there were then. What a pitiful argument! Yet the Federal Government bases its whole argument that we are better off now than we were five years ago on that fact. I repeat that the figures I am using have been authenticated by the independent legislative research service of the Federal Parliamentary Library.

I mentioned earlier that the cost to the average family of the Court Government's revenue-raising measures was about \$5 a week. So if we make similar calculations referring back to 1975-76, we find the additional weekly cost to the average family of State Government charges is about \$10.70; after making adjustment for inflation the additional real cost is \$5.20 a week. Therefore, the net effect of the policies of the Court and Fraser Governments is to make the average family \$21 a week worse off now than it was in 1975. The wage increase necessary before tax to put that average family back on the basis it was on in 1975 is \$30.90 a week.

Just tell me what sections of the community have received wage boosts of \$30.90 a week—which would only balance out the charges that have been brought about by the policies of the Fraser and Court Governments?

From the figures supplied to us—and I would like to compliment the Treasury officials on the information they have made available to us—we were able to deduce that the decline in living standards has been greater in Western Australia than in Australia as a whole. The Australian national accounts show that in 1975-76 the Western Australian household income per head of population was roughly equal to that of Australia as a whole; in other words we were on a par with the rest of the nation. But by 1978-79—the latest year for which figures are available—the Western Australian figure had fallen about 6 per cent below that of Australia as a whole, and the decline was greater in Western Australia than in any other State.

What that means is that despite investment, resources development, and mineral exports, households in Western Australia finished last in the distribution of national income. It all adds up to a depressing picture in respect of what families need to do to make ends meet week by week.

The figures I have quoted tell the story starkly; but we do not need the figures to tell us the

situation; all we need to do is walk out into the street, into supermarkets, into pubs, or anywhere that people gather and ask them how they are finding the cost of living at the present time, and how they are managing to cope. The people will tell us that it is becoming harder and harder to cope, week by week; and the Government is doing nothing to assist them. They will tell us they are getting less and less for their dollar and that they are a lot worse off now than they were a few years ago. As I have already said, many of them will say they are living from pay day to pay day; they have no resources behind them.

It is true that there are substantial reserves in savings bank accounts, although I think even they have dropped over the last few months. In addition there are substantial personal savings in building society accounts. However, I understand that building societies are now starting to seek additional funds because the rate of growth has not been as great as they would have liked, and therefore they are unable to lend out as much money as they would like to lend. People know that they are just not as well off now as they were five years ago. I believe, as I have already said several times—and probably will say a few more times before I sit down—the policies of the Fraser and Court Governments have been a major element in the slide in living standards.

I can see nothing in this State Budget which will reverse that trend. Regrettably I can only see things in it which will assist it.

However, it is not only the average Australian family which is suffering as a result of the Budget; the small business community also are suffering. The Government has been expressing a great deal of concern about the small business community, particularly since the election when the Labor Party was getting a considerable amount of support from that community because they felt at last somebody was taking an interest in them.

Mr Sodeman: How do you assess that?

Mr DAVIES: The facts showed it. There was a 4 per cent swing against the State Government, and we received some very encouraging reports from the small business community in respect of the policy we proposed. We certainly caused the Government to do something about its policy—small and ineffective as it was. It certainly smartened up members opposite, because there was nothing in their policies which would help the small businessman. That was quite apparent.

Mr Sodeman: You have not answered the question. How do you arrive at the figure of 4 per cent?

Mr DAVIES: We did not. We are talking about the general swing to the Labor Party, against a Government that was supposed to be doing such wonders for the whole community. I did not state that comment as a matter of fact; I was simply stating the figure and informing the House of the interpretation that we put upon it. The fact that the State Government has tried to interest itself in this matter by issuing a very poor copy of our policy is proof enough that it must have been feeling the influence of the small business community, and that it must have been aware of the way that community was reacting to the policies the Government had been following. The Government's policies seemed to be leaving the small business sector for dead. Has the member for Pilbara any other questions?

Mr Sodeman: I just want to correct one of your remarks. Our policy was not a copy of your policy. The fact that the timing was different does not make it a copy of yours.

Mr DAVIES: I said it was a very poor copy of our policy.

Mr Sodeman: It was not a copy at all.

Mr DAVIES: Of course it was. It set out to try to do what the Labor Party did, but the Liberal Party did not have the gumption to recognise that more is required. The new organisation which the Government has established is nothing more than a sop which will do little for the small business community.

Mr Sodeman: How do you help them when your platform states that if you are in Government no contracts will be let to private contractors?

Mr DAVIES: Put us into Government and we will show what we will do! Had the member for Pilbara listened to a person who was advocating the abolition of the day labour force on a radio talk-back today, he would have known that the day labour system received considerable support from people who phoned in. There must be a balance of both. We had a fair balance of both when we were in Government. If we had a fair balance now we would not see the stupid things the present Government is doing to the detriment of the taxpayer and private enterprise, by forcing companies into a position in which day labour has to be used to finish jobs. Main roads have had to be finished by day labour because companies have gone bankrupt. Consider the Queen Elizabeth II Medical Centre and other projects where the famous contract system has fallen down

completely and the Government has had to spend the taxpayers' money on rescuing the companies concerned and rescuing the projects. These are the matters the member for Pilbara should be considering.

There has to be a balance, and we are striving for a balance. However, the Government is not interested in reaching a balance; its members simply state its policy. I find it more than passing strange that the Liberal Party does not care about its policy but governs from day to day. I do not know how anyone can support a party which says, "That is the policy which we have worked out at conference, but don't take any notice of it because it doesn't mean a thing and we don't have to follow it." At least the Australian Labor Party has a broad outline of the direction it intends to take. It does not dot every "i" and cross every "t", but people know where they stand with us. Certainly people do not know where they stand with the Liberal Party which, as I have said, is prepared to give favours to some and then to bail them out with the taxpayers' money. Has the member for Pilbara any more questions?

Regrettably, the Budget shows that little more than lip service is to be paid to the small business element within the community. For example, total expenditure on industries assistance has fallen in real terms. It is not a very good feather in the cap of the Honorary Minister that the total amount of expenditure on assistance to industries has fallen at a time when it should be increased. The new private company, WA Small Business Services Pty. Ltd., is to be established under Government sponsorship to provide advice and assistance to the small business sector. But this advice and assistance is to be available only at a price—at the going commercial rate. Why is the Government setting up an agency to do what should be done by private enterprise in the community, if it intends to charge the going commercial rate? How is the new small business bureau going to be better than the previous set-up if what the member for Pilbara says is correct—that we should not have Government interference but should leave it to the private sector? Why is the Government doing this and charging the commercial rate? Why is it interfering with employment in the private sector?

It is a travesty of the sound, sensible and badly needed concept of an advisory service for small business, and there is no reason to assume that the much-vaunted but very minor innovations in industry assistance which are proposed will be of much benefit.

Mr Sodeman: You have misunderstood that.

Mr DAVIES: I am not going to wait for the comments of the member for Pilbara. I paused and asked whether he had any other questions. If he has them now, I am sorry, because I cannot give him that much time. He will have to be faster with his interjections.

Mr Sodeman: Are you not interested in—

Mr DAVIES: I am not interested in the views of the member if he is so thick that he is unable to make a comment when I give him a chance. I asked whether he had further questions earlier, and there was a deadly silence. If he has only just thought of what he wanted to say, it is too late, and I cannot wait for him.

I was pointing out that it is sad that the new Minister will have less to spend on industries assistance than was available last year. I want to know what the Government is doing with its much-vaunted assistance to industries and its new small business advisory bureau which will give advice at the going commercial rates. I doubt whether the bureau has been legally established because no legislation has been put through the Parliament and yet a manager has been appointed and certain other action has been taken—all illegal, I suggest; but if it is going to assist small business I do not think I will bother about querying that or following it through.

That is a sloppy way of governing, but we have come to expect such sloppiness from this Government. Time and time again its legislation has been amended before it is debated in the Parliament. The amendments appear on the notice paper almost as soon as the title of the Bill.

As I say, the Government pretended it was coping with the problems of small business. It made appointments which, I suggest, are illegal because there is no legislation to back them up, and no authority to make the appointments. The Government will charge commercial rates, which is completely contrary to the philosophy of the Liberal Party, as I understand it.

Mr MacKinnon: Where did you get that information?

Mr DAVIES: That is what has been advertised in the paper. That is the trend of the thing.

Mr MacKinnon: Can you show us the advertisement?

Mr DAVIES: It has not been advertised, but it has been written in articles which are available. The assistance is to be available to small businesses from the advisory service at commercial rates.

Mr Pearce: See if the Minister wants to deny that.

Mr MacKinnon: I will have an opportunity to answer it later.

Mr Pearce: Answer it now. You do not know. You have to go and find out what is written in the paper to find out what is happening in your department; and you are not the only Minister in that boat.

Mr Sodeman: That is not correct.

Opposition members interjected.

Mr Sodeman: You have been smug before; but goodness me!

Mr Pearce: If you are translating for the Minister, it will be lost in the translation.

Mr Sodeman: The shadow of a bean pole.

Mr DAVIES: I will be delighted to learn there will be no charge for this service, because if there is no charge it will be more helpful to the people. Generally the ones who are in need are in no position to pay.

Mr MacKinnon: That is right.

Mr DAVIES: I would like to hear the Minister say there will be no charges.

Mr MacKinnon: No charges—not for the administration of this service.

Mr DAVIES: I am delighted to hear that, but what does it mean? If the advisory service is able to give the same assistance that we would have given, that will make us happy. There is not the slightest doubt that there is a great need in the community for this kind of service to provide the expertise needed.

Mr Sodeman: The initial service was established by this Government at no charge.

Mr MacKinnon: And it is now being continued.

Mr Pearce: Why is it a company, taking so long to get itself incorporated?

Mr DAVIES: One sees how the Government is falling over itself to agree with the policy of the Labor Party. It had five or six years to do something about the problems of small business—

Mr Sodeman: And it was done a long time ago.

Mr DAVIES: It was not done until we showed the way and published our small business policy. That was received so well that the Government thought it had better make a pretence of extending the available service, which was completely inept. If the member for Pilbara tries to say that the service available now is the same as the one that has been available all the way along, there is no need for legislation to make it all legal; there is no need for the additional appointments; and there is no need for the additional waste of money. I do not want

additional taxpayers' money spent on precisely the same service that has been available all along.

Either the Government has endeavoured to improve the system following what we said before the election, or it has not tried to improve the system. If it has not tried to improve the system, why is it making these announcements? Why has it made additional appointments? Where is the justification for spending the taxpayers' money? It is as simple as that. The Government cannot have it both ways.

One of the most damaging aspects of the Budget is that it does nothing to increase pay-roll tax exemptions and concessions. The very least one could have expected in this field was that exemptions and concessions would be adjusted in line with inflation, but they have been left untouched. Now businesses which have not had to pay this iniquitous pay-roll tax find that they have been brought into the net which has been cast. Because of increasing wages, and because of inflation, they now come within the ambit of the pay-roll tax. That is another burden they will have to bear this year.

The Government did not even increase the exemptions or the concessions by the same rate as inflation. The estimates are that the revenue from pay-roll tax will rise this year by \$19.7 million, or 12 per cent. The revenue will rise to \$187.7 million. Again, that is ahead of inflation.

The Court Government, and the Premier in particular, have complained long and hard about the pay-roll tax. The Premier has been quite justified in doing so; and every member of the Government has been quite justified in complaining about it. They have talked about how bad it is. They have talked about what a burden it is on business. They have talked about how it is a tax on jobs, and therefore it is a repulsive tax. They have talked about how it hinders employment. They have talked about reducing it. They have talked to the Fraser Government about doing something about it. They have talked about phasing it out. They have talked about abolishing it. But, that is all they have done, apparently. It is all talk. When the time came to put up, they shut up. What a great disappointment that was.

I doubt that any other aspect of the Government's Budget is more disappointing than its attitude to pay-roll tax. I doubt that any other aspect has caused more resentment or disappointment in business circles than the Government's failure to keep faith on pay-roll tax—than the Government's sell-out on pay-roll tax. The Government has said each year, "We will reduce it little by little, and endeavour to

phase it out." As I said, this year the Government has not even increased the minimum amount by the inflation rate.

In addition to the increased charges I mentioned earlier being so burdensome for the average family, the increased charges have hit businesses as well. In the main, the businesses have passed the charges on where it has been possible to do so. It has not always been possible. In particular, businesses have been hit by the industrial and commercial electricity and water charges, by fuel taxes, and by other transport charges. They have all come as a serious blow to businesses.

Whilst we are talking about electricity charges, I think the very least the Government could do would be to apply the domestic rate to charitable organisations, such as senior citizens' groups, police boys' organisations, and the like. I suppose every member in the House is associated in some way with some charitable organisation in his electorate. Members find that all of these organisations have to pay the commercial rate for electricity. Surely an organisation like a police boys' club, or a senior citizens' group, should have to pay, at the most, the domestic rate for electricity.

All of these things have come not only as a blow to the average Australian family but also as a blow to businesses. The increased charges have meant increased production costs in all sectors of industry. Therefore, they have retarded new investment, reduced profitability, placed pressure on existing levels of employment, and retarded the creation of new jobs. The effects on the small business sector were immediate and, in many cases, they were severe. In the present unfavourable economic climate, the struggle to survive is hard. The record level of business bankruptcies is a testimony to just how hard it is.

The Government's neglect of assistance to small businesses, its neglect of changes to the payroll tax structure, and its heavy impost in charges will play their part in driving more businesses to the wall before the end of the year. Of course, the unemployed are also the tragic victims of the Government's financial policies. They are the victims of the economic and financial policies of the coalition Government.

The Government talks about employment, and the number of people in work. It is uncharacteristically silent about the number of people who are out of work. Let me give some figures. On 30 June, there were 39 941 people looking for work in Western Australia. That is a massive 6.79 per cent of the work force. That

figure is 14 300 or 58 per cent more than on 30 June 1977—an increase of 58 per cent in the number of unemployed in three years.

In Western Australia there were 40.5 people out of work for every job vacancy. That is easily the worst ratio in Australia. The next worst State is South Australia, and it has a ratio of 28.7 people out of work for every vacancy. The situation in Western Australia in respect of job vacancies has deteriorated since 30 June 1977. At that time, there were only 14 Western Australians chasing every job vacancy, compared with 40.5 now.

We are not comparing the deterioration in employment between the time of the Tonkin Government and the first three years of the Court Government. We are comparing it with the last three years of the Court Government. One would have thought that in six years there would be some marked improvement if the policies of the present Government were effective.

Whatever happened to the 100 000 jobs the Court Government promised? What about the security against unemployment? "Vote for us and we will give you security against unemployment"! Whatever happened to the best employment record in Australia? These are some of the questions that we pose, and the Government cannot give us the answers. I believe those promises were never anything more than figments of the imagination of W. W. Mitchell, a very good policy speech writer. Such things were confidence tricks and election bait.

We are to vote again on 18 October, and we are asked to vote for the Liberal Government. The promises have been nothing more than a myth and a cruel deception—a perverted hoax which has been perpetrated against people who are politically powerless and economically deprived. They can do nothing about it. The people have looked to Governments to do something about the problem, and the people have been left lamenting.

I believe such promises are the products of people without compassion. They are the products of a Government or a group of people who have an absolute disregard for the problems when there is an election to be won. They will stop at nothing to win the votes; and it does not then matter about acting or doing something in the next three years. They are concerned only with getting the votes and retaining power. They are not looking after the people. It is becoming abundantly clear who they are looking after, and that is big business.

We thought at one stage we were becoming a little more equal in this country. However, the slogans have been put up by the people who think

they are born to rule. They are born to rule, no matter whom they hurt. They are the tawdry propaganda standards of Governments who see their principal role as that of protecting profits and privilege.

Let me now debunk one of the nasty untruths told by the Court Government about unemployment in Western Australia. Whenever this State's shocking record is raised, and whenever the stark statistics of the unemployed are quoted, the Court Government retorts, "It is all caused by the people coming here from the Eastern States and from New Zealand, searching for work." Indeed, when damaging figures were released during this year's State election campaign, the present Deputy Premier hastened to point an accusing finger at people from overseas.

You might recall, Sir, the Deputy Premier even speculated about excluding these people from jobs, saying that people who came here in such a situation would not be given work. However, one of the astounding features is, of course, that until recently no statistics were kept on this matter. Last year, the year before, and the year before that when we sought statistics from the Government, we were told the figures were estimates and statistics were not kept. I do not know whether the figures are accurate or whether statistics are kept at the present time; but prior to the last election when we talked about unemployment, the Government blamed the situation to some degree on people coming from the Eastern States, overseas, and New Zealand. It was a nice little propaganda point designed to deflect the thrust of the anger of the community at the Government as a result of what it was doing.

Let me tell the House the Government does not believe its own propaganda. It might have been making such statements, but it did not believe them. At the very least, the Premier does not believe a word the Deputy Premier says about New Zealanders upsetting the employment situation here.

This matter was raised at the Premiers' Conference in June. Normally the transcripts of Premiers' Conference proceedings are confidential, but a portion of the transcript fell into my hands and it makes very interesting reading on this point.

Mr Joh Bjelke-Petersen raised the issue at the Premiers' Conference in June and he was quoted as saying—

I have been told that there are quite a lot of people from New Zealand who are out of

work, who come to Australia and go straight onto the unemployment benefit . . .

In that regard one might say Mr Bjelke-Petersen had been listening to this State's Deputy Premier.

The Prime Minister made some comments about the matter and then our own Premier chipped in and he is quoted as saying—

We are not having much trouble with them in Western Australia. In fact, we welcome their coming. Those who come are normally skilled people and they come because they want work. We do not find too many of them among the unemployed.

That astounding statement was made by the Premier. So much for the Government's concern about New Zealanders coming here and artificially boosting this State's unemployment figures. It is a myth and it has been exploded by the Premier himself.

If the Premier wants to check whether I quoted him accurately, let him look at pages 78 and 79 of that transcript.

Once again the State Budget treats the unemployed appallingly. There is a pittance for job training and job experience schemes, and not a cent to really try to come to grips with the problem. The State Budget is a perfect complement to the uncaring neglect and the callous incompetence displayed by the Fraser Government's approach to unemployment.

Leave to Continue Speech

Mr DAVIES: That might be a suitable place for me to move—

That I be given leave to continue my remarks at a later stage of the sitting.

Leave granted.

Debate thus adjourned until a later stage of the sitting.

(Continued on this page.)

QUESTIONS

Questions were taken at this stage.

APPROPRIATION BILL (CONSOLIDATED REVENUE FUND)

Second Reading: Budget Debate

Debate resumed from an earlier stage of the sitting.

MR DAVIES (Victoria Park—Leader of the Opposition) [6.01 p.m.]: As I was saying, the unemployed, in particular, have less reason than anybody else to be grateful to the Fraser and

Court Governments. Firstly, there has been a lack of skill in the provision of jobs, and I do not want to repeat the figures which show Western Australia as being the worst State in Australia, or as having the worst unemployment ratio of any State.

We have to castigate the Government for its lack of initiative in the provision of schemes to train people.

Mr O'Connor: We have done more than any other State in this regard.

Mr DAVIES: The Budget shows a decrease in the amount of money available for retraining schemes, and for the provision of additional jobs.

Mr O'Connor: Some of the money will be spent on education and technical education training. There is a scheme under way involving 1 100 people in the work force, at a total cost to the Commonwealth and the State of \$13 million. We had various other schemes for the training of farm workers, and the training of metal workers at Kalgoorlie. There are a number of others.

Mr DAVIES: I have looked in vain for some evidence of that expenditure. If the items are hidden in the Estimates I can only hope that within the next few months we will see some evidence of the success of those schemes. They must be fairly well hidden because I have gone through the Budget and the only figures readily available or accessible show there will be a decline in the amount of money available. Even the money which is to be made available by the Commonwealth for retraining purposes has been reduced by a considerable amount. I am quoting from memory, but I doubt whether the State has sufficient money to introduce any extended schemes.

I have to acknowledge that a number of schemes are operating, but their effect has not been apparent. We want schemes which are apparent because many young people want to work. I decry those who talk about the unemployed only as dole bludgers. I am ready to admit that there may be some people who are prepared to exist on the dole for the rest of their lives. Within any community we will always have people who will abuse any social welfare system. However, I believe the majority of unemployed people are looking for work but, sadly, they are not able to find it.

I have said many times that I never used to have anyone coming to my office looking for a job. Now I have people coming in regularly. I am not referring only to the fellows over 40 and 50 years of age who have been thrown on the scrap heap. That is a term often used loosely, but I

think it is the only way to describe the plight of those poor fellows. I have other people who bring in their sons and daughters looking for jobs. Only the other day I had a lady from North Perth in my office. Her daughter had never had a job. I believe she wrote to the Deputy Premier, and I must check with him to see what he was able to do for her. I have been unable to find any work likely to assist her. She is 20 years of age, well educated and qualified, but she has never had a job in her life. Unfortunately, there are too many young people in that category.

As I have said previously, the Budget reflects the position which exists right across the nation. I sympathise with the Treasurer; the expenditure is expected to grow from \$1 641.2 million to \$1 857.3 million. That is an increase of less than 3 per cent in real terms. In common with all Court Government financial measures, the Budget takes considerably more than it gives. The total revenue is expected to rise by \$216 million, and that amount is in addition to the \$113 million I quoted earlier in increased Government charges. The addition of the two sums gives a figure of \$329 million which will be taken from Government receipts and placed into Government revenue in the next 12 months.

The Budget raised an additional \$216 million, yet we find on the other side this is balanced against limited concessions provided which will cost the Government only \$6.5 million.

Unfortunately, only a handful of people will benefit from the concessions which have been made. I think they are a worthy handful, particularly in regard to the land tax question. They are only small amounts and will not have any marked effect on the economic position in regard to the community in general.

The total State Government revenue will rise from \$1 288.42 per head of population in 1979-80 to \$1 428.72 this financial year. A leap into the eighties perpetrated by a man named Court—a leap of 10.9 per cent.

The State Government revenue has risen from \$529.13 per head in 1973-74, immediately before the Court Government took office, to this year's estimated \$1 428.72. That is an increase of \$899.65 or 170 per cent.

If revenue rises had been kept in line with the projected inflation rate, the Government would be taking \$211.73 less per head of population than it is now. One of the most fascinating aspects of this year's financial measures is that the Treasurer intends to transfer to the Consolidated Revenue Fund and the General Loan Fund all the allocated revenue derived from investments on the

short-term money market. Earnings from this source this year will probably be between \$20 million and \$25 million.

It is the first time in some years, certainly since before the Tonkin Government, that all the earnings from the Suspense Account have been spent.

I would like to remind members that such action is considered by the Treasurer to be irresponsible. When I made some suggestions about spending some of this money last year the Treasurer chastised me and said that I was going for broke and did not know how to manage the books. He said that the sort of behaviour I was advocating was behaviour which constituted extravagance in government. The Treasurer said that if I had been Treasurer I would have "gone for broke every year, leaving us completely destitute and without a feather to fly with".

The Treasurer said last year that I had no sense of responsibility in regard to spending the money that was available from investments on the short-term money market. I notice that this year he is practising that which he so roundly condemned last year. How hypocritical! Not unusual, but hypocritical to say the least.

Last year, no-one but he knew how to run the finances of the State and to have not kept some of that money in reserve would have been extravagant and irresponsible. Yet, this year he is exhausting the lot.

There is little doubt that the State's financial position is difficult and the dominant factor in its deterioration is the Fraser Government's so-called new federalism policy. I have said before that this arrangement was a disaster for Western Australia. Yet, when this policy was announced before the 1975 Federal election the Treasurer described it as a breakthrough in the relationship between the Commonwealth, State, and local governments. He also said that it spelt an end to "the degrading spectacle each year of the States going to Canberra to beg for funds". In fact what he did was embrace the scheme that embodied greater power for Canberra over State Budgets and spelt disaster for the financial position of the States. Exactly the opposite of what he said would happen—the financial wizard who could not even read the signs under such new federalism. Under stage one of the new federalism, the States were granted annually a fixed percentage of the Commonwealth net annual tax collection. The States were guaranteed that their entitlement in any year would be not less than in the previous year. In addition, in the first four years the States were guaranteed that their entitlements would not

be less than they would have received under the old Whitlam formula; that is, they would be not less than last year and for the first four years of new federalism the amount of taxation funds returned would not be less than was received under the old Whitlam formula.

Had that guarantee not applied, Western Australia would have lost more than \$54 million over the last four years.

We are certainly grateful that the guarantee was there because had it not been, Western Australia would have been \$54 million worse off. We have been receiving an absolute minimum and this of course was something which the Treasurer said was such a wonderful scheme.

Sitting suspended from 6.15 to 7.30 p.m.

Mr DAVIES: Before the tea suspension I was referring to the new federalism and the disastrous position in which this State has found itself as a result of embracing the principles and practices contained in the new federalism policy. The Premier embraces it willingly and has consistently refused to support other State Premiers in seeking an alteration of the arrangements which have proved so bad as far as State-Federal Government relationships are concerned.

Under stage one of the new federalism, the States were granted annually a fixed percentage of the Commonwealth's net annual income tax collections, and were guaranteed that the amount they received in any year would be no less than the amount they received in the previous year. It was written into the agreement that for the first four years the States would receive no less under the new federalism formula than they would have received under the old Whitlam formula.

That seems to be reasonable, but it is as well that the agreement existed, because without it this State would have been \$54 million worse off over the last four years. It was only because of the guarantee that we received that amount, which was far below what we were entitled to. This is the scheme which the Premier said was so wonderful for Western Australia.

But a new agreement has been written and the old agreement no longer applies. The new Fraser formula injected enormous uncertainty into State finances because the Commonwealth's personal income tax collections each year are variable. There is no guarantee that there will be a fixed increase or any increase in the Commonwealth's personal income tax collections.

The amount can vary for a number of reasons. The level of employment can affect the amount of personal taxation collections. The actual level of

wages is another factor which can affect the end result. Rates of income tax and tax scales can vary. And, of course, there is always the level of tax avoidance and tax evasion; we are not able to say each year precisely what that amounts to.

The Fraser Government can manipulate its tax formulas to cause the States to be throttled. Since 1976 there have been at least 13 changes in the tax system. Members have probably lost count of them. Those changes have been brought about through indexation, Medibank levies, tax surcharges, and changes to the tax scales; and each change affected the entitlements of the States. But the sad fact is that the States were not consulted before the changes were brought into effect. No consultation took place between the Federal and State Treasurers about the changes, which have been consistent and frequent.

Indeed, at the present time under the current formula, we have no way of knowing what the Federal Government's collection of personal income tax will be this year or in the years ahead. We have no control over it. The revenue base from which our proportion of taxation is calculated has been reduced by \$2 560 million in the past three years alone. That does not indicate that we are paying less taxation but that we are paying more by way of surcharge, levy, and all manner of additional imposts by the Federal Government.

In addition to that amount of money, the income tax surcharge which the Fraser Government applied in 1978-79 raised \$570 million, but under the new federalism not one cent of that was returned to the States. The Federal Treasurer said, "No, this is not personal income tax which will be whacked up between the States; it is a levy and has nothing to do with our agreement."

The States were hoodwinked by a very simple ploy. They had not clearly defined what personal income tax was. So, when Malcolm Fraser was short of a few bob for the Commonwealth Government he said, "We will put on a levy or surcharge." In the 1978-79 financial year that levy brought to the Federal Government an extra \$570 million in taxation which we paid but of which not one cent was returned to the States.

The States received 39.87 per cent of the Commonwealth's net personal income tax collections. I do not know why it is 39.87 per cent; the Treasurer may be able to tell us. However, that figure was decided upon. According to the State Treasury officials, to compensate fully for tax changes since 1 February 1978 the States would have needed to receive 41.25 per cent of the

collections in 1977-78, 41.41 per cent in 1978-79, and 41.74 per cent in 1979-80. We are therefore almost 2 per cent behind what we should have received to maintain even the basic share to which we could expect to be entitled—and despite an assurance given by the Fraser Government when it introduced the new federalism that the States would not be disadvantaged by the arrangements and would be at least as well off as they would have been under the old system.

That was a hoax of the worst order, and I am surprised the States did not pick it up. I make no exceptions. The Labor States as well as the Liberal-National Country Party States should have seen the apparent error. They have had an expensive lesson for the future, there is not the slightest doubt about that.

Sir Charles Court: Which figure are you talking about?

Mr DAVIES: I am talking about the 39.87 per cent we received from the Federal Government.

Sir Charles Court: What amount do you think the States missed out on?

Mr DAVIES: Had the guarantee not applied, we would have received \$54 million less over the last four years. The point I am making is that the definition of personal income tax is not what we thought it would be. The levy imposed by the Fraser Government raised \$570 million additional personal income tax but not one cent of it went to the States because it was not covered by the agreement.

That was something outside the agreement, and I believe it was a great tragedy.

We all realise we have to pay income tax so that the Government can provide the services we expect. We know there are no free meals; we all must make our contribution. However, when we have an agreement that we think will return us a certain amount of money and then find that the Federal Government changes the ground rules, we have something to complain about. I want to complain about the fact that although the other State Premiers wanted to go to the Commonwealth Government to do something about the change of the ground rules, the Premier of Western Australia said that he did not want a special conference. He held out, and that was one opportunity we missed.

I do not deny that the Premier has been critical of Prime Minister Fraser and the Federal Government, and deservedly critical of them. However, he has been very modest in his criticism. I want to point out also it is no good crying now; the time to cry was three or four years ago when it became apparent that the

States were getting a rough deal from the Fraser Government.

Mr Harman: He called it the new federalism—a monumental decision. I remember his words about it on the ABC.

Mr DAVIES: It was a monumental disaster; a monumental blunder.

Mr Harman: And the Premier has complained about it ever since.

Mr DAVIES: This financial year the Fraser Government has unilaterally abandoned the guarantee that the States would not receive less under the new federalism than they received under the previous formula. The four-year period is now up. The Prime Minister has complied with the new federalism ground rules, as he wrote them, for four years but there are no guarantees now at all.

The cost to all the States of the abolition of the guarantee will be about \$250 million, and if we look at the available figures, we find the loss to Western Australia is about \$33 million. If we are to lose \$33 million, we have to make it up somewhere just to keep the basic machinery of the State moderately oiled.

To make up that \$33 million, we would need to impose a State income tax surcharge of 3.02 per cent. This would increase the average taxpayer's annual income tax bill by about \$75, or \$1.50 a week. That is what it means in hard cash. There is no guarantee from Canberra; a loss of \$250 million to the States means a loss to this State of \$33 million. To pick up that deficit we would need an income tax surcharge of 3.02 per cent which would amount to \$75 a year or \$1.50 a week per taxpayer. What a scandal!

There are three important conclusions to be drawn from developments in Federal-State financial relations at the last two Premiers' Conferences. Firstly, by abolishing the old Whitlam formula, the Fraser Government has robbed the States of millions of dollars, and I have just told members about the amount of money of which the States have been robbed over this financial year. It has abolished the growth element of the old arrangements which ensured the States received a real increase each year. There is no guarantee whatever that we will get a real increase. We might get an increase in fact, but when we take inflation into account, there will be no real increase in the amount of money coming back to the States.

This growth element we will no longer enjoy has been enjoyed by the States for at least 20 years or more, and now it is to be abolished. In taking the money away from the States, the

Federal Government has restricted every State Government in the works it can undertake and in the range and standard of Government services it can provide.

Government services in many of the States have been limping along with a little bit of oil, but there is no oil for them now.

Secondly, it is quite plain to see that if the Fraser Government is re-elected on 18 October, there will be no further guarantees to the States about maintaining the real value of their existing entitlements, inadequate as they are. The Fraser Government will say, "Apparently the electorate is quite happy with what we have been doing." Whether or not the electorate has understood it is another matter. The Prime Minister's track record shows that he will say, "I have been doing it to the people for the past four years; they know what they are up for, and so I will be doing it to them until at least the next election." That is the kind of thinking we are in for.

If the Fraser Government is re-elected, I believe there is a strong possibility it will further reduce the amount of revenue available to the States by tinkering again with the tax system, and we know that any tinkering with the tax system will be to the detriment of the average wage earner. However, I can see it happening, and I can see the reasons for it happening.

It is clear that Malcolm Fraser is committed to stage two of the new federalism under which the States will be forced to impose income tax surcharges. That is the next stage of the system, and we know very well that legislation has been approved and drafted by this State Government to bring that surcharge into effect. Prior to the last State election we forced the Government into a corner, and the Premier had to deny that it was going to happen; otherwise, a State income tax would have been a reality by now. However, if the Fraser Government continues in office in Canberra, what is the alternative? It is quite certain that the income tax surcharge which will be imposed in each State of Australia will be higher in Western Australia than in any other State. That is because our tax base is smaller than that of any other mainland State of Australia. So it stands to reason our surcharge will be the highest in the Commonwealth.

It will be an unmitigated disaster for the finances of Western Australia if the Fraser Government is returned to office. The Fraser Government's track record over the past few years shows how little concern it has for the States. The backlog of State works will grow, and

Government services will run down at a faster pace than ever. It is quite apparent that if the Fraser Government is returned, a State income tax will become a reality. I make no bones about it. Certainly I will not get any joy from saying, "I told you so."

The imposition of a State income tax would further lower falling family living standards. The whole history of Federal-State financial relations under the Fraser Government has been one of impoverishment of the States. The new federalism was one of the most diabolical examples of Federal duplicity in this nation's history. I would have thought Federal and State Governments, irrespective of their political colours, would have been able to arrive at a kind of truce. Instead of that, our State Government has fallen for the three-card trick. It is quite apparent that the Federal Government does not want to relent.

The Federal Government claimed it would give the States a better deal. It made beggars out of the State Governments. The new federalism was one of the most centralist policies ever introduced into Australia. Ponder a while on comments the State Government made about the centralist policies of the Whitlam Government. I will bet the same State Government wishes the Whitlam Government was back in power now. At least it would know where it was going.

Mr Nanovich: Going to ruin.

Mr Old: And very fast.

Mr DAVIES: At least the Whitlam Ministers were men of honour and decency, and their word was their bond.

Mr Laurance: This is not part of the script now.

Mr DAVIES: There was no three-card trick then. The member for Gascoyne is not even a proper Minister yet—he should keep quiet for a while.

Mr Laurance: You have got away from the script—the script that Hayden sent over said, "Forget Whitlam, don't play him up."

Mr DAVIES: We work differently from Government members; we say what we think and do not have to wait for our leaders to tell us what to say. The Honorary Minister should understand that, and the sooner he does so, the sooner he might make some advancement.

As I was saying, at least—with all the alleged deficiencies—we knew where we were going in respect of financial matters under the Whitlam Government, and at least the arrangements which were made between that Government and the States were the basis of the guarantees given by Fraser. Thank goodness those guarantees were

there; the States would have been millions of dollars behind had not those guarantees been written in by Whitlam. However, they are no longer there. After this year the Federal Government can return to the States whatever amount of money it feels is the proper amount in accordance with the formula; that is, a fixed percentage of income tax of 39.87. But there are no guidelines as to what personal income tax is and, as I have said, Fraser has proved to be a man who cannot be trusted. He manipulates the definition of personal taxation, adds a surcharge, and keeps the lot himself while the States get nothing.

This is one of the most centralist policies we have ever had. It is not a matter of the Federal Government giving the State money and telling it what it can do with it, it is a matter of the Government not giving the State the money. This State Government thought it was going to get millions and millions of dollars to spend anywhere it wanted to spend it. It objected to the talks that occurred between Whitlam and the State Governments in which parameters were established which would ensure set amounts of money for specific projects to the States.

All that has been abandoned, and when we look carefully through the Budget papers we see that item after item supported by grants from the Commonwealth Government has diminished since last year. Look at page 33 of the *Financial Statement* and consider the receipts from the Commonwealth taken to the Consolidated Revenue Fund. We find many items there have decreased since last year. The new federalism has given Canberra an unprecedented stranglehold over the States, and we are the ones who are lamenting and the ones who will pay as a result of this policy that the Premier helped to draw up.

As I said earlier, living standards are falling and the continuation of the Federal Liberal Government's new federalism will only ensure that living standards will continue to fall. I said earlier also that I was sorry indeed that the Budget is one which is full of gloom. We have already had a warning that the Budget will mean a cut-back in some works. We will talk about the Loan Estimates later on, but I was appalled to hear an answer given to a question tonight which revealed that already there is a plan to sack 29 people from the Public Works Department at Geraldton; and the Minister said others were to go, but he was not able to tell us off the top of his head.

In response to his invitation, we will put a question on the notice paper and find out how many more people it is proposed to sack. I asked a

question myself about the Main Roads Department depot at Carnarvon, and I found four men are to go from there. Is that only the tip of the iceberg? The men up there are jittery. Obviously there is more to follow, because the Government has already admitted that 29 employees at Geraldton are to be sacked.

Only last week the Geraldton Press carried a splurge arising from the loan works programme, which talked about the work that will be done in the area; yet today we learn the work will be carried out by eliminating the jobs of 29 persons.

Mr Harman: That Minister will be under very serious attack in the next couple of weeks on another matter.

Mr DAVIES: And we are told more are to follow. Then we have the blackmail threat from the Premier in respect of wage increases. I have already detailed how far behind the average Western Australian family is, and the amount of money the family needs to maintain its living standards; yet the Premier says there is provision in the Budget only to cover wage indexation and normal CPI adjustments. He said awards made by courts going beyond that might be granted because of extra work value and would mean there would be no money to pay for such increases and, therefore, the result would be reductions in staff. The Premier is threatening and blackmailing the courts. He is serving notice on them that such loss of jobs will not be upon his head but upon the head of the courts if they dare to grant increases outside the normal cost-of-living adjustments. That is a disgraceful attempt to blackmail the courts.

The Premier has already restricted the nature of the matters with which the courts can deal; he did that when the Industrial Arbitration Act was amended last year. This is despite the fact that where the Government is party to an award, it has the right to go into the court and state its case; but the Premier is saying that even if the Government does exercise its right and states its case before the court, there can be only one result—that people will lose their jobs—if the court makes a decision against the wishes of the Government. Is the Government abdicating and saying the position is out of control?

Let me remind the House of what the Premier said when I spoke about using short-term money market investments. He said I would be extravagant; I would bankrupt the State; I would blow it all irresponsibly. That is exactly what the Premier is doing in this Budget. Is he being irresponsible? Is he being expansive and expensive? What hypocrisy! Last year we were all

at fault, but now he is doing exactly the same thing. However, I did not advocate spending all that money; I drew attention to the amounts kept in that fund during the whole of the term of the Tonkin Government. It was always handy to have that money in case of an emergency; for instance, as a drought measure. I am sure, Mr Acting Speaker (Mr Crane), you would be aware of the necessity to assist farmers in the disastrous situation in which they find themselves through no fault of their own.

The Premier is blowing all this money; he is acting irresponsibly, and the whole lot is being spread between the Consolidated Revenue Fund and the General Loan Fund. An amount of \$20 million to \$25 million is disappearing. What a change of heart the Premier has had! He is in this position only because he agreed to the new federalism. It is no good his bleating about it now and saying what a terrible person Fraser is. The people of Western Australia are the ones who are suffering. As I pointed out, the shortfall this year could mean an increase of 3.02 per cent in personal income tax, which amounts to \$75 a year or \$1.50 a week to the average wage earner, and more to some.

Let me recap some of the figures I have mentioned in this speech. In this financial year we have seen increases in Government charges of between 10 and 38 per cent. I take the Premier's point that no increases in taxes have occurred, but since the election increases have occurred in at least 16 charges, and the increases have ranged from 10 to 38 per cent. They will raise \$113 million this year. The cost of these increases to the average family man is estimated to be \$260 annually, or about \$5 a week.

Since 1975, the additional weekly cost to the average family as a result of these increased charges is about \$10.70. After allowing for inflation, in real terms this amounts to about \$5.20 per week.

The State Budget will raise about an additional \$216 million over and above the \$113 million to which I have already referred. The concessions provided by the Budget, which will affect only very few members of the public, amount to \$6.5 million.

State Government revenue increased from \$1 288.42 per head of population last year to \$1 428.72 per head of population this year, an increase of some \$140, or 10.9 per cent in only one year.

In 1973-74—the last year of the Tonkin Government—State revenue per head of population was \$529.13; as I mentioned, today it

is \$1 428.72, an increase of nearly \$900, or 170 per cent. What a splendid record!

If revenue rises had kept in line with the actual inflation rate during that period, Government revenue would be \$211.73 per head less. In other words, Government charges and revenue are ripping from the public an amount of \$211 in excess of the inflation rate. If the Government were only keeping pace with inflation, we might not be too unhappy; however, this is in excess of the inflation rate. In fact, all of those 16 charges I mentioned earlier are in excess of the inflation rate, and that kind of irresponsibility is inflationary in itself.

The net effect of the policies of the Fraser and Court Governments since 1975 has been to make the average family \$21 a week worse off. The average family man would need a wage increase of \$30.90 a week before tax to return him to the same basis he was on in 1975.

Whilst this has been happening, I remind members that five years ago, the average household income per head of population in Western Australia was approximately equal to the Australian average. However, today it has fallen to 6 per cent below the national average. This is supposed to be the State of excitement, the State on the move; we are supposed to be leaping into the eighties. Of course, we are not. We are falling further behind. The rest of Australia is leaping ahead, and the figures show we are falling behind.

I do not need to supply figures to prove what I say. One has only to go into the streets, the supermarkets, the hotels, and the clubs to realise that people know they are falling behind.

I have already mentioned my disappointment at the lack of pay-roll tax concessions in the Budget. No amount was allowed for inflation. Pay-roll tax revenue will increase to an estimated \$186.7 million, a 12 per cent increase. Yet the Court Government has agreed with the Opposition as to the inequity of this tax. The Treasurer has talked about the "bleatings" of the Opposition. Remember how he said that if we take a tax away, we must have another tax to replace it. The Court Government removed death duties, which will cost the Government \$8 million this year and \$15 million in two years, and we have not had another tax to replace that one.

Let us examine the taxation position, and compare the Hayden Budget with the latest Budget of the Federal Government. In 1975, under Hayden's first and last Budget, total tax collections amounted to \$17.6 billion. Under the Fraser Government's 1980-81 Budget, they are

estimated to be \$32 billion. Therefore, between 1975 and 1980 we have seen an increase of some \$14.4 billion. What a record! These increases have been way ahead of the inflation rate.

Between 1975-76 and 1979-80 the tax burden on wages increased by 59 per cent, while incomes increased by only 49 per cent. During the same period, the tax burden on companies increased by 35 per cent, while their incomes increased by 55 per cent.

Members should think about all the people who are concerned about increased interest rates. On home mortgage loans alone, a rise of only 1 per cent is likely to mean additional repayments of \$4 or \$5 a week from budgets which already are very finely balanced. It is being freely mooted that if the Fraser Government is returned—despite the fact that in 1975 it pledged that it would reduce interest rates by 2 per cent within 12 months, and despite the fact interest rates have continued to climb since that time—interest rates will increase.

Let us examine the amount of money the Federal Government is getting from its petrol pricing policy. We have been subjected to a 1 260 per cent increase in four years. Was there ever a greater increase in any tax? Of every litre of petrol sold at the pump, irrespective of the price at which it is sold—usually, today, it is above 30c a litre—20c a litre goes to the Federal Government. Oil is obtained from Bass Strait for about \$1 a barrel and is sold for \$25 a barrel. Of every increase of \$1 per barrel, 83c goes to the Federal Government. As I said, the Federal Government's parity petrol pricing policy has meant a 1 260 per cent increase in taxation in four years. What a record!

I will not reiterate the sad unemployment position, and how 6.79 per cent of Western Australia's work force is unemployed; how there has been a 58 per cent increase in the number of unemployed since June 1977; the fact that there are more than 40 persons out of work in Western Australia for every job vacancy. We are the worst State in Australia in that respect. The next worst is South Australia, with about 28 people out of work for every job vacancy. These things should be well known to members.

Those facts are well known to the 39 000 people—nearly 40 000—who are looking for work. Of course, I will not go over again the new federalism policy. I will say merely that it has been the greatest disaster to hit the States of Australia. It might have been a bonanza for the Federal Government—

Mr Bryce: Hear, hear!

Mr DAVIES:—but the Federal Government has kept a tight financial stranglehold on the States.

Mr Bryce: The Court Government backed off at a million miles an hour.

Mr DAVIES: The Federal Government has been miserly in the amounts of money it has made available. It has broken undertakings which were given by previous Governments in regard to capital works and capital expenditure. It seems to have taken a great deal of pride in that. The upshot of this is that if we have a Liberal Federal Government returned on 18 October, there is not the slightest doubt that that will be taken as an endorsement of new federalism by the electorate.

Unfortunately most people do not understand the financial position and the relationship of the States with the Commonwealth. The Treasurer understands it all too well. To be fair to him, he has been critical of the new federalism policy. However, he has not been as critical as I would have been of Fraser and his attitude to the States. There is not the slightest doubt that if the Fraser Government is returned on 18 October—

Mr Hassell: There is not the slightest doubt it will be.

Mr DAVIES:—it will be taken as an endorsement of his disastrous policies. It will mean a continuing decline in the living standard of the average Australian family; and it will mean that the second stage of new federalism will be put into effect—and that means a State income tax.

I cannot see anything in the Budget to feel happy about. I can see the State going bankrupt slowly. I congratulate the Treasurer for spreading the available money as thinly as he has. However, it is a great disappointment to every Western Australian to learn, for the first time in post-war years, that his standard of living is deteriorating. We have come to expect, and rightly so, that there will be a rise in the standard of living, small as it might be each year. We have not come to expect a decline. Yet the Treasurer's Budget speech details quite clearly that this year, for the first time since the war, we are experiencing a very real decrease in living standards in this State; and that is a matter for great regret.

There is only one answer, and that is to change the Federal Government in Canberra. I am quite certain that the policies propounded by the party I represent will give a better deal to the States. At least there will be a new ledger. They can turn the page and start afresh. The new Government will not be committed to the policy of new federalism which the present Government has been

propounding. I believe there will be a better understanding of the problems of the States. There will be less control over the States by a Federal Labor Government. I am hoping that will be the result on 18 October.

I regret I have had to make the comments I have in many respects; but I think the situation has had to be faced. We have to look at the position and analyse why it has occurred. We have to hope there will be some relief in the future. At present, the Treasurer's Budget speech can cause only further gloom and doom. We need confidence in the community. We hope the North-West Shelf gas project will give us that confidence; but the Government has to give a lead. It certainly cannot give a lead when it has to take part in promoting unemployment policies. That is exactly what it is doing, as evidenced by the answer to the question tonight.

MR H. D. EVANS (Warren—Deputy Leader of the Opposition) [8.16 p.m.]: As the divisions and items contained in the Budget document will give us ample opportunity for discussion of various matters within the different departments, I would like to address myself to three or four matters which should be raised. The first matter is in connection with the operations of the Grain Pool, particularly with reference to the rapeseed industry and the deficit which seems inexplicable in the light of the answers I have received to a number of questions asked in the last week.

It would appear that there is a disparity of something in the order of \$34 a tonne between what the Grain Pool pays the producers and what the Grain Pool receives from its customers. When one talks in terms of over \$30 a tonne, this must amount to a considerable sum when it involves one seed industry alone; and we are addressing ourselves to the oilseed industry, and rapeseed in particular.

The payments made to rapeseed producers from the present pool are \$195 per tonne. I learnt by way of a further answer to a question that it is estimated there would be another \$6.50 per tonne paid as a final payment, which would take the sum total to producers to \$201.50. However, I have been able to ascertain that the Oilseed Crushers Association, which is a voluntary organisation, set the price payable in Australia for rapeseed at \$235. Anybody purchasing from the Grain Pool would be faced with a cost of \$235 per tonne. That is the prevailing price in South Australia, and it would apply here. The disparity between the \$235 and the \$201.50 is something about which the oilseed producers in this State are entitled to an explanation. As it is, some of the larger growers are moving out of the scene.

This is most unfortunate, as it was a pioneering industry, which was starting to get on its feet.

If the economics of the industry deteriorate any further, it will not be very long before there will be few growers at all. This State had developed an edible oil industry, and it was progressing at a reasonable rate. The industry was absorbing the additional production as it came along. It was a healthy industry; but now there are some fairly serious queries hanging over the operations of the marketing organisation.

I would like to ensure that the record has been clarified. Of the \$195 per tonne received by growers, \$13 is deducted by way of pooling, freight, and levies, leaving a net return at this stage of \$182 per tonne for grain received by the Grain Pool.

The additional \$16.50 final payment would raise it to the \$201.50 I have already mentioned and there would still be the deduction of \$13 for those items of expenditure I have enumerated. The disparity is something like \$34 a tonne. When we consider a major producer and think of the dollars which would be unaccountable when there may be several hundred tonnes involved, we can see that there could be a loss which any producer could not afford to sustain. I very appropriately take this opportunity in the Budget debate to seek from the Minister the explanation I hope exists.

The effects of the situation as it pertains at present are certainly not healthy in terms of a pioneering industry expanding. There must be an explanation, otherwise all the operations of the Grain Pool are likely to be suspect. This is understandable as it is only human nature.

The further matter to which I now turn is in connection with the problems that have emanated from the clearing bans in the catchment areas of the rivers that have been prescribed. At present there is a great deal of frustration felt by those farmers who are involved. The frustration stems from the delays which have been incurred in the processing of applications. I accept that there must be some strain on the departmental staff to evaluate singly all the applications which come forward, but the information that has been coming to my office on the nature of the problems indicates that there is cause for frustration among those who are affected.

The second point I raise relates to complaints dealing with the evaluation of the land for which compensation has been applied, both by way of sale and by way of extracting from future clearing. The methods of valuation have been set out fairly clearly in guidelines, but the claim is

that the valuers are going outside these guidelines and, as a consequence, there will be a meeting of farmers next week in the upper Warren area. I hope to attend that meeting, and following that, to make a detailed explanation to the House of the specific cases when discussing the appropriate item.

Mr Old: How are they going outside the guidelines? Are they over-valuing?

Mr H. D. EVANS: They are under-valuing. I have received complaints from three sources with respect to the system of evaluation.

Mr Old: They are entitled to get independent evaluations.

Mr H. D. EVANS: I am afraid the problem which arises is that when the independent valuer comes in, there is disagreement between the method adopted by the Valuer General's valuers and the independent valuer.

Mr Mensaros: Are you referring to the 10 per cent?

Mr H. D. EVANS: I have made myself familiar with the guidelines of valuation and, from at least three separate sources, that is the nature of the complaint. The problem is causing disconcert and disharmony in the area.

The other complaint comes from the shire councils—from the Cranbrook and the Manjimup Shire Councils. The Cranbrook Shire Council has already made an approach to the Minister with regard to this matter. It is supported in its approach by the Manjimup Shire Council. I shall quote from a letter I received from the Manjimup Shire Council because I think this is a matter which, in the fullness of time, will be a problem to some shires. I would like the record kept precise as far as possible and the two paragraphs I shall quote from the Manjimup Shire Clerk's letter will clearly indicate the position. I quote as follows—

As a matter of interest the Minister for Works advised the Minister for Lands that the matter of the Shire of Cranbrook's concern that a revaluation would result in a lower overall valuation and a loss in Shire revenue was referred to the Valuer General's Department. The Department advised that the interim valuation of properties resulting from the compensation will reflect the low value of the bush, however he considers that there will be an increase in the value of the cleared portion of the property because of the clearing controls and this will have a compensating effect when the next general revaluation of the Shire is made.

The logic is quite reasonable, but the final paragraph contains the significant problem alluded to. To continue—

This may sound reasonable but the writer does point out that there will be a lesser amount of land to value and regardless of whether the revaluation increases the total valuation rateable, the rate will have to be shared by a lesser area or possibly a lesser number of persons which in effect will still burden the ratepayers with meeting the costs of the land which has been resumed and compensated.

The latter portion of the letter is relevant and will have to be regarded in the long term. This is a further matter which does need consideration before the whole problem of compensation in these areas becomes reconciled with any degree of amicability.

Another matter which has been of concern and which has been referred not only to my office but, I would imagine, also to the offices of most members is the criteria for pensioner tenants for State Housing Commission homes. At the present time, an applicant may have \$999 in a bank account and be eligible for assistance, but to have \$1 000 would preclude an applicant from being considered for pensioner accommodation.

It is my understanding that an income not exceeding \$72 a week, including the pension, is permissible. I point out that the poverty level has been set by the Henderson report and it has been upgraded to \$71 a week. For the State Housing Commission then to set an eligibility level of \$72 a week—bearing in mind the commission's overall role—seems to embrace a gross injustice to those people in the greatest area of need.

The State Housing Commission has circulated a letter through the agency of its officers. In fairness to the commission, this has been done on a personal level rather than merely putting the letter in the post. The commission has made an endeavour to amortise the personal impact to the greatest degree by officers giving an explanation of the letter when it is presented. That is to the credit of the commission.

However, the contents of the letter cannot be mitigated in any way. In explanation, the commission says that it has a pressing need to provide accommodation for families and, in doing so, it recognises a substantial amount of accommodation suitable for families is at present being occupied by pensioners with no dependents.

The commission then makes a request. It gives the pensioner occupant an opportunity to vacate the premises and move into an alternative type of

single or pensioner accommodation. In fairness to the commission, it gives the pensioner the opportunity to discuss relocation with officers of the commission.

If the pensioner opts to remain in his present accommodation and is eligible to do so, the increase in rent is from \$14 to \$22.50 a week.

A problem arises in regard to the situation in which many of these pensioners are placed. They have lived in this particular rental home for many years and it is a great wrench for them to move into smaller, flat-like accommodation. Many of their personal belongings which have cherished memories would no longer be part of their everyday life. A great deal of some pensioners' leisure time is spent gardening and this activity would be denied to pensioners if they opted to move into pensioner-type accommodation. Many of these people have children who stay with them on various occasions. This facility would be denied if the individuals concerned moved into pensioner accommodation.

Those are the problems which go with the commission's request. I appreciate the point that the commission is under stress in the provision of family accommodation; but we must consider also whether or not the building priorities of the commission have been suited ideally to needs.

If there is a demand for family accommodation, perhaps the priorities of the commission should have been different from those which have been employed in the past. However, I am concerned about the policy implied in this matter.

I give marks to the SHC for the manner in which it has endeavoured to implement what could be an embarrassing situation to the officers involved. In fairness, the commission deserves recognition for that. However, the Government's priorities in this regard are another matter. I do not give the Government the same number of points as I would allocate to the SHC.

Mr Laurance: Thank you for acknowledging that the matter was handled sensitively. I indicated to the House that it would be.

Mr H. D. EVANS: In fairness, that matter should be acknowledged; but I do not extend the same acknowledgment to the financial priorities of the Government.

In his reply to the Premier's Budget speech, the Leader of the Opposition showed a full and incisive appreciation of the situation. However, I cannot allow the opportunity to pass without referring to the imposts on country people that this Budget brings about.

The Leader of the Opposition pointed to the difficulties people living in areas peripheral to the city experienced by way of travel; but that is only a flea bite when compared with the problems suffered by people in country areas.

Mr Rushton: Are you and your leader having a disagreement?

Mr H. D. EVANS: I am questioning the degree of emphasis the Leader of the Opposition should have placed on the matter. Certainly people living on the outskirts of the metropolitan area have a transport problem. I do not disagree with that. What I am saying is, that same problem is much worse in country areas, because the distances are much greater and the country resident, be he a farmer or town dweller, is far more dependent on transport than his city counterpart.

That is one of the reasons the Federal Government stands condemned for its policy in regard to fuel pricing. We should not forget the policy of the Federal Government in this regard is condoned by this Government. This matter will be debated further when the motion on the notice paper referring to the fuel pricing policy of the Government is dealt with.

The people who feel the brunt of the fuel pricing policy of the Federal Government, which is condoned by the State Government, are those who reside in the country.

We must add to that the imposts which were indicated by way of additional charges for facilities provided by State instrumentalities. A total of \$113 million in extra revenue has been raised in this Budget as a result of increased charges of all kinds. Increases will be experienced in water, sewerage, irrigation, and electricity charges; vehicle registration fees will go up; MTT bus and train fares will be increased; and Westrail freight charges will be increased. It must be borne in mind that most of these increases strike significantly at country people. There will also be increases in port authority charges and SHC rents. This will put the average family in a much tighter position than previously. A person in Western Australia who receives average weekly earnings will pay an extra \$70 in income tax in 1980-81, notwithstanding half-yearly tax indexation.

On top of this, there will be an increase in semi-Government charges and this is an area in which the Government is culpable. These charges will cost the average family an additional \$5 a week and when that is applied to a resident in an average country town and coupled with the increase in fuel prices, one can readily recognise

the degree of disparity this type of person will experience.

As a result of the additional \$5 a week which will have to be met by the average family, plus the increases in the other charges I have mentioned, the total loss to that family will be approximately \$12 a week.

If the wage and salary earners of this State have not realised what the Federal and State Governments are doing to them, I must point out that the bonds of sympathy are strange.

I should like to give details of the actual increases which will be incurred: \$30 a year in water charges; \$37 in sewerage charges; \$5 in drainage charges; \$45 in electricity charges; \$30 in third party motor vehicle insurance premiums; \$14 in State fuel tax; and \$48 in bus and train fares. That is the order of the increases which the average family will have to meet this year. It must be remembered also that those figures do not take into account the impact of the fuel pricing policy of the Federal Government.

By way of conclusion, I should like to answer several statements I have heard from the Premier and other members opposite to the effect that this is the land of opportunity. They say the only reason we have unemployment in this State is that people come from New South Wales, New Zealand, and other places to seek employment. However, let us examine the position and look at the number of unemployed per job vacancy as at June 1980. The figures tell the story.

In Australia the number of unemployed per job vacancy was 24.3. The figure in New South Wales, which is below the Australian average, is 22.7; in Victoria, 24.2; in Queensland, 22.8; in South Australia, 28.7; in Tasmania, 18.2; and in Western Australia, 40.5

No matter how much the Premier and the Deputy Premier claim the number of jobs which have been created in this State far exceed those created in other States, the indisputable fact remains that, for every job vacancy that is offering, 40.5 people are out of work.

At this stage I shall content myself with the points I have raised. Other matters with which I wish to deal can wait until we deal with the Budget in detail.

MR CLARKO (Karrinyup) [8.40 p.m.]: In contrast to the Leader of the Opposition and his deputy, I believe the Budget is yet another cornerstone in the sound economic management of the State with which we have been associated since 1974.

It is my very firm view that when the record of the Government of this State from 1974 to 1980 is examined by historians and economists, they will say that it has set the scene for the tremendous growth in the development of this State in the 1980s.

It has been a difficult time economically over the past six years because, as everyone would understand, the economy of Western Australia is inextricably interwoven with the economy of Australia. Australia, in a sense, is an island, but it is not an island in the economic sense, it is part of the world economy. We have, of course, caught the ill winds which have blown from the major trading countries of the world. We have caught some of the flu. Because of this, it is tremendous to see Budgets which have been framed federally and State-wise—in the last month or so—which show that the future of this State and Australia is assured.

There are occasions when the Leader of the Opposition gives a speech which has some impact and some strength. I did not find that that was so with this financial speech. I feel that his speech had the strength of a wet lettuce leaf—

Mr Bryce: That is a well practised refrain!

Mr CLARKO: —and was as tasty as a stick of chalk.

Mr Bryce: The nasty tongue of the member for Karrinyup belies his pleasing looks.

Mr Tonkin interjected.

Mr CLARKO: I regard the member for Morley as a good judge occasionally. The question of high interest rates was referred to by the Leader of the Opposition.

The SPEAKER: Order! There is far too much audible conversation.

Mr CLARKO: It is true to say that everyone who is aware of the pressures within the Australian economy knows that it is certainly accepted that there will be an increase in interest rates. It was stated in the newspaper a few days ago that there will be excessive strengths and pressures, which cannot be resisted by any Government. It is true that the Government debentures and notes which are due to mature in the next 18 months will place an inordinate pressure on the money market of Australia.

It is important that we look at the interest rates in Australia in a comparative way. We should make a comparison of our interest rates with some of our major trading partners. By using the figure of the bond rate applying in August this year we note that the interest rate in Britain for Government bonds is 14.8 per cent. In the United

States the rate is 11.9 per cent and in Australia it is 11.2 per cent which is well below that of Britain and significantly below that of the United States, but above that of Japan, which has a rate of 10 per cent. Japan's economic structure is quite different from our own and as a result of this it usually has a rate below ours and those of the countries I have mentioned.

Any fair observer would realise that our rate is a very good one when compared with the rate for Britain and the United States.

The Leader of the Opposition spoke about the burden of the world parity pricing policy for oil which is applied in Australia. Everyone is aware of how much extra we are paying when we fill the petrol tanks of our cars at the local service station.

Mr Bryce: Rip-off!

Mr CLARKO: If one were to note the cost of a gallon of petrol in 1980 and calculate its real value in terms of average weekly earnings and compared that with the situation in 1970, one would find that based on average weekly earnings it would take 13 minutes to earn the money to buy a gallon of petrol in 1980—the same as it did in 1970. I think it is important that people appreciate that fact.

Several members interjected.

Mr CLARKO: I invite members of the Opposition to stand on their feet and give other statistics if they can show figures different from those I quoted.

Mr McIver: Read my speech of last year.

Mr CLARKO: The world parity pricing policy is not without criticism and I have expressed such criticism in this House in the last couple of weeks.

The SPEAKER: Order! A little earlier I asked for the level of background conversation to be lowered. I now ask for it to cease. Just now, whilst trying to listen to the member for Karrinyup, I could hear at least three other conversations. It is quite improper that that sort of behaviour take place in a parliamentary Chamber. I ask that silence be observed.

Mr CLARKO: Let us compare the oil policies of the Fraser Government with those of the Whitlam Government. During the period of the Whitlam Government from 1972 to 1975 oil search in Australia was effectively stopped.

Mr McIver: Rubbish!

Mr CLARKO: If it were not for the lead time—

Mr Bryce: Fundamentally untrue.

Mr CLARKO:—it takes to wind down—and it takes a certain period of time for a programme to stop—the facts are that, for during the Whitlam Government there was an ever-decreasing effect until 1976 when oil search in Australia had virtually dried up. That was the effect of the general economic policies of the Whitlam Government. That Government failed to encourage oil search in Australia.

The current policy is certainly responsible for a dramatic upsurge in the search for oil in Western Australia.

Mr Bryce: How many wells have been drilled?

Several members interjected.

Mr CLARKO: The Leader of the Opposition spoke about the level of inflation.

Sir Charles Court: There are three working for one company at a cost of \$2 million a year. That is for only one company.

Several members interjected.

The SPEAKER: Order! The House will come to order!

Mr CLARKO: I never cease to be amazed at the dual standards practised in this House by the Opposition. The Leader of the Opposition was heard in virtual silence and the Deputy Leader of the Opposition was heard in total silence, but when I rose to speak—in typical unfair style—the Opposition maintained a complete barrage of criticism.

Several members interjected.

The SPEAKER: Order! If the member for Karrinyup would leave me to maintain order in the House, he could continue his speech.

Mr Bryce: I think the member for Karrinyup has eyes on your job, Mr Speaker.

Several members interjected.

The SPEAKER: Order! I do not want to have to change the seating arrangements of the House, but if the interjections continue I will have to take some action.

Mr CLARKO: It quite amazes me when any Labor spokesman has the cheek to talk about inflation being high at the present time and then go on further to say that it is increasing. I do not dispute that it is increasing, but let me say very clearly that the current level of inflation is 10½ per cent. Under the Labor Party in 1975 inflation reached the level of 17 per cent.

Mr Bryce: It was 21 per cent under the Menzies Government in 1951.

Mr CLARKO: I remember the member for Morley made that point recently. Anyone who has any elementary idea of economics knows that

during the Korean War there was, for a very brief period, a significantly high level of inflation.

It was a temporary aberration. The facts are that the Federal Liberal Party Government was in office for 23 years between 1949 and 1972 when the inflation rate was approximately 3 per cent. For eight or nine years, it was 2 per cent, which was less than any comparable western country in the world. That rate of inflation cannot be matched by a Labor Government in modern times. Let me say very deliberately, that the present level of 10 per cent—

Mr Bryce: Eleven per cent—actually, 10.7 per cent.

Mr CLARKO: I am happy to accept 10.7 per cent, or even a figure as high as 11 per cent. Within that figure there is an increment due to oil pricing of about 2 per cent. If the 2 per cent is taken out we have the situation where the inflation rate, under the present Government, is approximately half of what it was under a Labor Government.

Mr Bryce: That is not true.

Mr CLARKO: It is approximately half of what it was when Mr Hayden was the Treasurer.

Mr Bryce: It was 12 per cent when Mr Hayden was the Treasurer.

The SPEAKER: Order!

Several members interjected.

The SPEAKER: Order! The House will come to order!

Point of Order

Mr O'CONNOR: On a point of order, Mr Speaker, I am sitting only about six feet from the member who is on his feet and I can hear much less of what he is saying than I can of other members in this Chamber.

Mr McIver: Well, you are lucky.

Several members interjected.

The SPEAKER: Order! I ask members to refrain from interjecting.

Several members interjected.

The SPEAKER: Order! I warn the member for Avon that if he continues to interject I will have to take some action. I will take action, particularly, if he interjects whilst I am on my feet. I call on the member for Karrinyup.

Debate Resumed

Mr CLARKO: I repeat: When Mr Hayden was Treasurer of Australia, during 1975, inflation under the Labor Government reached 17 per cent.

Several members interjected.

The SPEAKER: Order! The question before the Chair currently is one that entitles members to speak on a wide-ranging number of topics. It is one that is generally availed of by most members of the House, and I simply ask those who want to dispute the points raised by the member who is on his feet to do so in an orderly fashion by exercising their right to address the Chair at some other stage, and not whilst the member for Karrinyup is trying to make his speech. I call on the member for Karrinyup.

Mr CLARKO: With some difficulty, Mr Speaker, I am trying to point out that inflation under Liberal Governments is significantly below the level it reaches under Labor Governments.

Mr Bryce: One per cent.

Mr CLARKO: In 1975, during the time of a Labor Government, the inflation rate was about twice as high as it is now. I know that high inflation rate was a result of the economic policies of the Treasurers. It must be remembered that there were three Labor Government Treasurers in a period of 2½ years. That was a great vote of confidence on the part of Mr Whitlam, who was smart enough to realise he could shovel them out whenever he felt like it. Three Treasurers in a period of 2½ years, and if members opposite dispute that it will indicate how inaccurate is their basic information.

It would be interesting to know whether the Opposition in Western Australia, or federally, has any sort of endorsement for the proposition of a 35-hour week. It is important to realise that if a 35-hour week is introduced, it will mean 35 hours' work for the same pay as that now received for 40 hours' work. Such a move will increase wages in excess of 20 per cent.

I point out, and say very deliberately, that under the Federal Liberal Government from 1949 to 1972 we had 23 years in which the inflation rate averaged 3 per cent or less. That was the sort of economic grounding, and base and foundation which gave us an opportunity to move into one of the highest standards of living in the world. The only Government which will raise our standard of living is a Liberal Government, and the people have shown quite clearly what they think when they have voted. From 1949 to 1980, a period of 31 years, the Liberal-Country Party has been in Government for 28 years.

Mr Bryce: And still defenceless.

Mr CLARKO: During that 31 years we have had three years of ALP Government. In retrospect, it was fortunate that the ALP was in Government for three years because it enabled us

to see how terrible it was. It gave us an opportunity to compare the performance of the Liberal-Country Party Government with the Labor Government.

Mr Bateman: It showed how corrupt were the Liberals when they got rid of the Labor Government through the actions of Sir John Kerr.

Mr CLARKO: I am sure the Opposition will appreciate that in Western Australia in a period of 33 years the Liberal-Country Party has been in Government for 24 years and the ALP has been in Government for nine years.

Several members interjected.

The SPEAKER: Order! There are too many interjections.

Mr McIver: There will be a lot more, too.

Mr CLARKO: If we are in office until 1983—which we will be—the Liberal-Country Party Government will have been the Government for a period of 27 years.

Mr McIver: Put forward something positive. You are like a little boy.

Mr CLARKO: Inflation always is increased by a Labor Government.

Mr McIver: No wonder you missed out on the Ministry.

The SPEAKER: Order!

Mr CLARKO: The first thing inflation does is to erode living standards. It does not raise them; it lowers them. Inflation lowers the living standard for people in the poorer economic situations. It destroys the savings of the little people, particularly if during high inflation their money is lodged with savings banks or building societies. They are the people who suffer, and they suffered considerably in the period during 1972 and 1975.

Those who have their savings invested in land or property, sometimes experience the reverse because inflation works well for them.

Mr McIver: Your mob would not give anybody the string from a roll of corned beef!

Mr CLARKO: Inflation also affects the position of those people who have retired, and who saved their money during earlier times when there was a much higher value on their money.

High inflation almost certainly means high interest rates. There is no doubt that in Australia interest rates certainly will rise much higher under a Labor Government, and will destroy our standard of living.

Mr Bryce: We would probably cut it in half.

Mr CLARKO: Pensions were fully indexed under the Fraser Government, and pensioners

receive full indexation. That never has been done previously. It must be understood that fully indexed pensions mean higher taxes. Taxes must be increased to meet fully indexed social security payments.

The Leader of the Opposition seemed to canvass the Australian scene more than the State scene. He did not have much to say by way of genuine criticism of the excellent Budget presented by the Treasurer. Let us look at spending, nationally, on health.

During 1970-71 the combination of both Government and private spending on national health amounted to \$1 924 million. During 1974-75, the expenditure rose to \$4 109 million during the period of the Labor Government. In 1977-78, expenditure rose to \$7 157 million. As a percentage of the Australian national product over those periods, the figures were: 1970-71, 5.8 per cent; 1974-75, 6.8 per cent; and 1977-78, 7.9 per cent.

In 1970-71 expenditure by the Government was 56 per cent of total expenditure on health, in 1974-75, 64 per cent, and in 1977-78, 68 per cent. Federal Government spending on health as a proportion of total Budget outlays was 6.9 per cent in 1970-71, 7.2 per cent in 1974-75, and 10.1 per cent in 1977-78 under the Fraser Government. I ask the Leader of the Opposition to think again when he talks about the necessity for the Government to spend even more on national health.

The Leader of the Opposition made an obvious error when he spoke about the allocations for the portfolio of Industrial Development and Commerce. He said assistance to industries will be less this year than last year. Had he looked seriously and carefully at the Estimates, he would have seen an item making provision for losses on assisted industries, which last year amounted to \$1.8 million; the figure estimated this year is \$1 million. It is difficult, if not impossible, at this stage to estimate accurately what the figure will be, so in looking at the Estimates for Industrial Development and Commerce we need to take out that particular figure, when we would be left with an allocation of \$785 000 for 1979-80, and \$1.274 million for 1980-81, which is an increase of \$489 000 or 62 per cent in industrial assistance. The cursory examination of the Budget by the Leader of the Opposition or his research assistants failed to reveal that dramatic increase in assistance to industry.

Let us not be carried away by any assertion by the Leader of the Opposition about the Labor Party's support for small businesses. It is a

temporary and transitory liaison, only a couple of weeks before each election. The Labor Party is interested in driving out small businesses by doing what it did when it was in Government in Canberra from 1972 to 1975, when it increased the percentage of Government-employed people and dramatically reduced the number employed in private industry, especially in small businesses.

Mr McIver: "Panic button Karrinyup".

Mr CLARKO: During the last financial year the population of Western Australia yet again increased by 2 per cent. That is well above the national average of 1.3 per cent, and it is a classic example of people voting with their feet, or moving to a State which they find attractive, with better opportunities for them and their children. That is what has happened. People from the Eastern States have come to Western Australia in significant numbers during the period of the Court Government, and that situation will continue. This State will continue to grow at that rate while we have good government, sound budgeting, good economic practices, encouragement of overseas investment, and the development of projects, one of which—the North-West Shelf project—came on line the other day.

In 1979-80 Western Australia showed an overseas trade surplus of \$2.4 billion. What a huge sum of money! We had a huge surplus last year, but the surplus this year was 45 per cent higher than that of last year. This result brings enormous credit to the Government and it should be rung out all over Australia. I am sure many overseas people have taken a tremendous interest in Australia, and especially in Western Australia, and that they will look very closely at an increase of that kind.

The Leader of the Opposition spoke about movements in the CPI. In the financial year 1979-80 the CPI for Perth increased by 9.7 per cent. The weighted average of the six capitals of Australia was an increase of 10.7 per cent. It can therefore be seen quite clearly that in terms of movements in prices, Western Australia was significantly below the national average.

Average weekly earnings in Western Australia increased by 12.8 per cent to June 1980, and the figure for inflation given by the former Deputy Leader of the Opposition—who is going into one of his downward slides—was 10.7 per cent. If average weekly earnings increased by 12.8 per cent, things are not too bad.

Let us also consider unemployment. The employed labour force in Western Australia increased by 4.1 per cent in 1979-80, compared

with an increase for Australia as a whole of 2.9 per cent. That is a dramatic increase compared with the Australian average, and the increase in employment in Australia in the last 12 months has been much better than for many years. The number registered as unemployed in Western Australia decreased by 3.8 per cent in June 1980 compared with June 1979. At the end of June 1980 the number unemployed was 35 600. It is important to note that in August 1980, 36 700 people were registered as unemployed, being 10.9 per cent below the figure for August 1979. That is symptomatic of the upturn occurring in Western Australia. Members might care to note that while 35 000 people were unemployed in Western Australia as at the middle of this year, net interstate migration from 1975 to 1979 is almost the same figure—33 517.

Mr Bryce: That has been going on for decades.

Mr CLARKO: We welcome people from the Eastern States, but without doubt they have an effect on our unemployment rate. As Western Australia's economy picks up, we will still have an unemployment rate about which we will be concerned, because people will be coming to the jobs which are developing in Western Australia.

It is difficult to pick up the points raised by the Leader of the Opposition in his lamentable attempt to criticise the Budget. It is just as well that he turned his criticism into an election speech; he had very little to say about the Budget because it was so good.

I will touch on an aspect of the Budget which is dear to my heart; that is, education. Expenditure this year will be 16.8 per cent higher than last year. That is a significant increase at a time when, as the Treasurer said, it has been very difficult to produce a well-balanced Budget for a State which is literally on the move. The number of pre-primary, primary, and secondary teachers will increase by 170, with an increase of 178 support teachers in the same areas. It is of great interest to me to see the technical education vote increase by 24 per cent this year over last year, which will mean an additional 112 teachers and 143 support teachers in technical education. This Government has a tremendous record in regard to education in rural and remote areas. Once again this aspect has been given special attention and increased amounts have been allocated.

In addition, the Government has an outstanding record on its care for handicapped children. Anybody who looks at the record of the Government over seven years will find there has been a total revolution in the care of these handicapped children. Again the Government has

taken care to give greater attention to that particular unfortunate group.

Of course there have been big improvements in regard to agriculture, forests, prisons, and particularly in regard to the arts and cultural activities. When I visit His Majesty's Theatre it gives me a great deal of pleasure to look at that permanent memorial to the sound budgeting of this Government. The Government was able to find money for the development of the arts in this State in a way that has never before happened in its history. His Majesty's Theatre is a credit to all the people associated with its restoration, but it was the careful handling of this State's finances which assured there was money available for that project, and at the same time money was made available for the Art Gallery and other cultural facilities.

I do not wish to develop the point made in regard to the exemption of land tax. This was one area in which the Government made an important contribution to the finances of individuals in this State. However, it would be remiss of me if I did not remind the House of the unemployment record of Australia in 1972.

In that year 80 000 people were unemployed. By 1975—that is, after three years of Labor Government—unemployment had risen to 315 000. That was a quadrupling of the unemployment figure in that three-year period.

Senator McClelland—Diamond Jim, one of the wealthiest Labor politicians of that period, and it is not easy to get to the top of that tree—

Mr Bryce: He was a long way from the top.

Mr CLARKO: In September 1975, Senator McClelland said, when expecting that a Labor Government would be in power in January 1976, that the unemployment figure would reach 400 000.

In September 1975 Bob Hawke, the man who struggles to get an inch or two of publicity in our Press and on the electronic medium—

Mr Tonkin: Do you know he is a Rhodes scholar?

Mr CLARKO:—forecast that McClelland was wrong and that the unemployment figure would reach 500 000. That was the forecast for unemployment under a Labor Government, based on the Hayden Budget. As I said when I spoke on this subject on 27 August 1975, "Papa Hayden is due to be dead and gone", and when he loses the election in a week or so's time, he will be dead and gone, even though he is being carried around at the present time by Hawke and Wran. He has needed more props, more bandages, and more

crutches, than any other politician in Australian history.

Mr Bateman: What has this to do with the Budget?

Mr CLARKO: The Budget before us at the present time is a Budget that will provide a sound economic basis for our leaping into the eighties.

Several members interjected.

Mr Bateman: Up there Cazaly!

The SPEAKER: Order! The House will come to order!

Mr CLARKO: In one year's time, when we are looking at the finances of this State again, without doubt we will look back on a year of outstanding economic growth. The growth rate will be greater than that of any other State of Australia, and it is very important that we are hand in hand with a Liberal Government in Canberra.

Mr Barnett: The only thing you are big on is stomach!

Mr PEARCE (Gosnells) [9.14 p.m.]: It really is Federal election time, is it not, when we hear the member for Karrinyup in one of his rare contributions to this House in recent times?

Mr Clarko: The House would be a lot better off if you made only rare contributions!

Mr PEARCE: Since being passed over for the Ministry for the third time—and I have already commiserated with the honourable member on that—

Mr Young: You are going to break the record five times over.

Mr PEARCE: It is quite possible my colleagues may well have sufficient sense not to vote me into the Ministry, but at least I will know that my appearance or non-appearance in the Ministry will be at the wish of my colleagues and not at the wish of my leader. The member for Karrinyup tried to catch the eye of his leader, and it is just bad luck that his efforts did not pay off. Perhaps the member for Karrinyup now thinks that Mr Fraser will appoint the next set of Ministers on his side, and that is why we heard such a paean of praise for the Federal Liberal Government. However, it appears that the member for Karrinyup, although he made an extensive search of the news sheet entitled "Facts"—or whatever that mad news sheet is called—discovered that publication did not include in its latest copy the result of any of the polls; that is, the Morgan poll, the Gallup poll, the Saulwick poll, or any of the others.

Certainly it would appear that the electorate—and I am talking of the Australian electorate now—does not accept the proposition being put to us by the member for Karrinyup. The Australian people do not go along with the Fraser idea of federalism or the economic policies of the Fraser Government. All the indications are that on Saturday week there will be a massive rejection of those policies. The only thing that seems likely to keep the Fraser Government in office is the thing keeping the Court Government in office in this State; that is to say, the discrepancy in electoral boundaries.

According to McKerras, the Labor Party federally would have to win 51.5 per cent of the vote before it could win the election. McKerras pointed out after the last State election that in Western Australia the Labor Party would have to win between 52 and 53 per cent of the vote before it could win Government in Western Australia.

Mr Sodeman: That is the safety valve on your statement—two bob each way.

Mr PEARCE: What do you mean by that—two bob each way?

Mr Sodeman: "We are going to beat you anyway, but if we do not it will be because of this discrepancy!"

Mr PEARCE: I make the prediction quite confidently that on Saturday week the Labor Party will obtain more than 50 per cent of the Australian vote on a two-party preferred basis. However, I say also that to obtain 50 per cent of the vote is not enough to win Government in this country. We have experienced this situation quite frequently in Western Australia. We can have more than half the population of the State behind us, but we do not win the election. Perhaps the member for Pilbara can remember back to 1961 when we received very close to 52 per cent of the vote federally and still did not win Government.

Mr Clarko: So what? You can have equal electorates and still—

Mr PEARCE: I know.

Mr Clarko: Why bleat about that?

Mr PEARCE: I cannot think of a case where a conservative Government has won more than 50 per cent of the vote and not won the election.

Mr Bryce: Precisely.

Mr PEARCE: I am quite prepared to stop at this stage and let one of the historians on the other side refer me to such a case.

Mr Young: I think you will find that in 1973 the Liberal vote was higher than the proportionate result in seats.

Mr PEARCE: I think the Minister will find it is the other way about, because with the multiplier effect that operates in swinging electorates, the Liberal Party is grossly over-represented in the Parliament at the present time. Is the Minister talking about the Federal Parliament or the State Parliament?

Mr Clarko: Do you support proportional voting?

Mr PEARCE: No-one is denying the big vote the Fraser Government received in 1977. However, with 55 per cent of the vote, the Fraser Government had 66 per cent of the seats. This is why the Labor Party holds only about 33 per cent of the seats with our 40 per cent of the vote.

That is not the point I am making. If the Government clearly wins the popular vote, it is quite entitled to a big majority in the Parliament. However, as far as I know—and apparently as far as the historians on the other side know—there has never been an occasion in the Australian Parliaments, either Federal or State, where a Liberal Party or one of its equivalents obtained more than 50 per cent of the vote, but did not win the election.

Mr Clarko: What does that prove, unless you support proportional voting? You are wasting our time.

Mr PEARCE: In 1961 in the Federal sphere the Labor Party received nearly 52 per cent of the vote, but it failed to win the election. In State elections the Labor Party has received as much as 54 per cent of the vote—in South Australia—and still has not won the election. This is because of a straightout gerrymander in the South Australian case, and in the Federal case in 1961 it was largely because the boundaries were badly drawn.

Mr Clarko: That is one-vote-one-value, to which you object.

Mr PEARCE: The point I am making is in reply to the member for Pilbara who claims I am trying to have two bob each way by saying that we may well get 50 per cent of the vote and still not win an election. That is not having two bob each way at all. I am pointing out that in Australia there is an in-built bias against the Labor Party, even under the close to equal distribution that there is in Federal terms. I am saying that the Australian Labor Party will win on Saturday week, and the only rider I add to that is that we may not get the 51.5 per cent necessary to take office, whereas the Liberal Party may well get the 48.5 per cent of the vote that it needs to get to remain in office. That is the unfair advantage that the Liberal Party has.

Mr Clarko: It is not unfair.

Mr PEARCE: Of course it is. If a party wins more than 50 per cent of the vote, it should be the Government.

Mr Clarko: Then have proportional voting.

Mr PEARCE: The only chance to which the member for Karrinyup can cling is the in-built bias to which I have referred. When the member for Karrinyup starts to talk about Federal issues, one would have to say that he does not have a tremendous understanding of what is going on. When he attempted to justify parity pricing for petrol, I think the clear discrepancies in his argument showed up because he was reduced to the absurdity of saying, "We have an inflation rate of 10.7 per cent, but if you take off 2 per cent in respect of petrol prices, the rate would be only 8.7 per cent, and wouldn't our Federal colleagues be doing a good job?"

Mr Clarko: They are still doing well at 10 per cent versus 17 per cent.

Mr PEARCE: Let us talk about that 17 per cent. I made a point by way of interjection that the member for Karrinyup is in clear conflict with his own Federal leader who is claiming that the inflation rate under the Labor Government was over 20 per cent. Why is the member for Karrinyup claiming it was 17 per cent?

Mr Clarko: The Prime Minister took the highest quarter, in which it was 19.6 per cent.

Mr PEARCE: Yes, and he multiplied it by four. This lie—I think I can say that now—needs to be nailed because when Fraser says, as he has been going around the country saying, that inflation under the Labor Government was over 20 per cent, he is basing that claim on the worst quarter of inflation under the Labor Government and multiplying it by four. However, the member for Karrinyup is much more accurate in saying that the inflation rate under Labor was 17 per cent; I assume he has rounded off the figure from the 16.7 per cent that it actually was. I concede that an inflation rate of 16.7 per cent is worse than a rate of 10.7 per cent. However, even that was a peak figure under the Labor Government and as my colleague, the member for Ascot, also pointed out by way of interjection, in fact the inflation rate when Hayden was Treasurer was much closer to 12 per cent.

In fact under Hayden the inflation rate was almost within 1 per cent of the figure which now seems so good to the member for Karrinyup and the Prime Minister. But what has been the cost of that 1 per cent of inflation? The answer is: about 300 000 persons unemployed. That is the trade-off that the Federal Liberal Government has been prepared to make. It has been prepared to get its

inflation rate right down to within 1 per cent of the Treasurer Hayden era by having 300 000 additional people unemployed. I say unequivocally that we as the State Labor Party, and our Federal colleagues, are prepared to accept 1 per cent additional inflation if we got 300 000 jobs for it; that is to say, if the disability was spread evenly over the whole of the community we would accept it in order to benefit the 300 000 persons who would have a job.

However, in fact the trade-off is not as simple as that, as was pointed out by a famous American economist (Professor Street) who toured Australia recently, and was able to demonstrate that in all the developing countries the level of inflation and the level of unemployment in a sense go hand in hand, and where the level of inflation is low the level of unemployment is low. Conversely, where the level of inflation is high, the level of unemployment is high. He demonstrated that where a country tried to tackle only one aspect—inflation—with the proposition that if inflation is reduced unemployment will also reduce, what actually happens is that the unemployment situation worsens because the sorts of measures that are taken to bring down inflation automatically and drastically increase the level of unemployment. In addition, a high rate of unemployment tends to maintain a high rate of inflation because by having a high level of unemployment there is a high level of drain on the resources of the Government which must be used to provide unemployment benefits.

Mr Sodeman: What did Bob Hawke say about unemployment in Australia about 18 months ago, which he repeated only a couple of nights ago?

Mr PEARCE: I have no idea.

Mr Sodeman: He said Australia would have to accept a much higher level of unemployment, and he said the other night that if the ALP was elected the Australian population should not expect the present level of unemployment to be reduced very much.

Mr PEARCE: That is not true, because Hawke has made statement after statement—

Mr Sodeman: I have a copy of it.

Mr PEARCE: Then let the member for Pilbara produce his copy and make his speech after I sit down. We will give him the time. Hawke, Hayden, and Wran—indeed all our Labor front-bench spokesmen—have been prepared to point out that Labor's policies are designed to reduce the number of persons who are unnecessarily unemployed—those 300 000 people.

This State Government is playing a large part in keeping up the rate of unemployment. Despite

all the nonsense we have heard talked about the resources boom being led by Western Australia, the Premier of New South Wales whilst in Western Australia in the weekend pointed out quite accurately that it is ridiculous for Fraser to talk about the resources boom being the solution to the unemployment problem when the big resources boom State—Western Australia—has the second highest level of unemployment while the non-resources boom States such as New South Wales are right down amongst the lowest in respect of unemployment levels.

Mr Sodeman: Will you be able to say that in 12 months' time?

Mr PEARCE: I am saying it right now, and pointing out that the resources boom is not providing jobs in Western Australia. It seems to me the Government is artificially creating unemployment by its many high technology policies.

Only last week we discussed the proposition that bus conductors, train conductors, and the persons who work on stations should be laid off to make way for costly and likely to be unserviceable machines. Instead of having people collecting fares and selling tickets, we are to have machines.

Mr Rushton: Your people were attacking the increase in fares.

Mr PEARCE: Let us consider the social consequences of that particular action. A bus conductor is not one of the high earning members of the community; he might earn only about \$150 a week. The Government is talking about replacing him with a machine which in round terms may cost only \$20 or \$30 a week, including capital cost, depreciation, the cost of repairing vandalised machines, and the loss of revenue as a result of people who travel free because a machine cannot catch a cheat. That is a big saving on a wage of \$150 a week. However, the person who is made unemployed as a result of being replaced by a machine then goes to the Commonwealth Government and gets an unemployment benefit of \$120 or \$130 a week, if he has three or four children. Add to that the cost of the machine, and the cost to the community is the same whether or not the person has a job. But we have an unemployed person.

Mr Rushton: The thing is to have productive employment for them, and not the loss that you would incur. You would destroy the whole economy.

Mr PEARCE: I can perhaps have some sympathy for the Minister for Transport, because it is better to have people productively employed than non-productively employed. But if the choice

is between having a person employed or unemployed, I think we must start gearing society to the fact that everybody should have a job.

Mr Rushton: We would not have the economy to do that under your theories.

Mr PEARCE: I wonder how much the 500 000 or 600 000 people in Australia who are unemployed matter to our economy? What happens is that the economy is depressed by the large number of unemployed people that we have in Australia. The Government—and not just the State Government, but also the Federal Government—makes the mistake of believing that the large number of unemployed people is the result of a depressed economy, but the obverse is true as well; that is, that the large number of unemployed people is the biggest factor in depressing the economy, because there is a large chunk of our society who are not consumers in most senses of the word because they do not have the money to be consumers.

Mr MacKinnon: Are you going to give us the answers?

Mr PEARCE: I have been doing that in part. Certainly in my Budget speech last year I pointed out ways in which many of our unemployment problems can be overcome. I am saying now that they have to be overcome in the case of bus conductors.

Mr MacKinnon: That is how you would overcome unemployment—by doing away with machines?

Mr PEARCE: The member for Murdoch has not been listening to anybody's speech, because the point I made with regard to the Minister for Transport and his ticket machines was that after he had finished, there will be 300 fewer jobs in Western Australia than there were before he started. To a large degree, unemployment has resulted from the sorts of decisions this Minister has made. We lose 200 jobs here, 300 jobs there, another 500 jobs there and 900 jobs, in the case of the Swan Brewery.

Mr Rushton: Your leader has been complaining about the cost of travel from peripheral areas to the city. You are saying now that you should load the cost on the consumer at all times.

Mr MacKinnon: The passenger pays more.

Mr PEARCE: Not necessarily. We have always said that public transport is a public service; it should not always be required to make a profit, or even to break even.

Mr Rushton: You are saying it should be totally subsidised.

Mr PEARCE: I will say it just once more for the Minister for Transport. He is one of those tunnel visioned people who can see a problem only as one small piece of a jigsaw puzzle; he cannot see the rest of the puzzle. The economic factor he has not been taking into account with regard to these ticket machines, and whenever we have a situation of a machine versus man is the cost of having that man unemployed. When the Minister sacks a bus conductor and replaces him by a machine, that man does not disappear from society. Either another job must be found for him, or he must be paid unemployment benefits.

Mr Rushton: Yes, but a productive job.

Mr PEARCE: Productive jobs are not being found; that is why there is so much unemployment. Private enterprise, which the Minister's leaders in this Parliament and in the Federal sphere believe provides all the answers, simply does not. The Fraser Government provides private enterprise with tax concessions, but what does private enterprise do with them? It uses them to buy more machines, or to ship additional profits overseas.

Mr MacKinnon: Employment in manufacturing industries in Australia has been increasing since 1975. It declined during the entire period of the Whitlam Administration.

Mr PEARCE: I would dispute those figures; however, they are not relevant to the point I am making. In this State, the Liberal-Country Party Government has had nearly seven years to demonstrate how private enterprise can lead us out of our present high unemployment situation; Fraser has had five years in Canberra to demonstrate the same sort of thing. However, we simply have not seen the results.

Mr Rushton: The ticketing machines will be built in Western Australia, with the hope of export contracts. More employment will be provided in this manner.

Mr PEARCE: The net result will be more unemployment.

Mr MacKinnon: What is the answer? You have not given us the answer.

Mr PEARCE: I have given the member for Murdoch the answer in relation to unemployment. However, I will give it to him again, for a third time. The answer is not to sit back and do nothing, and wait for private enterprise to do the lot. The answer is that the Government must accept its social responsibility to provide jobs. This is what is involved in the Federal election. We have a clear choice between two philosophies. We have the Fraser Government's philosophy which is, "Private enterprise will get us out of this

mess, if only we let it do so. They are big-hearted people who want to create jobs."

The other philosophy is one of Governments accepting their social responsibility to create jobs. As I was demonstrating in the case of the ticket machines, the Government has a greater incentive to provide jobs than to create unemployment, because if it does not provide jobs it must pay people to be unemployed. I cannot understand the point of view of members opposite who believe it is better to pay a person \$120 or \$130 a week in unemployment benefits than to have the Government pay him, say, \$150 a week to do something which could be productive. For an additional \$20 a week, in essence, the Government would be turning an unproductive, unemployed, so-called dole bludger—a person who probably is morally depressed and, in some instances, is likely to turn to crime or to some other anti-social activity due to his situation—into a person who is doing productive work.

The Government simply is not prepared to do that sort of thing because it has a rigid ideology which is opposed to having Government-created jobs. The right-wing ideology of members opposite is that private enterprise must create employment, and that members opposite should sit back, cross their fingers, and hope that all will be well.

Mr Rushton: You are espousing the Whitlam economic philosophy. If you studied that philosophy, you would find what a disaster it was. It is the same sort of philosophy now being espoused by Hayden and his buddies.

Mr PEARCE: That is simply untrue at every level.

Mr MacKinnon: Where would you get the money?

Mr PEARCE: We would use the money that is already there.

Mr Bryce: We could start to clamp down on some of the tax avoiders, including the Prime Minister. He has refused to produce his tax return. The Leader of the Opposition challenged him to do so, to prove he was not indulging in tax avoidance, and he refused.

Mr MacKinnon: Produce yours. Would you be prepared to do that?

Mr Bryce: I would be happy to.

Mr PEARCE: There is no member on this side who would not be happy to produce his tax return or, in fact, to make a full disclosure of his interests. The only reason we have not done so is that we are not prepared to do it off our own bat, without Government members doing likewise.

Mr Bryce: Something like \$1 billion is tied up in tax avoidance schemes.

Mr MacKinnon: That is an interesting sort of figure. Where did you get it from?

Mr PEARCE: We would be fascinated to see the income tax statement of the member for Murdoch. If I agreed to produce my tax statement, perhaps he would be prepared to make his available. That might be a start for the Parliament. We would be interested to see how much he made out of his accountancy business over the last three years.

Mr MacKinnon: I do not have one any more.

Mr PEARCE: Yes, but that is only a very recent disposition. I have never worked in any other capacity since becoming a member of Parliament.

Mr MacKinnon: Who would employ you?

Mr Old: They are the friends of the small businessman.

Mr Bryce: You should talk! Some 1 200 small businessmen in Foodland Incorporated are going to be asked to pay \$600 each to the National Country Party because you are going to default on your debts. That is a bloody disgrace; it is a real disgrace.

Mr Old: Are you making an accusation?

Mr Bryce: I want to see you stand and tell those people who work at Foodland that you are going to pay your bills.

The ACTING SPEAKER (Mr Crane): Order!

Mr Old: You are a snivelling little swine.

Mr H. D. Evans: You are a big businessman.

Mr PEARCE: The Leader of the National Country Party and his colleagues talk about business, but they could not even run a supermarket. They could not run a cut-price grocery business.

Mr Bryce: Mr Fabulous!

Mr Old: I wonder sometimes about the mantle business.

Mr PEARCE: In fact, the fraud squad has been asked to investigate the collapse of the Mr Fabulous chain, because apparently the sorts of financial discrepancies involved are not confined simply to the profit and loss ledger. It appears a few other fingers might be in the pie.

Mr Barnett: Crooked dealings going on, are there?

Mr Bryce: Are you a trustee of the company? You might be in an interesting position if you are.

Mr PEARCE: I think the Leader of the National Country Party is going to have a lot of

explaining to do about the collapse of the Mr Fabulous chain because, as my colleague, the member for Ascot, pointed out, the collapse of the chain was not due only to administrative incompetence or to a lack of managerial skills.

Mr H. D. Evans: All of them are in Government, too.

Mr PEARCE: That is right. The same situation applies to most company collapses. The people who are doing the work are put out of a job and, in many cases, leave with the firms owing them a lot of money. The big money men are able to hide themselves away behind their limited liability companies and financial dodges while the workers—the people who have actually produced the wealth which enables these bosses to hide away—are left to carry the can. They lose holiday and long service leave pay and, in many cases, they are not paid for several weeks leading up to the collapse. In fact, I gather the staff of Mr Fabulous were not paid for something like six weeks prior to the collapse of the chain. All that money is lost to the staff.

Mr Barnett: They are not too fabulous now. Let us hear a denial that fraud is involved.

Mr PEARCE: One of the great problems of private enterprise is that it provides no guarantees as to continued work or as to the rights and privileges of the employees.

Mr MacKinnon: If you had your way, the Government would own all private enterprise.

Mr PEARCE: That is not the policy of either the State or the Federal Labor Party, as the member for Murdoch well knows. I appreciate that when it comes to solving the problems of unemployment, the Government has a clear responsibility to take the lead. That is where we differ from the people on the other side. Their attitude is to leave it to the firms. The way to do that is to make conditions right for the firms to make a bigger profit. There is a pious hope that if a firm makes a higher profit, it will employ more people. The history of the last seven years in this State, and the last five years federally, demonstrates that that is wrong.

All this is a long way from the question of petrol parity pricing, so I will move back to that. I will see if I can revitalise the interest of the member for Karrinyup. He said that if one were to take away the inflationary effects of parity pricing, one would reduce the inflationary index of this country by 2 per cent. He is quite right in that; but in saying that, he is simply saying that the Fraser Government has a deliberate policy of keeping the inflation level 2 per cent higher than it need be.

Let us ask ourselves the same question as the one we asked in terms of unemployment benefits. If 1 per cent costs 300 000 jobs, in Mr Fraser's terms, what does 2 per cent inflation caused by petrol parity pricing cost us? The answer is that it costs the ordinary person a tremendous amount—maybe \$10 a week if he drives a considerable distance. It is very expensive for all sectors of the economy. All areas of production rely on petroleum products. One is not only paying for parity pricing when one goes to the petrol station to put petrol in the vehicle, but also one is paying when one buys a Peter's icecream. One is paying to the same extent for parity pricing, because all the goods supplied to supermarkets in the metropolitan area which are carried on trucks to the sales point have a use for petroleum. Some firms use petroleum-fired furnaces in their manufacture. Petroleum products provide the energy for the processes. Milk carried from the country requires the use of petroleum for transport.

At every level, transportation costs are increasing, largely due to parity pricing. This is added to the price of all consumer goods in Australia. Parity pricing is endemic throughout the economy. In terms of hidden prices, the inflationary cost of parity pricing is far higher than the 2 per cent indicated by the member for Karrinyup. What benefit will we receive for all the disadvantages suffered? The answer is: practically nothing.

The Premier talks about three oil wells being drilled by a single company, as if somehow or other oil exploration in Australia is leading the world. One has only to look, for example, at Canada to see where the action is. There is oil drilling on the Alaskan Shelf which outweighs by far the amount of oil exploration in Australia. The only oil drilling of significance taking place in Western Australia is at Noonkanbah. Everybody knows that will be a dry hole, and it is attracting attention only because of the potential for mischief and trouble that has accompanied it.

Sir Charles Court: There are drill holes operated by one company offshore at a cost of \$2.1 million a week.

Mr PEARCE: How much are we in Western Australia paying in terms of additional petrol costs to pay those companies to drill those holes?

Sir Charles Court: We are not paying anything.

Mr PEARCE: How much are we getting out of it?

Mr H. D. Evans: The companies receive only \$6 to \$7 a barrel. The Commonwealth gets the rest.

Mr PEARCE: What is the potential for obtaining a reasonable price, so-called, for oil? We are prepared to accept that the companies finding the oil can charge world parity prices for new oil; but the dispute is about old oil. We are talking about oil which was discovered 10 years ago in Bass Strait, and it is being sold at world parity prices.

Mr Sodeman: How can it be produced as cheaply now as it was 10 years ago?

Mr PEARCE: Because the well is dug, and the oil just bubbles out from the pipe.

Mr Sodeman: What about worker costs?

Mr PEARCE: That does not apply. There are very few employment costs involved in an oil operation when it has been established. The costs of the original establishment have long been written off, and the oil is being produced very cheaply.

Mr Sodeman: That means if you trained a school teacher 10 years ago, you pay him the wages of 10 years ago?

Mr PEARCE: No, that does not apply. What it means is that if a school teacher was trained 10 years ago, you have the benefit of his training at the old rate. If it cost \$2 000 to train a school teacher 10 years ago, and it costs \$20 000 to train one today, you have the teacher trained 10 years ago at a much cheaper rate.

Mr Sodeman: Are his wages the same?

Mr PEARCE: We are not talking about wages. If the member for Pilbara cannot understand the costs involved in setting up an oil drilling operation, I feel sorry for him. Indeed, it is not the oil companies which are receiving the benefit of parity pricing, to a large extent. If we do not pay the oil companies the parity prices, what we are doing is charging parity prices and giving 80 per cent of the profit to the Federal Government. We are giving the oil companies a small windfall on top of their normal costs associated with production.

Mr Clarko: Mr Hayden said he would continue oil parity pricing for 12 months.

Mr Davies: He said he would freeze it for 12 months.

Mr Clarko: You can use the word "continue" or "freeze". He is going to give them the same amount of money as the present Government.

The ACTING SPEAKER (Mr Crane): Order!

Mr PEARCE: Mr Hayden is not committed to a parity pricing policy.

Mr Clarko: If he thinks it is so obnoxious, he should get rid of it.

Mr PEARCE: There is a clear and simple explanation for it. Because of the massive windfall profits the Government has been making with its parity pricing policies, and at the same time the rise in the tax avoidance industry, the whole of the taxation collection system in this country in the last three years has been heavily biased in favour of a dependence upon the petrol tax. There is need for a revision of the direct tax burden. A greater share of the indirect tax burden in the economy would lead to a collapse if parity pricing were to be scrapped. The nation relies heavily on that money. What is required before more sensible tax burdens can be restored is to return to the taxation set-up in which the wealthy carry a fairer share of the tax burden and the tax avoidance industry is dismantled. In those circumstances, it will be possible to reduce progressively the Government's taxation dependence upon parity pricing.

Mr Clarko: Is Mr Hayden going to change the tax rates?

Mr PEARCE: We have made it perfectly clear that the people can expect something in terms of a capital gains tax. Nobody has been afraid to talk about that.

Mr Clarko: He has denied that.

Mr PEARCE: Rubbish! Members will find that the tax avoidance industry is to be dismantled. If those matters are not clear to the member for Karrinyup, he ought not have participated in the debate in the way that he did.

I am surprised that members opposite are not running for cover, as so many of their Liberal Party colleagues are, because of the quality of the candidates they are supporting in the election. In the Liberal Party in Western Australia in the last three years, or perhaps five years, there has been emerging the sort of situation which has burst into national prominence amongst the Liberal Party in New South Wales. We are starting to find a Western Australian version of what the New South Wales Liberals call "the uglies"—the extreme right-wing members who are right wing not only in terms of their policies, but also in relation to the very dubious sources of their personal wealth. They have a dubious series of contacts in the business community who are thrusting people into positions of power because of money.

Sir Charles Court: You are a nice man!

Mr PEARCE: I hope the Premier and his colleagues are glad that many people from his own party have rung me or spoken to me during the course of the last six months to complain about two Liberal candidates. One of those

persons has been named frequently in the last six months, and he is the third member of the Liberal Senate team. I do not need to speak much about that man's transactions dating back for a long time, and his more recent activities which are known as "Crichton-Browne's Moll connections".

Mr Clarko: Come off it. He has never met Moll; and he has been acquitted in the courts on the other matter. What do you want to do? String him up forever?

Mr PEARCE: All I am saying to the member for Karrinyup is that there is a wide spread of people among the rank and file of his own party who believe that Mr Crichton-Browne should never have been placed on the Senate ticket. People quite highly placed in his party have indicated that.

Mr Clarko: By people who wanted that seat.

Mr PEARCE: I am not talking about those people. I am talking about people at the local branch level; people campaigning for some of the more honest candidates the Liberal Party is putting up. I am talking about Liberal supporters around the community who are very dissatisfied with Mr Crichton-Browne's gaining a position on the Senate ticket. There are many of the same people who are unhappy that Mr Wilson Tuckey has the nomination for the seat of O'Connor. They see these two men as being unfortunate choices. Again, I point out I am talking about people who are in the Liberal Party.

Mr Rushton: Are you talking to the Budget?

Mr PEARCE: I am replying to the speech made by the member for Karrinyup. I did not notice that the Minister for Transport was prepared to question that member's speech. It seems the Minister does not understand the conventions of the House. The Minister would find it hard to follow anything I say on any matter because he is not remarkably intelligent.

Mr Barnett: He should be the Minister for Water—the drip.

Mr PEARCE: One could hardly call Mr Wilson Tuckey a Liberal. I inform members opposite that he approached the Labor Party to see whether we would endorse him for the seat of Gascoyne. I, too, was approached by the Liberal Party when I was already a member of the Labor Party.

Mr Clarko: Who was that? Was it a drunk?

Mr PEARCE: I can assure members opposite that I was approached in 1970 by members of the Liberal Party who were seeking my preselection for a Perth metropolitan seat. I did not take up that option.

Mr Rushton: Were you a Liberal then?

Mr PEARCE: No, although it is no secret that for one unfortunate year when I was a university student I made the mistake of joining the University Liberal Club. That was at the time when the present Minister for Police and Traffic was President of the University Liberal Club and was in trouble with the Liberal Party State Executive because he thought Australia should have an atomic bomb, and his views were not in accord with those held by Mr Menzies. The Minister had a well-publicised run-in with the Liberal Party State Executive. If any member wants to check the Press reports of 1964, he will see that there was a very well-publicised dispute between the present Minister for Police and Traffic and the Liberal Party State Executive on the question of atomic bombs for Western Australia. The Minister thought we should have them.

Mr Hassell: You should get the story straight.

Mr PEARCE: I went along as an observer to the Liberal Party State Conference and what I heard put me right off. I never went back.

Mr Davies: You should understand that the decisions they come to at those conferences mean nothing.

Mr PEARCE: Apparently that conference was much the same as the one they had a few months ago when the chicken king from Midland and his lackeys were anxious to hang everyone in sight. It was the same sort of obnoxious person that spelt the end for me of what might have been a very creditable career with the Liberal Party. I was not prepared to associate with that sort of inhumane and unsympathetic person and that sort of philosophy.

I still make the point that despite having completed for several years my one-year association with the Liberal Party, I was approached to seek preselection for that party.

Mr Clarko: Who by? At what level?

Mr PEARCE: Mr Wilson Tuckey was prepared to shop around. Not having gained Liberal Party pre-selection for Gascoyne, he approached the Labor Party. But we were not prepared to accept him; we were more principled.

Mr Sodeman: Have you had a chat with the member for Kimberley about shopping around?

Mr PEARCE: The member for Kimberley has put paid to those rumours very well.

Several members interjected.

Mr Young: It was not a rumour. You are the only bloke in Western Australia who does not know.

Mr B. T. Burke: The former member for Kimberley has a good idea, too.

Mr PEARCE: I would like to see a member opposite stand and deny the fact that Mr Wilson Tuckey sought Labor Party preselection. We knew what he was like and that is why we did not give him our support. I am not taking into account his Aboriginal bashings or the Auditor General's report of the Carnarvon Shire Council which indicated he had managed to use shire funds improperly, and other dubious deals which were not investigated by the Department of Local Government.

Mr Ruston: Say that outside.

Mr O'Connor: You are a coward.

Mr PEARCE: It is not a question of being a coward; it is a question of all the ways in which the laws of the land can be misused by rich people. If I wanted to step outside and say anything, no matter how true it was, Mr Tuckey or anyone opposite could immediately issue a writ and I would have to spend a lot of money going to court to prove the truth of my statement. The Government would not pay me the \$100 000 it paid to Mr Ridge.

Mr O'Connor: You are cowardly.

Mr PEARCE: If I stepped outside and made certain statements, no matter how true they were, I would have to spend a fortune to demonstrate the truth of those statements against someone who may well be a crook. To demonstrate that, I indicate to members opposite that I am currently being threatened with a writ by the Minister for Cultural Affairs because of a statement I made about the man in a Press release.

Mr Rushton: You libelled him.

Mr PEARCE: I did not; and that is the point. There is no way I will send an apology to the Minister for Cultural Affairs. I am prepared to go to court and see the Minister in the witness box being cross-examined by a competent QC as to his credibility. But how much money do I have to

defend myself continually in the courts, even if I said nothing wrong? One has to go to court to demonstrate the truth of what one says. That is all right if one has hundreds of thousands of dollars to throw around.

The Premier knows that the issuing of writs is sometimes used simply to stop a matter being raised in Parliament.

Mr B. T. Burke: He did it himself.

Mr PEARCE: That is right. Some people are well versed in how to use their riches to protect themselves, even when statements made against them are true.

Mr Rushton: Tell us how much money Hawke has made by issuing writs?

Mr PEARCE: The Minister would know that people have libelled him and he has been prepared to go to the courts and put his money on the line in order to get a judgment. There needs to be a considerable change in our libel laws and I might have something to say about this at another time.

I can see my time is about to expire and I will give way now to the member for Pilbara, and let him enter the debate to make the points he made so inconclusively by way of interjection.

Debate adjourned, on motion by Mr Blaikie.

BILLS (4): RETURNED

1. Change of Names Regulation Amendment Bill.
2. Taxi-cars (Co-ordination and Control) Amendment Bill.
3. Slaughter of Calves Restriction Act Repeal Bill.
4. Stallions Act Repeal Bill.

Bills returned from the Council without amendment.

House adjourned at 10.00 p.m.

QUESTIONS ON NOTICE

EDUCATION

Schools, High Schools, and Technical Colleges: Enrolments

989. Mr PEARCE, to the Minister for Education:

- (1) How many students were enrolled in the following categories at the beginning of the 1980 school year—
 - (a) primary;
 - (b) secondary;
 - (c) technical?
- (2) How many enrolments are anticipated in each of these categories at the beginning of the 1981 school year?

Mr GRAYDEN replied:

- (1) (a) 167 903;
(b) 87 238;
(c) 83 992.
- (2) (a) 167 490;
(b) 88 030;
(c) 86 000.

NOONKANBAH STATION

Aboriginal Heritage Act: Contraventions

990. Mr PEARCE, to the Minister for Cultural Affairs:

- (1) Have the Museum Trustees had a complaint from me referred to them by the Commissioner of Police concerning alleged contraventions of the Aboriginal Heritage Act at Pea Hill, Noonkanbah?
- (2) If so, what action has been taken?

Mr GRAYDEN replied:

- (1) Yes.
- (2) The matter is currently being investigated by the trustees.

EDUCATION

Teachers: Graduates

991. Mr PEARCE, to the Minister for Education:

How many students are expected to graduate from teachers' training courses this year at—

- (a) University of Western Australia;
- (b) Murdoch University;
- (c) Western Australian Institute of Technology;
- (d) Nedlands college;
- (e) Mt. Lawley college;
- (f) Churchlands college;
- (g) Claremont college?

Mr GRAYDEN replied:

- (a) Primary: 25; secondary: 103.
- (b) Primary: 13; secondary: 16.
- (c) Early Childhood: 40; primary: 52; secondary: 63.
- (d) Secondary: 351.
- (e) Primary: 200.
- (f) Early childhood: 48; primary: 190.
- (g) Primary: 160.

Notes:

- (1) The figures are for pre-service courses only.
- (2) They are based on estimates obtained earlier this year.
- (3) Diploma of Teaching, Degree or Diploma in Education numbers have been combined where appropriate.

ROAD: MITCHELL FREEWAY

Stage 4

992. Mr BERTRAM, to the Minister for Transport:

- (1) (a) Is it a fact that it is now proposed to have two roads intersecting the fourth stage of the Mitchell Freeway on the Hertha Road tip site—namely, Beatrice and Cedric Streets—and that these roads will take up much of the space which would otherwise have been available for recreational purposes;
- (b) is it also proposed to establish a bus station on the Hertha Road tip and thereby reduce even further the land originally intended for recreational purposes?
- (2) (a) Was it previously intended that King Edward Road and Hertha Road would intersect the fourth stage of the Mitchell Freeway;
- (b) if "Yes" why was this intention altered?
- (3) When will construction work commence on the fourth stage of the Mitchell Freeway?
- (4) (a) Has it been decided that Mitchell Freeway traffic travelling in Beatrice Street will be diverted therefrom at Odin Road and/or Oswald Street;

- (b) if "Yes"—will this not cause severe traffic congestion and danger at the corners of Odin and Scarborough Beach Roads and Oswald Street and Scarborough Beach Road;
- (c) if "Yes", what will be done to cope with this;
- (d) if "No", why?
- (5) What will be the difference in cost for the fourth stage of the Mitchell Freeway to—
 - (a) be intersected by Beatrice and Cedric Streets only;
 - (b) be intersected by—
 - (i) Hertha Road; and/or
 - (ii) King Edward Road?
- (6) What is the total area of the Hertha Road tip?
- (7) How much of the Hertha Road tip will be available for recreation when Beatrice and Cedric Streets and the bus station are constructed there?

Mr RUSHTON replied:

- (1) (a) The metropolitan region scheme allows for both Cedric Street and Beatrice Street to connect to the Mitchell Freeway. Both these connections are allowed for in the next stage of development of this freeway.
 - (b) No.
- (2) (a) No.
 - (b) Answered by 2(a).
- (3) Preliminary works will start this financial year.
- (4) (a) to (d) The extension of Beatrice Street towards the Mitchell Freeway will be designed and constructed by the Stirling City Council. Details of this design have not yet been finalised.
- (5) (a) and (b) It has never been intended to intersect the Mitchell Freeway with Hertha Road or King Edward Road, cost estimates are not therefore available in the form requested.
- (6) Excluding roads reserved in the region scheme, 23.4 hectares.
- (7) The Stirling City Council will be responsible for determining how much of the Hertha Road tip site will be used for recreational purposes.

ANIMALS

Experiments

993. Mr SKIDMORE, to the Chief Secretary:

- (1) How many experiments on living animals were performed in Western Australia during the years—
 - (a) 1977;
 - (b) 1978;
 - (c) 1979?
- (2) How many experiments on living animals performed in Western Australia in 1979 were for the following purposes—
 - (a) the testing of cosmetics and toiletries;
 - (b) the testing of weapons;
 - (c) the testing of weed killers;
 - (d) the testing of oven cleaners;
 - (e) the testing of pesticides;
 - (f) the testing of detergents;
 - (g) the testing of fertilisers;
 - (h) the testing of tobacco?
- (3) How many experiments on living animals were performed in Western Australia in 1979 involving the Draize test or other procedures causing damage to, or destruction of, the skin or eyes of animals?
- (4) How many experiments on living animals were performed in Western Australia in 1979 involving killing animals in LD50 procedures?
- (5) How many animals of the following species died in Western Australian experiments during 1979—
 - (a) rats;
 - (b) dogs;
 - (c) chickens;
 - (d) sheep;
 - (e) cats;
 - (f) guinea-pigs;
 - (g) monkeys;
 - (h) mice;
 - (i) horses?

Mr HASSELL replied:

- (1) The number of experiments on living animals reported in the annual statistical returns received by the Department of Health and Medical Services are as follows—
 - (a) 1977—6 599;
 - (b) 1978—9 398;

- (c) 1979—these figures are not available at present but will be provided to the member in writing when available.
- (2) This information is not available, but I am reliably informed that none of the experiments were performed for these purposes.
- (3) and (4) This information is not yet available. Again, I am advised that this type of experiment is not done in Western Australia. However, further information will be obtained and the member advised in writing.
- (5) (a) to (i) This information is not available at present, but will be provided to the member in writing when available.

ANIMALS

Experiments

994. Mr SKIDMORE, to the Chief Secretary:

- (1) What steps are being taken to control the infliction of pain and distress experienced by research animals in Western Australia?
- (2) What plans are there to increase the official statistics and information published concerning the use of living animals in experiments in Western Australia; in particular, are steps being taken to publish the number of animals, by species, the purposes for which they are being used, the qualifications of the experimenters, and the severity of procedures being inflicted upon the animals?
- (3) How many experiments on animals in Western Australia in 1977, 1978, and 1979 involved the use of electric shock or other aversive stimuli?
- (4) How many experiments on animals in Western Australia in 1977, 1978, and 1979 involved the blinding or deafening of animals?
- (5) What proportion of experiments on living animals performed in Western Australia in 1977, 1978 and 1979 were carried out without anaesthetics?
- (6) What steps are being taken to ensure that all scientists experimenting on living animals in Western Australia are trained in humane animal care and the techniques of anaesthesia, euthanasia, and analgesia before being allowed to experiment?

Mr HASSELL replied:

- (1) The prevention and control of pain and distress in experimental animals is fundamentally the responsibility of the medical practitioners, veterinarians and other scientists who carry out these experiments. The professional training and experience they receive is the chief means of inculcating this responsibility, but it is reinforced in several ways. The major institutions in Western Australia where these experiments are carried out have established review committees to ensure that the procedures used conform with adequate and accepted standards of animal care. Funding bodies have laid down guidelines such as those referred to by the member in his question 995. The Department of Health and Medical Services requires, in accordance with the relevant regulations, two testimonials as to the character of each person apply for an authority to perform vivisection or other experiments on animals. There is no reason to think that animals used in experiments in Western Australia are subject to inhumane conditions or procedures.
- (2) The annual statistical returns received by the Department of Health and Medical Services contain information on the type of animal used, the nature of its accommodation, the nature of the operation or experiment involved, the means used to prevent pain, whether the animal survived or died, and in the latter event, the means of disposal of the carcase. It is considered that this information is sufficient to permit and adequate surveillance by the department of the relevant procedures undertaken on animals. It is not considered necessary to seek further information of the kinds referred to by the member in this series of questions, and in particular it is not proposed to require information on the origin of the animals or the source of funding for the experiments.
- (3) 1977—none reported to the department; 1978—none reported to the department; 1979—not yet available, but will be provided to the member in writing when available.
- (4) 1977—none reported to the department; 1978—none reported to the department;

1979—not yet available, but will be provided to the member in writing when available.

- (5) The proportion of experiments on living animals reported in the animal statistical returns received by the Department, where anaesthetics were not used, are as follows:
 1977—0.8 per cent;
 1978—2.5 per cent;
 1979—not yet available, but will be provided to the member in writing when available.
- (6) The training of scientists in humane animal care and the techniques of anaesthesia, euthanasia, and analgesia is the responsibility of the academics and scientists who provide professional tuition and supervised experience in those areas. This responsibility is reinforced in some of the ways mentioned in the answer to (1) above, and there is no reason to think that it is not being properly carried out.

ANIMALS

Experiments

995. Mr SKIDMORE, to the Chief Secretary:

- (1) What steps are taken in Western Australia to ensure compliance with the codes of practice for the care and use of animals in research in Australia issued by the National Health and Medical Research Council and by the Commonwealth Scientific and Industrial Research Organisation?
- (2) How many primates were imported into Western Australia for research purposes in—
 (a) 1977;
 (b) 1978; and
 (c) 1979?
- (3) How many animals died in experiments in Western Australia financed by Federal-State agencies in—
 (a) 1977;
 (b) 1978;
 (c) 1979?
- (4) How many animals in experiments in Western Australia in—
 (a) 1977;
 (b) 1978; and
 (c) 1979,

were subjected to burning, scalding or radiation?

- (5) How many dogs and cats obtained from pounds or animal shelters were used for experimentation in Western Australia in—
 (a) 1977;
 (b) 1978; and
 (c) 1979?
- (6) What steps are being taken to register the suppliers of animals to laboratories in order to reduce the chance that stolen pets are being used?
- (7) What proportion of experiments on living animals performed in Western Australia were affected by the guidelines laid down by the National Health and Medical Research Council and how were these guidelines enforced?
- (8) How much taxpayers' money was spent on animal experimentation in Western Australia in—
 (a) 1977;
 (b) 1978; and
 (c) 1979?

Mr HASSELL replied:

- (1) It is a requirement of the National Health and Medical Research Council that all research projects involving the use of living animals which receive funding from the council must first be assessed by the review committee of the institution concerned for compliance with the code of practice referred to by the member. No funding is undertaken unless the review committee certifies to the council that the project is in compliance with the code of practice. Every scientist whose project is funded is first interviewed by a committee of the council which assesses the merit of the project and its conformity with the requirements of the code of practice. The review committee of the institution also supervises the general care and welfare of the animals concerned on behalf of the council. Similarly, the Commonwealth Scientific and Industrial Research Organisation has a requirement that all experimental work on living animals undertaken within the organisation must be in compliance with the code of practice.

- (2) The animal quarantine service advises that the number of primates imported into Western Australia from overseas for research purposes was—

- (a) 1977—6;
- (b) 1978—4;
- (c) 1979—43.

- (3) As information is not received by the Department of Health and Medical Services on the source of funding of experiments on living animals, it is not possible to answer this question.

- (4) The number of animals subjected to burning, scalding or radiation in experiments reported in the annual statistical returns received by the department are as follows—

- (a) 1977—56 animals subjected to radiation;
- (b) 1978—none;
- (c) 1979—not yet available, but will be provided to the member in writing when available.

- (5) Not known.

- (6) None.

- (7) The annual statistical returns received by the Department of Health and Medical Services do not contain information on the effects of the guidelines laid down by the National Health and Medical Research Council. As to the enforcement of these guidelines, see the answer to (1) above.

- (8) Not known.

ANIMALS

Experiments

996. Mr SKIDMORE, to the Minister for Education:

How many experiments on living animals performed in Western Australia in—

- (a) 1977;
- (b) 1978; and
- (c) 1979,

were carried out by students, teachers and school children?

Mr GRAYDEN replied:

- (a) to (c) No experiments on living animals are carried out in Government schools. Information is not available for post-secondary education institutions and could not be collected on any reliable basis.

ANIMALS

Experiments

997. Mr SKIDMORE, to the Minister for Health:

What steps are taken by the Department of Health and Medical Services to inspect laboratories where animals are used and to ensure the compliance with the codes of practice issued by the funding bodies?

Mr YOUNG replied:

The Department of Health and Medical Services has no legal authority or responsibility to inspect laboratories where animals are used or to ensure compliance with codes of practice issued by funding bodies. Nevertheless, a medical officer of the department has by invitation inspected a number of laboratories and animal houses controlled by persons holding authorities under the relevant regulations. The facilities and conditions seen have all been of a high standard, reflecting the concern of those responsible for the welfare of the animals in their care.

998. *This question was postponed.*

HOUSING

Collie

999. Mr T. H. JONES, to the Honorary Minister assisting the Minister for Housing:

Is it fact that where "Wonderheat" type and other heating units are removed from State Housing Commission homes due to their condition, they are not being replaced and the onus is on the tenant to replace the unit?

Mr LAURANCE replied:

In new construction the State Housing Commission supplies room heaters to pensioner housing only, with the exception of houses in the south-west region which are funded specifically for

Aboriginal families. Gas or electrical connection points are supplied in lieu.

In rental houses with continuing tenancies "Wonderheat" or other superceded types of heating appliance which cannot be maintained satisfactorily because of difficulty with spare parts are replaced with either gas or electric units.

If the dwelling is vacant the heating unit is removed and not replaced, but a gas or electric connection point is supplied in lieu.

POLICE AND ROAD TRAFFIC AUTHORITY

Overtime

1000. Mr T. H. JONES, to the Minister for Police and Traffic:

Will he advise the cost of overtime worked by the undermentioned during the last financial year—

- (a) members of the Police Force;
- (b) members of the Road Traffic Authority?

Mr HASSELL replied:

- (a) \$1 356 950.09;
- (b) \$1 118 169.00.

ROADS: MRD

Carnarvon Employees

1001. Mr DAVIES, to the Minister for Transport:

- (1) Is it proposed to reduce the establishment of the Main Roads Department depot at Carnarvon from that existing at the beginning of the year?
- (2) If so, by what numbers and classifications of employees?

Mr RUSHTON replied:

- (1) Yes.
- (2) One trades assistant—to be transferred to field work.
One panelbeater—advised to seek alternative employment as no long term requirement for a full-time panelbeater.
Two mechanics—one who died recently and one who resigned will not be replaced.

GRAIN

Rapeseed

1002. Mr H. D. EVANS, to the Minister for Agriculture:

- (1) What was the total quantity of rapeseed grown in Western Australia in each of the past five years?
- (2) What was the total quantity of rapeseed handled by the Grain Pool in each of these years?
- (3) What were the charges levied by the Grain Pool on growers supplying rape seed to the Grain Pool?
- (4) What did these charges amount to per tonne, excluding freight?

Mr OLD replied:

- (1) 1975-76 1 830 tonnes
1976-77 855 tonnes
1977-78 1 474 tonnes
1978-79 991 tonnes
1979-80 Not presently available.
Source: Australian Bureau of Statistics.
- (2) 1975-76 Season 1 747.88 tonnes (to date)
1976-77 Season 764.66 tonnes (to date)
1977-78 Season 1 216.63 tonnes (to date)
1978-79 Season 559.37 tonnes (to date)
1979-80 Season 2 107.00 tonnes (to date).
- (3) Grain Pool Administration Costs.
- (4) 1975-76 Season \$0.98 per tonne
1976-77 Season \$1.06 per tonne
1977-78 Season \$0.89 per tonne
1978-79 Season \$1.05 per tonne (estimate)
1979-80 Season Not available.

DAIRYING

Aluminium Smelter: Effect

1003. Mr H. D. EVANS, to the Minister for Agriculture:

- (1) Adverting to question 964 of 1980 relevant to a proposed aluminium smelter, is it intended that an aluminium smelter will be built in the south-west of Western Australia?
- (2) If "Yes", where is it proposed that such a smelter will be built?

- (3) Will there be any dairying carried on in the district in which any proposed smelter is to be built?
- (4) If "Yes" to (3)—
 - (a) has any investigation been made regarding the effect of the proposed aluminium smelter on the dairy industry;
 - (b) what are the findings of any such investigations particularly with regard to fluoride emissions?

Mr OLD replied:

The Minister for Resources Development has advised that—

- (1) The Government is expecting proposals by 31 December 1980 for the construction of a smelter in the south-west.
- (2) At this stage a site has not been identified, but I believe each company is looking at several possible sites.
- (3) As site or sites have not been identified it is premature to comment. However, it is generally known that one company has owned land in the Harvey Shire for a number of years and may wish to examine the suitability of such a site.
- (4) (a) and (b) A smelter will be required to meet stringent quality limits selected to protect any neighbouring industry. The standards now generally accepted worldwide have been established for areas in proximity to dairying in the United States. Before any decision is made on a smelter proposal an ERMP will be prepared. A thorough examination of the sites proposed will be undertaken.

RAILWAYS

Freight Rates: Alcoa

1004. Mr DAVIES, to the Minister for Transport:

Are rail freight charges paid by Alcoa adjusted from time to time on a regular basis or are they subject to review and adjustment at the same time as other rail freights?

Mr RUSHTON replied:

Yes, in accordance with the agreement the rail freight charges paid by Alcoa

are regularly adjusted on 1 January and 1 July each year.

WATER RESOURCES

Walpole

1005. Mr H. D. EVANS, to the Minister for Works:

- (1) What is the total amount expected to be spent on the Walpole town water supply in the 1980-81 financial year?
- (2) What aspects of the Walpole water supply will be upgraded in the course of expenditure of this sum?
- (3) Precisely where will the catchment dam serving the Walpole water supply be located?

Mr MENSAROS replied:

- (1) \$277 000.
- (2) The proposal will improve both the quality and quantity of water available to the town.
- (3) The work does not involve a dam. Water will be pumped from a river off-take in the Walpole River on Reserve No. 31362.

HOSPITAL

Manjimup

1006. Mr H. D. EVANS, to the Minister for Works:

- (1) What is the total amount which will be spent on the proposed day care centre workshop at the Manjimup Hospital in the 1980-81 financial year?
- (2) What work on the day care centre workshop at the Manjimup Hospital is it expected will be undertaken in the 1980-81 financial year?
- (3) What is the expected total expenditure on this project, and when is it anticipated it will be completed?

Mr MENSAROS replied:

- (1) \$50 000.
- (2) As planning is not yet completed, preliminary works only will be carried out in accordance with the fund allocation.

- (3) At this stage, the anticipated total cost is in the region of \$200 000. Actual anticipated cost and completion date will be determined after planning is completed.

STOCK

Livestock Breeding Institutes

1007. Mr H. D. EVANS, to the Minister for Agriculture:

- (1) How many livestock breeding institutes are there in Australia and New Zealand and where are they located?
- (2) What is the cost, or estimated cost, of operating each of these institutes each year?

Mr OLD replied:

- (1) Apart from the Animal Breeding and Research Institute at Katanning there are, to the best of my knowledge, no other "livestock breeding institutes" in either Australia or New Zealand. Departments of Agriculture in both countries, however, maintain livestock breeding research and extension programmes from a number of centres. The best known of these are Trangie Agricultural Research Station—NSW, CSIRO Chiswick Pastoral Research Laboratory—NSW— and the Ruakura Agricultural Research Centre—New Zealand.
- (2) This information is not available to my department.

MEAT

Lamb Marketing Board

1008. Mr BARNETT, to the Minister for Agriculture:

- (1) Is it a fact that the Lamb Marketing Board is selling "white L" lambs to Coles?
- (2) If this is so, is he aware of any difficulties this is causing to the small businessmen in the meat trade?

Mr OLD replied:

- (1) and (2) The Lamb Marketing Board does not sell any lambs direct to Coles which is serviced in the normal way by wholesalers and country abattoir operators.

PUBLIC WORKS DEPARTMENT

Facilities: Use by M. G. Kailis

1009. Mr PARKER, to the Minister for Works:

- (1) Does the firm of M. G. Kailis, or any associated company, use any portion of the yard or facilities of the harbours and rivers section of the Public Works Department?
 - (2) If so, what portion or facilities?
 - (3) On what basis do they use them?
- Mr MENSAROS replied:
- (1) Yes.
 - (2) Lay-by and service jetties.
 - (3) At times of harbour berth congestion, short-term utilisation as agreed on each occasion, in common with all other harbour users.

PUBLIC WORKS DEPARTMENT

Harbours and Rivers Section

1010. Mr PARKER, to the Minister for Works:

- (1) With respect to the harbours and rivers section of the Public Works Department situated in South Fremantle, can he give, by trade or job classification, the numbers of redundancies—
 - (a) in the 12 months to 30 June 1980;
 - (b) in the period from then until 30 September 1980?
- (2) Will he detail the numbers of people currently employed in the section by job classification?
- (3) (a) Will he advise if there are to be any further redundancies in the foreseeable future;
- (b) if so, in what classifications; and
- (c) who?
- (4) What are the short and long-range prospects for the section?

Mr MENSAROS replied:

- (1) (a) 1 fitter
2 carpenters
1 survey hand Gd II
1 launch driver
1 launch assistant
1 dredge assistant
1 truck driver 3-6 tonne
1 trowel hand
1 assistant storeman/construction worker Gd II
3 construction workers Gd II
2 construction workers Gd III.

- (b) 3 welders
 - 1 carpenter
 - 1 trowel hand
 - 1 assistant storeman
- 7 construction workers Gd II.
- (2) 6 construction workers Gd II
- 3 construction workers Gd III
- 4 welders
- 1 fitter
- 1 plumber
- 2 carpenters
- 3 gangers
- 2 gatekeepers
- 1 dredge operator
- 2 dredge assistants
- 3 foremen
- 1 driver
- 1 driver's attendant
- 1 storeman
- 1 operator pile driver
- 1 launch driver
- 2 truck drivers
- 2 pile frame hands
- 1 top-man pile frame
- 5 senior instrument hands
- 2 survey hands Gd II
- 4 survey hands Gd III
- 1 instrument hand
- 1 mobile crane driver
- 5 federated clerks
- 1 digital electronics technician
- 57.
- (3) (a) to (c) The maximum number of staff has been retained commensurate with the allocated funds. The overall expenditure position will be constantly reviewed and the employment position re-assessed in January.
- (4) The establishment is a construction-maintenance depot for which the work load is difficult to forecast. However, there is little prospect of any increased activity of a sustained nature in the foreseeable future.

QUESTIONS WITHOUT NOTICE

WATER RESOURCES

Geraldton

252. Mr CARR, to the Minister for Works:
- (1) Is the Government considering retrenchment of any employees of the Water Supply Department in Geraldton?

- (2) If "Yes" to (1)—

- (a) how many employees are involved,
- (b) when will the retrenchments occur, and
- (c) what is the reason for the retrenchments?

Mr MENSAROS replied:

- (1) Yes.
- (2) (a) 29.
- (b) Approximately 31 October 1980.
- (c) Lack of funds for capital and non-recurring maintenance works.

POLICE

Public Assembly: Stirling Electorate

253. Mr DAVIES, to the Minister for Police and Traffic:

- (1) Is he aware of a report on the Channel Nine programme "Terry Willesee's Perth" of Friday 3 October, which showed the Federal Minister for Industry and Commerce (Mr Lynch) and the member for North Metropolitan Province (the Hon. R. G. (Bob) Pike MLC) holding public meetings in the Federal electorate of Stirling for the Minister for Employment?
- (2) Was permission sought and given under section 54B of the Police Act for these meetings?
- (3) If so, will he table the application and the reply giving permission?
- (4) If "No" to (3), why not?

Mr HASSELL replied:

- (1) Yes.
- (2) Yes.
- (3) No.
- (4) The application is privy to the applicant and the Assistant Commissioner of Police (Traffic).

WATER RESOURCES

Rates: Increase

254. Mr PEARCE, to the Minister for Water Resources:

Considering that the assent to the amendments to the Metropolitan Water Supply, Sewerage, and Drainage Act

which limited the increases in rates to 50 per cent of last year's payments was notified to this House on 2 September last, can the Minister advise the House why bills were sent out for amounts in excess of the 50 per cent limit after that date?

Mr MENSAROS replied:

To the best of my recollection, the assent to the Bill was not immediate; but in any event I should like to point out to the member that the bills are placed on the computer for prior programming. Anyone who received a bill for any sum which exceeded by 50 per cent the amount of the previous year's account on valuation based charges, either before or after the amendment to the Act became operative, has the right to pay an increased charge of no more than 50 per cent.

Therefore, the answer to the member is that these bills were sent out because the computer was pre-programmed.

MR FABULOUS GROCERY CHAIN

Collapse

255. Mr B. T. BURKE, to the Minister for Labour and Industry:

My question refers to the collapse of the Mr Fabulous grocery chain. Bearing in mind that, according to reports from at least one of my constituents, the company has defaulted in respect of wages owing to employees—in one particular case of a manageress the default period has been for six weeks—can the Minister tell the House whether he is prepared to instruct his department to investigate what appears to be a massive collapse, with a view to protecting the employees' interests?

Mr O'CONNOR replied:

I received no notice of the question. I am unaware of the position the member has said exists in connection with wages. However, if the member places the question on the notice paper, I shall find out what information the department has in this regard and endeavour to answer the question.

DEFENCE FORCES

Sonic Booms

256. Mr WILSON, to the Premier:

Has the Premier been able to obtain an answer to question 939 which I asked him on Wednesday, 1 October last, regarding lack of insurance cover for people who suffered damage due to sonic booms?

Sir CHARLES COURT replied:

The member asked a question on 1 October 1980, as follows—

- (1) Is he aware that people who suffered property damage as a result of the sonic boom caused by aircraft returning from a defence exercise off the Western Australian coast in August were not covered by insurance for this damage?

The answer to that part is—

- (1) No. I am advised that insurance cover for damage caused by sonic booms is available in the insurance market for both commercial and domestic insurances.

The second part reads as follows—

- (2) Has the State Government made any representations to the Commonwealth Government regarding the possibility of further property damage from similar occurrences in the future, with regard to prevention or compensation?

The answer to that is—

- (2) The RAAF has advised its willingness to investigate any claims arising out of alleged damage caused by sonic booms during the Armed Forces exercises referred to. It is understood that only some six matters were referred to the RAAF.

The third part of the question was—

- (3) If "No" to (2), is he prepared to take up the matter with the Defence Department?

The answer to which is—

- (3) Answered by (2).

PUBLIC WORKS DEPARTMENT*Employees: Retrenchments*

257. Mr CARR, to the Minister for Works:

This question is in addition to the question I have asked already concerning the retrenchment of PWD employees at Geraldton. It is as follows—

- (1) Does the Government propose similar retrenchments to take place at any other PWD depots throughout the State, particularly in country areas?
- (2) If so, will the Minister give an indication of the extent of such retrenchments?

Mr MENSAROS replied:

- (1) Yes, because of budgetary conditions.
- (2) I cannot give an answer off the cuff. I shall ascertain where it is anticipated staff numbers should be reduced and advise the member in writing.

POLICE*Public Assembly: Stirling Electorate*

258. Mr DAVIES, to the Minister for Police and Traffic:

As the Minister is reluctant to table the application for the meeting which I mentioned in an earlier question without notice, will he tell the House—

- (1) Who made the application?
- (2) The date of the application?
- (3) The nature of the application?

Mr HASSELL replied:

- (1) to (3) I am advised that an application was made in due form and in accordance with the requirements of the Act and that permission was granted by the Commissioner of Police, or his delegate, in accordance with the requirements of the Act.

POLICE*Public Assembly: Stirling Electorate*

259. Mr DAVIES, to the Minister for Police and Traffic:

This question relates to the question I have just asked and is as follows—

- (1) What was the date of the application?

- (2) Who made the application?
- (3) What was the nature of the application?
- (4) Was the application made for one meeting?
- (5) Was the application made for casual meetings or was it made for meetings in particular places?

I am concerned that we may be setting a new standard in applications for public meetings. Therefore, would the Minister be good enough to tell us the nature of that particular application?

Mr HASSELL replied:

- (1) to (5) I have pointed out already that applications made by the people to the Commissioner of Police for permission to hold meetings are confidential to those people, as are many other applications which are made by people to Government departments. I do not propose to break that general rule of confidentiality.

Mr Davies: There is not the slightest reason for that.

CONSTITUTION AMENDMENT ACT*Validity: Supreme Court Application*

260. Mr DAVIES, to the Honorary Minister Assisting the Minister for Industrial Development and Commerce:

As I understand the approach to the courts which is to be made regarding the constitutional amendment dealt with by this Parliament is to be made by the Minister as a private individual and not in the form of a Government application to the courts, can the Honorary Minister tell me the timetabling for the request to the courts to review the decision and when it will be started?

Speaker's Ruling

The SPEAKER: Order! I rule that question to be out of order, because it is not a matter which is within the ministerial responsibility of the person to whom the question was directed.

Questions (without notice) Resumed

Mr DAVIES: With due deference, Sir, we were told in another place it was to be a private application. It concerns a Minister of the House. He is one of the Ministers concerned. He will have to make the application. It is something this Parliament has done that is to be challenged and for which a ruling needs to be sought.

If the answer in the other place was incorrect and the Government intends to make the application rather than the Minister, he should be able to tell us. But if that is not the case and the answer given in another place is correct, the Minister will be able to tell us when he expects the court proceedings to begin, because the Opposition is a properly interested party.

The SPEAKER: Order! I adhere to the ruling I gave a little earlier. I believe the Leader of the Opposition and the House is entitled to the information the Leader of the Opposition seeks; but I believe it is more appropriate for that question to be directed to the Attorney General through the Minister who represents the Attorney General in this place. May I suggest to the Leader of the Opposition that he put a question on notice to obtain the information he seeks?

Mr DAVIES: Thank you, Sir. I will be pleased to do that; but the question I have already asked has been referred to in an answer given by the Attorney General in another place. Therefore, no doubt he will himself refer us to the Honorary Minister.

CONSTITUTION AMENDMENT ACT

Validity: Supreme Court Application

261. Mr DAVIES, to the Premier:

What action is the Government taking to have the courts consider the amendment to the Constitution Act which went through this House and provided for the appointment of two additional Ministers?

Sir CHARLES COURT replied:

Following a Cabinet discussion on the matter, the Government made a clear statement as to what was proposed. The

Attorney General was requested to do all he could to have the case prepared promptly and to make sure that the person who was to present the case to the courts prepared it properly and with the maximum expedition.

The Attorney General explained to me that, whether it was a case of the Government or a private individual, the matter was not quite as easy as simply rushing down to the court and saying, "I want the answer to this question".

I understand if the case is not presented in the right way one could easily find oneself being in the situation of not being heard. Therefore, I would not presume to say what the timetable is, although I would be pleased to inquire with the parties concerned in order to ascertain how the matter is proceeding and when it will be dealt with, because the Government is interested to receive that information also.

MR FABULOUS GROCERY CHAIN

Collapse

262. Mr PEARCE, to the Minister for Police and Traffic:

Have the police been asked to inquire into, or have they been inquiring in any way into, the collapse of the Mr Fabulous grocery chain?

Mr HASSELL replied:

I ask the member to put the question on the notice paper so that I can provide a proper answer.

PUBLIC WORKS DEPARTMENT

Employees: Retrenchments

263. Mr CARR, to the Minister for Works:

Will the Minister undertake to make a detailed statement to the House tomorrow outlining the extent of the proposed PWD retrenchments throughout the State?

Mr MENSAROS replied:

As I understand Standing Orders, I cannot undertake to give such an assurance; it would depend on my

obtaining the leave of the House to make a statement.

I suggest the member put the question on the notice paper, which will be a safer way to receive the answer.

TRANSPORT

Reports

264. Mr McIVER, to the Minister for Transport:

Several weeks ago I asked the Minister whether he would supply information

regarding the number of inquiries conducted into public transport over a period of time. Could the Minister take steps to expedite the provision of that information?

Mr RUSHTON replied:

I am pleased to be able to tell the member it is my firm understanding the information has been posted to him.

Mr McIver: I have not received it.
