

**REVENUE LAWS AMENDMENT BILL 2010**

*Consideration in Detail*

**Clause 1: Short title —**

**Mr B.S. WYATT:** I have a proposed amendment to the short title of the bill. As there has been a couple of days' break since we last debated the Revenue Laws Amendment Bill 2010, for the benefit of the house I indicate that the opposition will oppose this bill. It certainly opposed its second reading because the bill imposes a tax slug of \$355 million on the business sector of Western Australia. That \$355 million was assessed at a time when the economic growth of the state was expected to be significantly less than currently anticipated. The Treasurer has now informed Western Australia that economic growth will be 3.75 per cent for the current year, before growing to in excess of four per cent next year. That will obviously have a bigger than expected impact on state revenue. We now expect the revenue forecast over the forward estimates to be larger than the \$355 million that the government originally anticipated.

The opposition has taken a hostile stance on this legislation because of the very position taken by government members both when they were in opposition and since coming into power to form government. The Liberal Party has previously made all sorts of commentary regarding the level of tax on Western Australians generally, and on the business sector specifically. As the Treasurer said regarding the Pay-roll Tax Rebate Bill that passed through this chamber earlier this week, the business sector needed support during a time of great economic uncertainty. The Treasurer implemented a \$100 million rebate that will apply to just over 50 per cent of businesses registered to pay payroll tax in Western Australia. That \$100 million will be paid in September this year—well after the full impacts of the global financial crisis will be felt. The \$100 million rebate was described by the Treasurer as a significant measure taken by the government, yet at the same time the government increased taxes on the business sector by over \$500 million, as estimated in the midyear review.

That is why the opposition opposes this bill, which imposes an extra \$355 million tax burden on the business sector in Western Australia. Over many years, when I read legislation, the reason why titles do not often reflect exactly what the legislation will do has interested me. Legislation is often very difficult to find because titles often vary significantly from what the measures actually do. That is certainly not a criticism of Treasury officers; it is a practice that has taken place over a period of time to neutralise —

**The ACTING SPEAKER (Mr P.B. Watson):** We are addressing the title of the bill.

**Mr B.S. WYATT:** I seek to provide the house with a copy of the amendment I propose to clause 1.

The opposition proposes to delete “Revenue Laws Amendment Act 2010” and substitute “Small Business Tax Slug Amendment Act 2010”. I know the Treasurer will be strongly supportive of this amendment from the opposition. I think it is time that the Parliament, when it passes this sort of legislation, tells the people of Western Australia up-front in the title exactly what the legislation is doing. This legislation is nothing more than a tax slug on small business at a time when the Treasurer has said that the small business sector is under pressure, that the business sector, despite the fact that the economy is returning to strong growth—thanks to private sector investment—is indeed under significant pressure, and that those benefits from economic growth are yet to flow through to the business sector. That is why the Treasurer’s argument about paying a \$100 million payroll tax rebate in September this year carries validity, according to the Treasurer. That is why the opposition will move this amendment to make it crystal clear to the business sector and to Western Australians generally that this government is imposing a \$355 million tax slug on the business sector of Western Australia.

**Mr W.J. JOHNSTON:** I am very happy to rise in support of this amendment. We need to make clear to the people of Western Australia what the government is doing. The government has made much play about a \$100 million tax rebate. As I have said during debate over the past couple of days, no business in the state will not accept a cheque for \$1 500 or whatever that results from the rebate to payroll tax. When we deal with a matter that is three times larger than the issue talked about yesterday by the Treasurer, Parliament should be honest: we should tell the people of Western Australia exactly what is happening. The Liberal Party is breaking an election commitment. The Liberal Party promised to cut taxes over the forward estimates by \$250 million; that is not what it is doing. In fact, it is increasing tax over the forward estimates. The Liberal Party is getting rid of a legislated tax cut that this Parliament had already granted to small businesses. It is increasing those taxes. It should simply fess up and be honest with the people of Western Australia and say what it is doing —

**The ACTING SPEAKER:** Member, the amendment has not been moved yet. You can talk only about the short title.

**Mr W.J. JOHNSTON:** The short title is lacking in its specificity. It should properly reflect what the government is doing. Instead of hiding behind a bland title like “Revenue Laws Amendment Bill”, the Liberal Party should simply come in here and say, “We’re breaking our election commitments. We are not being honest.

We have lied to the people of Western Australia.” That is what the Liberal Party should do. That is what the Liberal Party is doing with this bill, and this short title does not properly reflect this bill’s intentions. It is about the Liberal Party lying to the people of Western Australia, conning them in election time and failing to be honest and to deliver what it said it would deliver.

**Mr B.S. WYATT:** After your instructions, Mr Acting Speaker (Mr P.B. Watson) I now move —

Page 2, line 3 — To delete “*Revenue Laws Amendment Act 2010*” and substitute —

*Small Business Tax Slug Amendment Act 2010*

As the member for Cannington so astutely observed, the bland title, “Revenue Laws Amendment Act 2010” does not set out exactly what this legislation does. Indeed, the key clause simply seeks to change a date from 2010 to 2013. The business sector in particular, and all Western Australians, need to understand that the Liberal Party went to the election with a clear policy of \$250 million worth of tax cuts above and beyond the savings identified in the economic audit committee report. Since then \$127 million of those savings have been reversed out of the budget. They are gone; that promise will no longer be delivered. What was not in the Liberal Party’s election commitment was that it would hit the small business sector with significant tax rises of more than half a billion dollars, in particular this tax rise of \$355 million across three years. The Revenue Laws Amendment Act 2010 is not an accurate description of this legislation. It is a tax slug on businesses at a time when, as the Treasurer said, they have not yet experienced the benefits of a growing and stronger economy here in Western Australia. Among the other states, there have been some deferrals but, along with Queensland, Western Australia will be the last to abolish duty on non-real assets. Western Australia will be second last. Most states do not have this duty at all, which places businesses at a competitive disadvantage in Western Australia. It is only fair for all Western Australians to understand that this is a tax slug, hence the opposition is moving the amendment that the legislation be renamed the “Small Business Tax Slug Amendment Act 2010”.

**Mr W.J. JOHNSTON:** It is important that, in making the decision on this short title, people give proper consideration to what will occur with this bill. Clearly, this bill is not just about amending revenue laws; it is about a breach of faith by the Liberal Party and it should ’fess up to that. The Liberal Party should not be allowed to hide behind weasel words such as the current short title allows. The Liberal Party should be prepared to acknowledge to the community what it is doing.

**The ACTING SPEAKER (Mr P.B. Watson):** Order! Excuse me member for Warnbro, you should acknowledge the Chair when you pass between the Chair and the member on his or her feet.

**Mr P. Papalia:** My apologies, Mr Acting Speaker.

**Mr W.J. JOHNSTON:** One need only examine the rhetoric of the Treasurer and the Premier when they were in opposition regarding the former government’s decisions. One need only look at what happened in 2001 when the former Labor government was elected to office, when the economy in Western Australia was shrinking, the population growth was negative and this state’s economy was having serious problems. People should read what was said by the Liberal Party at that time. Members of the Liberal Party at the time said, for example, “Everyone knows there will be lower taxes under a Liberal government.” That is the type of bold statement made by the Liberal Party. The Liberal Party was a sham; it was dishonest; it was not being truthful. It is time the people of Western Australia got some honesty from the Liberal Party rather than weasel words. This proposed amendment better reflects the true action of this bill of delivering a \$350 million tax increase as intended by the Liberal Party. Let us not misunderstand what the Liberal Party is doing here. It is not that it is doing it by accident or allowing fiscal drag to increase taxes; this is a deliberate decision by the new government to break its election commitment—to break the solemn words used by the Premier during the election campaign and to renege on the personal guarantee the Liberal Party gave to every Western Australian that it would reduce taxes by \$250 million. It is breaking that promise and it should be prepared to boldly stand up and say so.

During the second reading debate I challenged members of the government to come in here and explain where they stood on increased taxes on small business in this state. They were all silent. They were all happy to come in here and vote in favour of this legislation to increase taxes. They should come back in here and be honest for the first time in this debate and support this amendment moved by the member for Victoria Park, because it would allow the bill to clearly state what is happening. It will be interesting later in the consideration in detail stage to hear from the Treasurer about the consultation he has had on the individual clauses in this bill. I can tell members that nobody in this state, apart from the dishonest Liberal Party, supports what is provided for in this legislation. For the first time in this debate, it is an opportunity for Liberal Party members to come in here and tell the truth—to be honest and say what they are doing. It is slugging Western Australian small business with additional taxes in an unfair and unreasonable way. When the economy of the richest state in the country is strong and is growing, the Liberal Party’s response to that opportunity created by the private sector is to increase taxes on small business, and that is a disgrace.

**The ACTING SPEAKER:** I remind everyone of standing order 38. Members will acknowledge the Chair when entering and leaving the chamber and will not pass between the Chair and any member who is speaking unless it is unavoidable. This happens quite a lot lately and it contravenes the standing orders so we will call members to order in future.

**Mr B.S. WYATT:** Point taken and I will endeavour to comply with your instructions, Mr Acting Speaker.

**The ACTING SPEAKER:** I was not picking on you, member.

**Mr B.S. WYATT:** The opposition feels that it is necessary to move this amendment because the government has form on this issue. Nowhere is that more apparent than with the waste levy. At the time the legislation for it was introduced, it was argued that it would go into promoting the sensible use of waste and recycling. However, that quickly unravelled and we note that the waste levy now goes into propping up the Department of Environment and Conservation budget. Household fees and charges have been increasing at exorbitant rates. They have been described by the Treasurer as backdoor taxes. This is why the opposition feels it necessary to call this legislation what it is—a tax slug on the business sector of Western Australia. The short title is not an accurate reflection of what the legislation will do. It will impose a tax increase of \$355 million on the business sector at a time when the Treasurer himself has acknowledged that a return of \$100 million will have a huge impact on the protection of jobs. This is not a result of anything other than the government's spending priorities being well beyond its commitments leading up to the election in 2008—spending commitments that are yet to go below 13 per cent on a monthly basis.

**Mr T.R. Buswell:** What was it in the February figures? It wasn't 13 per cent. The February figures were lower than 13 per cent. What you're saying is not true.

**Mr B.S. WYATT:** The February figures fared quite well. For 18 months, we have seen nothing but terrible spending figures from this government—expenditure growth completely and utterly out of control. By way of interjection, the Treasurer asked about the spending figures. When he was sitting on this side of the house, he said to the then Treasurer, the member for Belmont, that a real per capita cap should be imposed on spending growth. During the Labor government's term, spending growth was breached by an average of 1.63 per cent, but already it has been breached by this government by nine per cent. If the Treasurer were able to impose on his government the sort of expenditure growth that occurred under the previous government, he would over the forward estimates find himself with an extra \$6 billion to play with; that is \$6 billion to protect the AAA credit rating, to deliver the Premier's surpluses and to deliver the tax cuts that the Treasurer talked about time and again when he was on the other side of the chamber. Instead, we are now in a position in which \$355 million in increased taxes—part of a half-billion-dollar package of tax increases—is being imposed on the business sector. It is one of the many roles of the opposition to highlight to the community how the government is not behaving according to its pre-election commitments and according to the rhetoric the Liberal Party adopted over many years when it was in opposition. That is why the title of this legislation needs to be amended to its correct title—the “Small Business Tax Slug Amendment Act 2010”. I look forward to the Treasurer perhaps even supporting the opposition's push for this change; I note that the Premier is thinking about supporting it, because he does not want to deceive the people of Western Australia about what he is doing to the Western Australian business sector at a time when, despite strong economic growth, the sector is still not receiving the benefits of strong economic growth. Now is not the time to impose these sorts of tax increases on the business sector of this state; now is the time to make the hard government decisions to control spending growth and protect the business sector from the imposition of these sorts of tax increases. That is why the opposition is moving this amendment—to make it clear that, if the government is to make these sorts of decisions, it needs to be honest and accountable. It also needs to 'fess up to the business sector and its friends at the Chamber of Commerce and Industry of Western Australia, who I know to be quite annoyed by this last-minute, midyear review-initiated tax increase, which is designed to find a \$50 million surplus for 2009–10. The CCI is annoyed, and I look forward to its commentary in support of this amendment, because this is a tax slug on the business sector of Western Australia.

**Mr P. PAPALIA:** I rise to support this amendment to delete the title “Revenue Laws Amendment Act 2010” and substitute the very appropriate and much more apt title “Small Business Tax Slug Amendment Act 2010”. I support this because I know that the Treasurer when in opposition, as opposition spokesperson on these matters, regularly called upon the then Treasurer to be honest and to deliver clarity on any sort of tax increase, if that were ever to occur. I frequently heard the then opposition spokesperson claim that the then Treasurer was increasing taxes, although he never actually produced any evidence of that. I regularly witnessed, in the party room and in the Parliament, the then Treasurer lowering taxes for Western Australian small businesses, other businesses and citizens. I also witnessed him taking action, whenever he could, to achieve reform of taxation in this state.

In contrast, I have witnessed the current Treasurer take every opportunity he has been given to blow the budget, expand public sector expenditure and increase taxes on small businesses and the people of Western Australia; he

has taken every opportunity to do that. I think it is only appropriate and fair, in the interests of the taxpaying public of Western Australia, that the Treasurer be upfront and honest, and provide clarity about what he is doing here today. The Treasurer understands that there was to be a tax benefit given to small businesses across the state. It was initiated by the previous government, although I do not recall him giving any credit to the previous government at the time. He understands that that is what was going on, and now he has come into this place with the objective of delaying the delivery of that benefit, and we all know what “delay” means with this Treasurer. As the shadow Treasurer has already observed, delays become permanent; in the case of revenue, increased opportunities for grabbing alternative revenue streams from the taxpayers of Western Australia are definitely permanently included in the Treasurer’s bag. He has done that because he is completely incapable of reducing the growth of the public sector and the profligacy of some of his ministers, such as the Minister for Health, the Minister for Education and, indeed, the Minister for Corrective Services, amongst others.

As I said yesterday to the Treasurer during the course of debate on this subject, I feel that he has been able to slip under the media radar. He does not believe that to be the case, but I am talking about his ability or otherwise to manage the finances of the state; that is where he has been able to slip under the media radar. This is an opportunity for the media of Western Australia to actually provide some information to their readership, their viewers and listeners, to let them know what the Treasurer has been doing and what his real record is, as opposed to what he claimed it would be prior to the election and what is consistently stated by the Premier. The public needs to know just how much the Treasurer is failing it and just how significant this \$355 million tax increase is. The Treasurer needs to acknowledge that, and the people of Western Australia need to know about it. This amendment is a wonderful opportunity for the media to convey this message to the state and let the people know that the Treasurer, Hon Troy Buswell, MLA, is slugging them a further \$355 million.

**Mr T.R. BUSWELL:** I have listened very carefully to this very detailed debate.

**Mr B.S. Wyatt:** Are you going to support it?

**Mr T.R. BUSWELL:** I have spoken to the Premier about it, and I was tempted to adopt—what are we going to term this?—the slug amendment.

**Mr B.S. Wyatt:** It’s not about you, it’s about the tax slug.

**Mr T.R. BUSWELL:** Yes. On reflection, it was close; we were almost over the edge until the member for Cannington spoke, and that got us back to where we knew where we were. We probably will not support this amendment. We might have to take some more advice from our highly paid advisers. We could put this to our advantage, because if we adopt this amendment, we can un-slug when the changes come in. We could actually create some future publicity!

We will obviously not support this amendment, and I rise to speak only in the hope that we can deal with this matter and move on with the other elements of consideration in detail.

**Mr B.S. WYATT:** Just very quickly, so that we can move on with clause 1 before lunch, this is a tax slug on Western Australia, and that is why we seek to change the name of the legislation to the “Small Business Tax Slug Amendment Act 2010”. If the Treasurer is going to slug the business sector with new taxes, he should be honest and call it a tax slug, because it is a tax slug and the business sector of Western Australia needs to fully understand that if it is going to be slugged, the legislation is termed exactly what it is: the “Small Business Tax Slug Amendment Act 2010”.

Amendment put and a division called for.

Bells rung and the house divided.

**The SPEAKER:** While I have the opportunity, I will provide further information to the house. I will not indicate who might be personally involved, but I instruct members that they should not be reading newspapers in this place.

The division resulted as follows —

**Extract from *Hansard***  
[ASSEMBLY - Thursday, 22 April 2010]  
p2114c-2118a

Mr Ben Wyatt; Mr Bill Johnston; Acting Speaker; Mr Paul Papalia; Mr Troy Buswell; Speaker

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Ayes (22)

Ms L.L. Baker  
Ms A.S. Carles  
Mr R.H. Cook  
Ms J.M. Freeman  
Mr J.N. Hyde  
Mr W.J. Johnston

Mr J.C. Kobelke  
Mr F.M. Logan  
Mr M.P. Murray  
Mr A.P. O’Gorman  
Mr P. Papalia  
Mr J.R. Quigley

Mrs M.H. Roberts  
Ms R. Saffioti  
Mr T.G. Stephens  
Mr C.J. Tallentire  
Mr P.C. Tinley  
Mr A.J. Waddell

Mr P.B. Watson  
Mr M.P. Whitely  
Mr B.S. Wyatt  
Mr D.A. Templeman (*Teller*)

Noes (27)

Mr P. Abetz  
Mr F.A. Alban  
Mr C.J. Barnett  
Mr I.C. Blayney  
Mr J.J.M. Bowler  
Mr T.R. Buswell  
Mr G.M. Castrilli

Mr V.A. Catania  
Dr E. Constable  
Mr M.J. Cowper  
Mr J.H.D. Day  
Mr B.J. Grylls  
Mrs L.M. Harvey  
Mr A.P. Jacob

Dr G.G. Jacobs  
Mr R.F. Johnson  
Mr A. Krsticevic  
Mr W.R. Marmion  
Mr P.T. Miles  
Ms A.R. Mitchell  
Dr M.D. Nahan

Mr C.C. Porter  
Mr D.T. Redman  
Mr M.W. Sutherland  
Mr T.K. Waldron  
Dr J.M. Woollard  
Mr J.E. McGrath (*Teller*)

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Pairs

Mrs C.A. Martin  
Mr M. McGowan  
Ms M.M. Quirk  
Ms A.J.G. MacTiernan

Mr I.M. Britza  
Dr K.D. Hames  
Mr J.M. Francis  
Mr A.J. Simpson

**Amendment thus negatived.**

Debate interrupted, pursuant to standing orders.

[Continued on page 2131.]