

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

MINING AMENDMENT REGULATIONS (NO. 2) 2017 — DISALLOWANCE

Motion

Resumed from 11 October on the following motion moved by Hon Jacqui Boydell —

That the Mining Amendment Regulations (No. 2) 2017 published in the *Government Gazette* on 29 September 2017 and tabled in the Legislative Council on 10 October 2017 under the Mining Act 1978, be and are hereby disallowed.

HON MARTIN ALDRIDGE (Agricultural) [11.45 am]: In the time remaining I will summarise some of the remarks I made yesterday, which was day 2 of dealing with this disallowance motion. Hopefully, as we enter day 3, we are reaching some conclusion on this debate.

Members may be interested in why a member for the Agricultural Region is speaking at length on a gold royalty disallowance motion. It is, of course, because the Agricultural Region is home to one of Western Australia's, and indeed Australia's, largest goldmines, owned by Newmont Mining in Boddington. So far in this debate I have not entered into a commentary about the impacts forecast by many of these companies, although I have received many. However, I want to point out some interesting information that Newmont sent me on its Boddington operation that shows significant investment in that mine since it took ownership. There has been some \$4 billion invested, and a further \$600 million in 2015. It has given me some information about its return on investment for that mine—one of Australia's largest. It is not forecasting a return on investment until approximately 2022, some five years away. I think it is important to appreciate that some of these projects are more profitable than others, and that some are more profitable in the long rather than short term. Newmont estimates that the increase in gold royalty will add \$16 million per year to Boddington's annual costs. I do not want to quote anymore from that document, but I think that is interesting to note in the context of one of Australia's largest goldmines that is located in the Agricultural Region.

I will summarise some of the positions I have put. I want to be clear that we are not blocking supply to the government, and any suggestion that we are is farcical. We approved, without even a budget, an \$11 billion credit card for the Labor Party so that it could fund its four-year forward estimates. This is not a budget repair measure; this is a measure to allow the Labor Party to match, to some extent—notwithstanding the \$11 billion it is going to borrow—its election commitments, which were largely metropolitan focused. It is not our job to rubberstamp the agenda of the government, and if it were—if that is the standard that the Labor Party now pretends to uphold—I would like to know on how many occasions the Premier of this state has written to the four Labor senators who sit in the Australian Senate, encouraging them to support the budget repair measures of Malcolm Turnbull and his government. It is an interesting position. There is a tight mix of numbers in the Senate. Malcolm Turnbull won the last election, he does not have control of the Senate, and budget repair measures are repeatedly being blocked by Labor senators, including the four who represent Western Australia. That is yet another example of the double standard applied by members opposite.

I want to recognise a former member for Kalgoorlie and former Deputy Speaker of the other place, Mrs Wendy Duncan, MLA, along with her upper house colleagues in Hon Jacqui Boydell, who moved this disallowance, and also a former member of this place, Hon Dave Grills, for the commitment they made in 2014 and 2015 to engaging with the gold sector that allowed us to formulate what I think is quite a sound position on increasing the gold royalty.

Unlike government members, we have the courage of our convictions. We took a position to the election and we stand by that position. The notion that this so-called budget repair measure will spread the pain amongst the community, which has been purported so frequently by members opposite both inside and outside this place, is patently wrong. The example that I raised during my contribution is that the gold sector will contribute \$400 million extra over the next four years while the iron ore sector, which is a much larger industry, will contribute \$177 million extra. I am not sure how government members can stand by their talking points that they are spreading the pain across the community when making comparisons between gold and iron ore. We cannot touch iron ore because it is all locked up in state agreements. The other place considered an inquiry to examine whether state agreements are delivering for Western Australia. Of course, once again members of the Labor Party are opposing simply looking at state agreements and addressing the question of whether they are delivering in the best interests of the people of Western Australia.

It begs the question: what are members of the Labor Party afraid of? What deals might they have done with the iron ore sector—in particular, BHP and Rio Tinto—when they seem to be so afraid of taking up the challenge with them? Meanwhile, the gold sector seems like easy pickings. I note that Labor did not choose this policy path until

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

well after the votes were cast at the 2017 state election. I will conclude my remarks there and I am sure that we will be overwhelmed by regional members of the Labor Party standing and explaining the reasons that the Labor Party has changed its position from the one it took to the election to what we now face today in the Legislative Council.

HON SUE ELLERY (South Metropolitan — Leader of the House) [11.53 am]: I am pleased to stand and begin my commentary on why we do not support the disallowance motion. On the one hand, I am staggered by the position of the opposition on this matter, particularly the Liberal Party, but, on the other hand, I am not. The Liberal Party desperately needs to rebuild its reputation in financial management. It was not the only reason, but certainly one of the reasons that Western Australians resoundingly rejected the Liberal Party in particular in the election back in March was the view held by many, many Western Australians across the state that the previous government had lost control of the finances. It had lost the reputation that normally rested with the conservative parties that they were the better financial managers. People may not like that we keep repeating it, but Western Australians took the view that the previous government had wrecked the finances. They were wreckers then and by this action they are wreckers now. They were irresponsible then and they are irresponsible now. They were financial vandals then and they are financial vandals now.

Several members interjected.

The ACTING PRESIDENT: Order, members!

Hon SUE ELLERY: It is not enough that the former government left us with \$32 billion in debt that is projected to be \$43.6 billion in 2019–20. We are led to believe that the opposition will not support other budget repair measures, including the new wages policy, the point-of-consumption gambling tax, the changes to household fees and charges, means testing seniors concessions and the early cessation of the first home owner grant. Now it does not support an increase to the gold royalty rate. That is more than \$1 billion worth of budget measures that the opposition has indicated that it will not support.

Hon Nick Goiran: It has taken you three days to get up and say something.

Hon SUE ELLERY: I am not sure what the opposition's problem is with the fact that we chose to sit and listen to the contribution of members before we rose. I do not understand the issue. The point is that it is perfectly clear that the gold industry does not support the measure. I can understand how some people working in that sector would have been concerned about uncertainty after being told by the owners of the gold companies that their jobs were at risk. I note that when the Leader of the Opposition, Mike Nahan, addressed the rally outside Parliament, he questioned whether the figure of 3 000 jobs to be lost was a bit rubbery. However, I can understand that there was some uncertainty in the minds of some people working that area; I get that. Treasury's analysis provided us with an example that showed that the impact of the gold royalty change was the equivalent to just a 1c movement in the exchange rate, which is a change that occurs on a daily basis. Instead of the Liberal and National Parties helping to repair the mess that they created, they are standing on the side of big business and are not prepared to demonstrate to Western Australians that they understand the message that was sent to them at the last election.

Frankly, it is no skin off my nose whether the opposition gets that message or demonstrates that to the people of Western Australia. Politically, that is helpful to us, but we would think that once in opposition the Liberal and National Parties have to set themselves on the path of rebuilding and addressing specifically and directly and as many times as they need to, the reasons why the people rejected them. They need to address that or they are never going to engage them again. They have to move on and address that issue. Members of the previous government were judged to be financial wreckers.

Several members interjected.

The PRESIDENT: Order!

Hon SUE ELLERY: Nothing they have done so far indicates that they got the message that Western Australians sent to them or that they are prepared to repair the damage or show Western Australians that they are on the path of seeking to engage with them because they understood the message the voters sent. Let us not forget that Western Australia had a stable AAA outlook rating for 15 years until Liberal Treasurer Nahan lost it in 2013.

Hon Jim Chown: Which new hospital wouldn't you have built?

Hon SUE ELLERY: I am glad that the member raised that issue. When he was asked today —

Hon Jim Chown interjected.

The PRESIDENT: Order! I am sure people will be enthusiastic and keen to speak once the Leader of the House has sat down. You might want to wait till then.

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

Hon SUE ELLERY: We are now on a negative outlook. The actions of the Liberal Party in particular in taking the position it has taken on this disallowance motion confirms its reputation as a financial wrecker.

I turn to one of the more interesting elements of the debate that I heard in the other place in the last couple of days. The Leader of the Opposition and shadow Treasurer in the other place said that the budget reference to a revenue writedown since the *Pre-election Financial Projections Statement* of some \$5 billion was not accurate and that there is some grand conspiracy. They asserted that the writedowns from things such as the Commonwealth Grants Commission and the tax revenue from the GST grants were somehow made up by Treasury. There is some grand conspiracy and they are not real. Today the Treasurer is meeting with the ratings agencies. We are now equal with South Australia and the Northern Territory, having been deemed by the ratings agencies as one of the riskiest states in Australia. That is astonishing. We have gone from a 15-year AAA rating to being one of the financially riskiest states in the country.

The interesting thing is that we actually know there are members of the Liberal Party who think that the decision to increase the royalty rate, particularly using the method by which the government has chosen to do so, is the right thing to do, economically and politically. My judgement of the Leader of the Opposition's public commentary in the lead-up to the decision in the Liberal Party caucus room on Tuesday is that the Leader of the Opposition is one of those members, the shadow Treasurer is one of those members, and I know that there are others who share that view. However, why is it that their view did not prevail? One reason is the extraordinary views of the Deputy Leader of the Opposition, the reporting of which I assume to be true and accurately quoted. A week ago she went on record to say that she was, in the first instance, irritated at the amount of time it had taken the Liberal Party to formalise its position, and that she was confident she could sway the party room. By making that public commentary, she immediately put her leader in an untenable position and effectively boxed him in. If what she is ultimately doing is trying to shore up her own leadership for some point in the future, it was probably a good move on her part. She effectively boxed in the Leader of the Opposition, because anything other than him then adopting her view as if it were his own would give leadership aspirants in the party room the wriggle room they need to show him up.

She dropped him in it, but I have to say that he dropped himself in it even more today when he was asked by journalists as he was coming into the Parliament his solution for fixing the hole his decision has made in our budget, and his suggestion was that the Labor Party should drop parts of Metronet. Now he has two messages to go out and sell to the electorate to convince them that he should be trusted as a financial manager in the future.

Several members interjected.

Hon SUE ELLERY: Yes, keep on having a go about Ellenbrook. Members should go out to Ellenbrook and talk to residents there about who they believe.

The Leader of the Opposition has two messages he has to sell to mums and dads to repair his reputation as a financial wrecker. The first message is that his backing of big business over mums and dads was the right thing to do. Second, he needs to convince the electorate about which bits of Metronet he thinks they are not entitled to. Good luck to him in selling that message, and good luck to members of the Liberal Party in this chamber in selling that message. I particularly want to wish my good friend Hon Donna Faragher good luck; she is the only Liberal member in the East Metropolitan Region. Good luck selling the message to the good folk of East Metro Region that it is right for her to side with big business and, more importantly, that they should not get their share of Metronet. I could not believe it when I heard the Leader of the Opposition say that.

The opposition has done nothing to address the view of voters that the Liberal Party cannot be trusted financially. It is the opposition's choice.

Point of Order

Hon SIMON O'BRIEN: Madam President, I am loath to raise this point of order in the face of the Leader of the House, and I apologise for having to interrupt, but I cannot find any relevance to the issue before the house in the matters she is discussing about Ellenbrook rail, Hon Donna Faragher, the credentials of the Leader of the Opposition in another place and so on. I ask you to rule accordingly.

The PRESIDENT: Thank you, member, for that. I did not hear anything disparaging about people in the other place; I think there was a reference to a person in the other place. I am sure that the Leader of the House will shortly pull together to a relevant point all the strings in her discussion.

Hon SIMON O'BRIEN: It is obviously a very long bow!

The PRESIDENT: It may very well be, but I am sure we will hear about it shortly.

Debate Resumed

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

Hon SUE ELLERY: Hon Simon O'Brien's references to the Labor Party in his contribution to this debate were interesting; perhaps he might like to go and read *Hansard*.

The point I was making is that the Liberal Party has a choice; it is its choice to make. Politically, it has made the wrong choice, but it is its choice to make.

On the subject of choice, when I became a member of Parliament with the Labor Party, I knew what I was signing up for. I was signing up for collective decision-making; I was signing up to be bound by the caucus of which I am a member. I have been told that it is completely different on the other side—that if Liberal Party members want to take a different view from that of the party room, they always have the right to exercise their own mind and they always have the right to vote against a decision if, in their judgement, it is the right and best thing for them to do.

Hon Jacqui Boydell: Exactly how it should be.

Hon SUE ELLERY: That is what I have been told, so I was astonished to hear that, in fact, all Liberal Party members are going to vote the same way, when I know for a fact that there are members of the Liberal Party—I do not think this is the case in the National Party—who do not agree with this decision, but for some reason do not feel they can exercise what I understood to be every member of the Liberal Party's right to cast their own vote according to their conscience. I have seen some members of the Liberal Party exercise that right from time to time, and I will be very interested to see what happens when the vote is taken sometime later today.

This decision by the Liberal Party confirms in the minds of members in this chamber and in the minds of Western Australians generally that it has not learnt the lesson or heeded the message sent to it by the voters of Western Australia—that they want it to stop being a financial wrecker.

HON TJORN SIBMA (North Metropolitan) [12.06 pm]: I will endeavour to keep my remarks reasonably brief to allow members opposite to provide their fulsome retort. I think it is appropriate that the Parliament hosted the Irish President two days ago, who gave a masterclass in addressing a public gathering—lyrical and poetic. It was a privilege to listen to.

In that vein, I want to quote two other well-known twentieth century poets. Mick Jagger and Keith Richards summed up life this way —

You can't always get what you want
You can't always get what you want

Hon Darren West: Can you sing it?

Hon TJORN SIBMA: I will not do that!

There is a reason you cannot get what you want in this instance, and it is fundamentally because of the state of the Western Australian economy, which is still in transition. The transition from years of unmatched growth and huge capital investment to a more sedate level of activity has been a painful adjustment for many people across many sectors. When work and work security falls away, so do wages, but the bills keep coming, and need to be paid. An individual sense of security ebbs, as do people's sense of optimism about their future. Plans are harder to make and futures are too difficult to plan for when there is such uncertainty in the short term.

We in this place and in other public spheres too easily cite macroeconomic statistics to buffer political or economic arguments, and we often lose sight of the fact that we are talking about real people. Hon Sue Ellery, amongst many of her observations and contributions about the dynamics of the Liberal Party room—which I always find interesting—gave us some directions to reflect and meditate upon in respect of the reasons for our recent election loss. I do not want to dwell too much on that; we have accepted the result, and we are moving on. But I will tell members one thing we learned from that: if the government does not take people's fears about their job and job security seriously, it is on a hiding to nothing. That is where the government is going; it is absolutely heading in that direction.

There is also a disingenuous conflation of the state of the government books with the general economy. The economy does not exist so that the government can manage its finances. The job of government in periods of transition is to focus on broadening the economy, reducing and not increasing regulatory burdens, recycling assets when they should be recycled, designing and implementing competitive tax regimes and embracing meaningful innovation, and that extends to our education and vocational systems. It is through those levers that investment will be attractive, businesses will start, jobs will be created and new export destinations will be established. This is the main game; it is where the government should be, but that is what it has vacated.

Opposition members understand that the mining and petroleum industries are important not only in their own right, but also as a platform for growth in other sectors. New industries are being nurtured by innovation that is driven predominantly by our resource producers who have invested in the state and will continue to invest in the state so

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

long as the economic, political and regulatory environment is predictable and competitive. We are part of an intricate global marketplace; capital is fluid. We have no special claim on that capital as a destination unless we present investment opportunities for investors locally, interstate and overseas. We are desirable as a destination for not only the abundance of our natural resources, and the innovation, creativity and knowledge of our people, but also for, up until this point, upholding an orderly, predictable and rules-based system. I repeat: an orderly, predictable and rules-based system and, central to that, is the concept of trust.

With members' indulgence, I will read out a quote. It is not about what big business says about how it trusts the government, but it is a quote from the chairman of Northern Star Resources, who is well known to many members in this place. He said this to Ben Harvey of *The West Australian* on 11 September 2017 —

“The Premier gave all Western Australians a cast-iron promise. No caveats, no ifs or buts. Once he got their vote, he broke the promise. And all he says now is I'm sorry about that. He has been completely devious, dishonest and destructive.”

...

“It is now virtually impossible to believe anything he says.”

Those are not my words; rather, they are the words of the executive chairman of Northern Star Resources, who also in a similar vein provided the following quote on page 21 of *BusinessNews Western Australia* —

“Western Australians have been thrown from the frying pan into the fire. The Premier has broken his covenant with the WA business community and with Western Australians generally ...

Those are strong words. It is a withering but accurate assessment. Why did he form that view? What promise was broken? We need a little history.

On 19 August 2013, the previous government set out the terms of the review that was known as the mineral royalty rate analysis. There were many aspects to it, but in the main the focus was on identifying anomalies in the structure rather than considering major changes to royalty arrangements; examining the efficiency and appropriateness of existing policies; and considering the equity and efficiency implications of any proposed changes to royalty rates. From that date on, a former Minister for Mines and Petroleum, Hon Bill Marmion, received a series of questions from the then opposition spokesperson and the now Minister for Mines and Petroleum, Hon Bill Johnston. The inquiry went this way: Are the reports that this review will target the gold sector correct? Have goldminers told the minister of the effect of increasing the gold royalty rate on their commercial viability? Have miners told the minister that the effects will include job losses, project closures and project delays? That was the line of attack from the outset. Those questions continued until the previous government decided not to adopt the recommendations. On that basis, one would think that it is fair to say that the goldmining industry found a champion in the now Minister for Mines and Petroleum. Hon Michael Mischin referred to remarks made by the minister. I will not quote them, but on either 24 or 27 March he effectively ruled out the prospect of an increase in gold royalties in the budget that was recently tabled in the house. Unfortunately, the Minister for Mines and Petroleum has become the scarlet pimpernel of the WA cabinet—the miners seek him here, they seek him there, those miners seek him everywhere! Is he in heaven; is he in hell? Where is that damned, elusive pimpernel? To his credit, he did turn up on the steps of Parliament House the other day to at least greet the rally.

Hon Darren West: He went straight out to Kalgoorlie. He was not missing; he was in Kalgoorlie.

Hon TJORN SIBMA: He has been missing in action, but possibly it is not as bad as the all-points bulletin that the Liberal Party put out on Minister Fran Logan during the 2008 state election. He has been conspicuous in his absence from this debate.

Why do I bring this back to the Minister for Mines and Petroleum? I am concerned about the direction of the government's policy for our resources industry. The minister is responsible for placing a ban on uranium mining, banning fracking and now letting this royalty proposition pass without comment. The then Leader of the Opposition and now Premier, Hon Mark McGowan, said the following in 2014 —

Gold, by its nature, can often be very marginal. A lot of work, a lot of processing, a lot of employment — but at the end of the day, costs are high and if this royalty comes in, mines will close and jobs will be lost.

Jobs will be lost; just how many we do not know. Will it be the 3 000 that has been claimed? Who knows, but it will be one more job than the zero jobs that the Premier claimed would be lost. That was the most ill-conceived and stupid remark by a Premier serving in this state. How could he possibly claim that not one single job will be lost? If government members want to know why people in the Liberal Party, who were open-minded about this issue, made their mind up to support the disallowance, they should ask their Premier. To add even greater stupidity to that remark, he then turned the debate into an ad hominem attack on mining executives and claimed that they are paid too much. When in desperation, go back to the politics of envy and class warfare. The only people who

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

can pass credible judgement on the payment of mining executives are a company's shareholders and board. The Premier's remarks were completely unbecoming. If the government treats the industry similar to how it treats the workers in the industry, which is with contempt, it will be nothing but disappointed this term of government. I will give the government a piece of advice. I forget the name of the gentleman who addressed the crowd. I will not resort to showing pictures of government members wearing hard hats, but I will give them this piece of advice: hand them back; they do not fit you!

HON ROBIN CHAPPLE (Mining and Pastoral) [12.20 pm]: I will take members back to my time in this place advising members of the National Party, the Australian Democrats and my honourable colleague Giz Watson on the introduction of the first gold royalty. The 2.5 per cent gold royalty was passed through this chamber. A disallowance motion was moved by Hon Mark Nevill to deal with the issues of that first gold royalty. As a former miner and somebody who had worked for the Department of Mines, I provided advice to various members on that debate. The proposal was to introduce a gold royalty. It was debated shortly after the 1996 election and I think it was introduced in 1997. The disallowance motion in this place was moved by Hon Mark Nevill in 1998. I find it interesting in this debate the number of times that members have swapped sides. It always seems to be that whoever is in government wants a gold royalty and whoever is not in government does not want one.

Hon Martin Aldridge: We opposed it in government and in opposition.

Hon ROBIN CHAPPLE: In 1996—I will read in the *Hansard* in a minute—the National Party supported a gold royalty.

Hon Martin Aldridge: In 1996, I was in high school, so I didn't oppose any such thing.

Hon ROBIN CHAPPLE: But I was not; that is why I am in this chamber as an elder statesman.

The PRESIDENT: Hon Robin Chapple, you might want to focus on speaking to the Chair, not to the audience.

Hon ROBIN CHAPPLE: There have been different positions in this place over time. It is very interesting. I will take the interjection by the honourable member; I was not going to go there yet, but I will now. Hendy Cowan went to the 1996 state election saying that he opposed a gold royalty. Once he got into government, he then realised the state of fiscal affairs and made a number of statements to that effect.

Hon Jim Chown: Did Hendy ever become Premier?

Hon ROBIN CHAPPLE: No; he became Deputy Premier.

Hon Jim Chown: But he still wasn't Premier, was he?

Hon ROBIN CHAPPLE: No.

Point of Order

Hon MARTIN PRITCHARD: I am quite interested in what Hon Robin Chapple has to say —

Several members interjected.

Hon MARTIN PRITCHARD: It may seem funny, but I am actually interested in what the honourable member has to say. I wonder whether I could listen to him in silence.

The PRESIDENT: Thank you, Hon Martin Pritchard. I note what you say. I am also very interested in what Hon Robin Chapple has to say. Other members are waiting for him to finish his speech so that they can get to their feet and have their say, so perhaps members might listen in silence.

Debate Resumed

Hon ROBIN CHAPPLE: Thank you, Madam President. The story starts around 1996 when the Premier of the day, Hon Richard Court, indicated to reporters that he was considering a gold royalty. At that time, he identified that the state Treasury favoured a gold tax, as did at least two senior cabinet members, Deputy Premier Hendy Cowan and the Deputy Leader of the Liberal Party, Colin Barnett. The acting Leader of the Opposition at the time, Eric Ripper, was still against the gold tax. He said that the government was usually trying to soften up opinion and create circumstances in which a gold royalty might be acceptable while, at the same time, denying its plans to introduce it. Speaking at the opening of the Australian Gold Conference in Kalgoorlie, Mr Court said that the state faced a dwindling revenue base and a gold tax was one option. One of the reasons that the tax was brought in is quite interesting. At that time, we did not have the GST, but there was a grants commission. The grants commission assessed the state's economic base on the basis of minerals that we were generating. When it looked at iron ore and all the other minerals, it assessed the state's income, which was proven by the royalties we were generating. However, the grants commission assumed that the state was benefiting economically from gold and discounted

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

grants on the basis of the gold royalty we were receiving, but that we did not receive because we did not have a royalty. This incredible shortfall in the grants commission was based on the fact that we should have been receiving a royalty. I will talk a little bit about the royalty base for gold and other minerals in other states so we can get some idea of what was going on. The Nationals had made it very clear that they would not support a gold royalty leading up to the state election and the Greens were recorded —

Hon Martin Aldridge: It is an increase in the gold royalty.

Hon ROBIN CHAPPLE: No, the gold royalty; there was not a gold royalty prior to 1996. It was introduced by the Liberal Party —

Hon Martin Aldridge: I was confused which decade you were in, member.

Hon ROBIN CHAPPLE: I never get confused with decades because I have been through several of them!

An article by Anne Burns in *The West Australian* of 8 March 1997 states —

THE National Party's push to build a stronghold in the Mining and Pastoral region has been shattered by Deputy Premier Hendy Cowan's backflip on a gold royalty.

I have heard a lot of talk about backflips; this saga has gone on forever and a day. The article continues —

Goldfields National Party campaign coordinator Graham Thomson said all members of the Kalgoorlie branch quit in disgust and more than 50 non-member supporters deserted the party after Mr Cowan backed down from a solid commitment against a gold tax.

Mr Cowan enraged Goldfields National Party supporters when he told the Legislative Assembly on Thursday that the gold royalty was not important enough to split the coalition.

He conceded that a gold royalty was being considered by the Court Government despite an election commitment that it would not be introduced in this term of government, blaming federal finance cuts for the change of heart.

It is all down to finance of the state again. It continues —

Mr Cowan came under fire on Thursday for backing away from a pledge that he would not remain in a government which broke its promise on a gold royalty.

Kalgoorlie Labor MLA Megan Anwyl said Mr Cowan could not blame the Howard Government because the Commonwealth had always discounted funding to WA for its lack of a gold tax.

This is important history of where it all came from. It continues —

Treasury officials say the Commonwealth Grants Commission penalises WA because gold miners are exempt from a royalty that could raise \$70 million a year.

Bear in mind that the gold price then was around \$38 an ounce and the estimated income we were being deprived of as a state at that level was about \$70 million a year. The article continues —

... Doug Daws, in Kalgoorlie, and Kathy Finlayson, in Eyre, at the last election with the commitment "there will be no gold tax in the next term of government".

We then started a series of stories about the death knell of the gold industry, which I will go into a little bit more later.

I suppose it is really important at this time—I am slightly ahead of myself—to deal with the disallowance motion moved by Hon Mark Nevill and the debate that occurred on the disallowance motion on Tuesday, 7 April 1998. It was in that context that I was providing advice to not only my colleague Hon Giz Watson but also Hon Helen Hodgson and Hon Eric Charlton. In that regard we needed to understand that provisions were originally proposed in the regulation put forward by Hon Richard Court that the first 1 000 ounces of gold would be exempt from a royalty. Hon Helen Hodgson, Giz Watson and I talked at length with people in the mining sector and they acknowledged that there would be a gold royalty. However, the issue for junior miners, or prospectors, was that 1 000 ounces was under what they would expect to process in a year. Prospectors invariably processed somewhere between 1 000 and 2 000 ounces a year. Hon Helen Hodgson on behalf of the Democrats and Hon Giz Watson on behalf of the Greens negotiated with Hon Norman Moore and, basically, came up with the provision of the 2 500 ounce exemption, and that exemption stands today.

I will talk a little more about the regulations before us, which nobody has talked about yet, and what they do or do not do. The provision of 2 500 ounces was included in the regulation. For members' benefit, on 7 April 1998, the

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

disallowance was voted on in this chamber and the people who supported the disallowance were Hon Kim Chance, Hon John Cowdell, Hon Ed Dermer, Hon Nick Griffiths, Hon John Halden, Hon Mark Nevill, Hon Ljiljana Ravlich, Hon Greg Smith, Hon Tom Stephens and Hon Bob Thomas. Those who opposed the disallowance motion —

Hon Simon O'Brien: I heard a Liberal name in there.

Hon ROBIN CHAPPLE: I know who the member is talking about. I do not think he was a member. That was another Greg Smith.

Hon Simon O'Brien: I hope there are not two of them on this planet, I'll tell you.

Hon ROBIN CHAPPLE: I concur, member. The people who opposed the motion—the noes—were Hon Eric Charlton, Hon Murray Criddle, Hon Bruce Donaldson, Hon Max Evans, Hon Helen Hodgson, Hon Barry House, Hon Norm Kelly, Hon Murray Montgomery, Hon Norman Moore, Hon Murray Nixon, Hon Barbara Scott, Hon Jim Scott, Hon Christine Sharp, Hon Bill Stretch, Hon Derrick Tomlinson, Hon Giz Watson and Hon Muriel Patterson. The regulation stood. I think it is important to understand the history.

I will leave *Hansard* alone and go on to deal with some of the other issues that occurred at that time. Obviously, there was a major campaign by the goldmining industry against the proposal. I will quickly refer to a number of articles in which people in the industry talk about the death of the gold industry and how many jobs would be lost and how many mines would not open. The managing director of Newcrest Mining Ltd, Mr John Quinn, said that the imposition of a gold royalty could do irreparable damage to the WA economy and the industry's image overseas. He said that the goldmining sector is one of the biggest employers in the state and if a step were taken that would reduce the industry's international competitiveness, it would have long-term serious implications for the state. I will touch more on that shortly.

It is important to note that Mr Court said—he identified this—that his party had not intended to put up a gold royalty after a successful election but WA had no choice because of the state of the budget. I seem to recognise that statement. Is that something I think the Labor Party has been saying? It has not, okay; I will move on.

Hon Martin Aldridge interjected.

Hon ROBIN CHAPPLE: Yes, okay. The then Minister for Primary Industry, Monty House of the National Party, lent his weight to the proposal and stated —

The gold industry needs to take some form of burden from the farmers. I represent farmers and I will support any reasonable proposal which shares the load around a bit better.

Let us turn back to industry. I am mindful of a particular quote here about Granny Smith goldmine, which claimed that the royalty would also affect another 1 200 jobs indirectly. It states —

The memo estimated a gold tax would cost Granny Smith around \$3 million a year, casting doubt on the next stage of its operation—an underground mine called Granny Deeps.

Since then, the Granny Smith goldmine has gone from strength to strength and is now operating in two deeps. As someone who has worked in the mining industry—for BHP and Lang Hancock in the early days —

Hon Robin Scott: Sorry, when was that quote?

Hon ROBIN CHAPPLE: That quote was on 27 March 1997.

Hon Robin Scott: There was no underground operation at Granny Smith in 1997. They were open-cut pits.

Hon ROBIN CHAPPLE: I know. If the member had listened to what I just said, he would have heard that the memo estimated that a gold tax, if it came to fruition, would cost Granny Smith \$3 million a year because it would not be able to start its underground mine called Granny Deeps.

Hon Robin Scott: It had to go underground because the level of ore in the open-cut pits was very low.

Hon Peter Collier: Don't mind us!

Hon ROBIN CHAPPLE: Sorry. That is the point I am making. The operators of Granny Smith said they could not do it but as soon as the gold tax was passed, they did do it.

Hon Darren West: They weren't telling the truth.

Hon ROBIN CHAPPLE: I would not say that, but there you go.

Again, a gold industry forum was held and a committee of the Chamber of Minerals and Energy released an independent study by the University of Western Australia identifying how many jobs would be lost, how the gold industry would be in decline and how reserves would be left in the ground. I will provide some figures shortly so

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

that we can see that exactly the reverse was the case. The miners also identified at that time that they had a serious problem with Mr Barnett, who had been too long an advocate for the gold royalty increase. He had raised the issue even during the previous election campaign. An article in *The West Australian* of 10 April states —

Deputy Premier Hendy Cowan told the Legislative Assembly yesterday —

miners had plenty of room for profit. The average cost of producing gold in WA was \$352 an ounce and it sold for about \$455.

If we look at that analysis, and bring that forward to the current gold price, which is about \$1 600 an ounce at the moment, the profit margin at that time was far less than it is now. I think we need to take that into account. The reason I am doing this is that I am fed up with the mining industry generally, whether it be the Nationals wanting to increase iron ore returns via royalties, of which I do not have a problem, and I will talk about that a little more —

Hon Martin Aldridge: Have you done a backflip?

Hon ROBIN CHAPPLE: No; I will talk about that in a minute. The base rate of a 10 per cent royalty is not what we should be imposing. When we look at other countries, the base royalty rate of 10 per cent is far too low.

Hon Jacqui Boydell: I wasn't talking about increasing royalties.

Hon ROBIN CHAPPLE: I know that the member was not, and I will talk about that in a minute. The member needs to understand what we are talking about.

The Association of Mining and Exploration Companies and the Chamber of Minerals and Energy were against the gold royalty. It came to pass and nothing happened—the sky did not fall in.

Let us look at gold royalty rates around the world and, indeed, around the nation. I suggest that the royalty rate across the board is too low. The problem is that a lot of those royalties that have been tied up prior to 1996 are tied up in state agreement acts. The only way that we can amend those—I will talk about that shortly—is by mutual agreement. The ad valorem rate for gold in New South Wales is four per cent. Victoria does not have a gold royalty rate; it has a taxing regime. In Queensland, the variable rate is between 2.5 per cent and five per cent. In South Australia, it is 3.5 per cent of net market value in metal form and five per cent in concentrate. In Tasmania, it ranges between 1.9 per cent and 5.35 per cent. In the Northern Territory, interestingly, it is 20 per cent. We have a completely dysfunctional royalty regime around the nation but guess what? Western Australia in the main has been undercharging on gold royalties forever and a day. I like bringing in factual issues.

I want to go back to the fact that we have spent billions of dollars subsidising the gold industry in this state. Every other country that has a high level of mineral resource turns that into a future fund. We rate 127th in the world with our future fund. Other nations that generate their income from mineral resources, whether it be oil, gas, gold, iron ore or whatever, look at us incredulously because we have never put aside any money for the future. We have \$0.3 billion in what is in essence our future fund, whereas China has \$1 554 billion in its future fund from mining revenue. The United Arab Emirates has \$1 298 billion in its future fund. Norway is often quoted. It is a very small country and has a very similar population to Western Australia. It is based on oil. It has \$954 billion in royalties. It is estimated that it could stop producing anything tomorrow and the whole country would have enough money in reserve to pay everybody a wage forever and a day without ever having to go to work again.

This parlous state of WA has bent over backwards to the mining industry forever and a day. If we look at the Australia Institute report of 2014, it calculates \$6.2 billion in infrastructure support in Western Australia. The only state that had more infrastructure support investment was Queensland with \$9.5 billion. I am reflecting fairly broadly on some of the issues.

Quite a lot has been said about the iron ore issue. I need to put some facts on the record. We have always stated quite clearly that the royalty revenue across the board should be greater. I am very pleased to see that nobody picked up on it. Regulations lifting the royalty rate on garnet and copper passed this place about three weeks ago. Did anybody get upset about it? Did we see any rallies out the front? Did anybody read the tabled papers that told us that? There is deathly silence. We are raising royalties across the board at some level. We certainly do not have a problem with that. We need to understand why we have the problem. The problem when it comes to iron ore is state agreements acts. The number varies from time to time but we have 66 state agreement acts, 18 of which deal specifically with iron ore. The others deal with alumina and a range of resources like that. The first state agreement act that never came into operation and which is referred to quite often is the Iron Ore (Mount Goldsworthy) Agreement Act 1962. That was over an island called Depuch, which was going to be the first iron ore agreement for what eventually became Goldsworthy. It never went ahead because there was an inquiry into Depuch Island in 1972 and it was found to be unsuitable. That was cancelled. That eventually became the Iron Ore (Mount Goldsworthy) Agreement Act 1964.

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

The first iron ore agreement act that came into fruition was the Iron Ore (Hamersley Range) Agreement Act 1963, through which Gina Rinehart still gets a 10 per cent royalty. We do not get that. It is important to know where the money is going. In that agreement and in the state agreements up until 1996 that we have consistently opposed—the Liberal Party, the National Party and the Labor Party have supported every single one—contained a provision that no future act of a said state will operate to increase the joint ventures' liabilities or obligation hereunder with respect to rents or royalties. Therein lies the crux. If we wanted to unilaterally increase a royalty or a rent contained in those state agreement acts, we would be in court for the next 20 years with corporations that have more money in their pockets than we have state debt. They would not give up easily. It is important to note that the 2014 report that I referred to, when looking at royalties, included a specific provision that we needed to start genuine dialogue, not threats, with the mining industry to raise those royalty rates. Unfortunately, the only way it can be done is by negotiation.

When we actually come to what we refer to as the “rental” that was used, the 25c—originally two shillings and sixpence—in the original Goldsworthy agreement act and then subsequent acts, that was moved out of those acts in 1996. I refer to the cabinet minutes and explanatory memorandums in relation to the additional lease rentals. The additional lease rentals were added as a royalty. The reason they were added as a royalty to the state agreement acts as a lease rental was that they did not want to upset the rest of industry that was only paying 7.5 per cent if they were outside a state agreement act for the gold royalty. That 25c currently generates around about \$120 million a year to state revenue. It is really interesting that when that 25c was moved out of state agreement acts in 1996, it was done by regulation. I think a few members have served on the Joint Standing Committee on Delegated Legislation. The regulation moved in 1996 calls it an “additional lease”. There is huge argument within the government and crown law about the problems of calling it an additional lease because if it is an additional lease it is not cost recovery, and therefore it is potentially an illegal tax. I read from an freedom of information document, which states —

I refer to your minute at page 83.

In my view it is ludicrous to refer to the payment as an additional rent when it is clearly an additional royalty.

The decision made years ago to call the payment a rental must have been influenced by special considerations.

That was referring to the fact that they did not want to upset the rest of industry. The document continues —

I am not aware of any special considerations now that the provision is to be put into the Mining Act 1978, so I strongly recommend that it now be called for what it is. Over time, when the particular Agreement Acts are amended the situation can be put right with them as well.

The mining companies pay \$16.50 hectare for mining leases, and that is based on cost recovery. That is their lease fee. The additional lease is actually a tax. I hope that we one day might explore this in more detail. I thought I would put that on the record. It is interesting to note that one company pays that additional rental at the moment, and it generates to the state \$120 million. I am aware that it is looking at this issue.

I turn to the regulation so that members can understand what we are dealing with. The regulation is an amendment to the Mining Regulations 1981. It is now contained in the regulations because the moment it is gazetted, it is in the regulations. Assuming we disallow it, once it is disallowed it will be pulled out of the regulations. I have an amalgamation and a marked-up copy. The additions are —

(5A) Subject to subregulation (5B), the rate of royalty payable for gold metal produced after 31 December 2017 is 3.75% of the royalty value of the gold metal produced.

(5B) If, after 31 December 2017, the average gold spot price for a month does not exceed \$1 200 per ounce in Australian currency, the rate of royalty payable for gold metal produced during that month is 2.5% ...

That will never, ever happen because if we look at the exponential rise in gold royalty it will go on and on and upwards for forever and a day. Shortly I will explain why.

The proposed regulations continue —

(5C) A reference in subregulation (6), (6A) or (6B) to gold metal produced from a gold royalty project during a period is a reference to gold metal produced during the period from gold bearing material produced or obtained from the same gold royalty project.

That is interesting, because there has been a bit of a dodge up until now because it was based on reserves and not projects. If a mining company had two developments over two areas, it could separate them out; it will now be all-inclusive.

Proposed new regulation (6A) states —

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

Despite anything in this regulation, no royalty is payable in respect of gold metal produced from a gold royalty project during a financial year that ends on or after 30 June 2019 if the amount of gold metal produced from the project during the financial year does not exceed 2 500 ounces.

Let us talk about this 2 500 ounces. The original intent when we dealt with this was to ensure that the prospectors were secure. It was not to protect the KCGMs—the big miners. I will run out of time, but there is so much to talk about. It is interesting that these mining amendment regulation will fix up one of those problems. This will mean that the 2 500 ounces applies only to the prospectors; it will not allow the big end of town to get away with that 2 500 ounces provisionally. If a miner is producing more than 2 500 ounces, that exemption will not apply. The original intent of the 2 500 ounces in 1996 was to protect the small miners. I really have a lot to say, but I will quickly touch on a couple of other things.

We quite often say that the industry does not benefit from the state. The government approved a bypass road in Kalgoorlie around the Super Pit to enable KCGM to get over \$3 billion of gold from the cutback. Hon Robin Scott probably knows the bit of road I am talking about where they moved it out and put the new bund in behind.

Hon Robin Scott: Yes.

Hon ROBIN CHAPPLE: That was paid for by the state; it was not paid for by the mining company. According to the budget at that time, the Kalgoorlie–Boulder eastern bypass cost \$1.4 million. That was an asset.

I will refer to one other document, if I can find it amongst my now copious mess. It was a statement on the official opening of the Ripon Hills Road in East Pilbara. It was opened by the then transport minister, Murray Criddle, and it was a road to Telfer. Telfer alone trucks 50 000 tonnes of fuel and 30 000 tonnes of supplies to the site over the old Woodie Woodie Road each year. We built this brand-new road that was once upon a time called “The Road to Nowhere” because it went only to Telfer. The Nifty Copper operation also trucks diesel down the road. That cost the state \$52 million. That was a direct subsidy to the mining companies. Those companies that are going around crying poor at the moment—we know who Hon Murray Criddle was—benefited from the state. That was a gift to a mining corporation and I do not like that. If mining companies want to operate in this state, they operate on the basis of good fiscal management. If they see a reserve, they calculate what it is worth, and if it is there they go and get it.

I also wanted to mention that yesterday we heard a lot about the Mardudjara people and the risk proposed by the article in *The Weekend West* of Saturday, 23 September. It was that the chief executive officer of Newcrest had stated that the McGowan government’s gold royalty plan would jeopardise an \$18 million program to advance the Martu Aboriginal people. I have a letter from the Martu that was sent to the board of directors of Newcrest Mining on 27 September 2017. It states that the Martu people understand that there are legally binding financial commitments that Newcrest made in the execution of a land access agreement. This is not some gift. This is a legal requirement under the native title determination. The letter states that the Western Desert Lands Aboriginal Corporation has requested a financial breakdown.

Debate interrupted, pursuant to standing orders.

Sitting suspended from 1.00 to 2.00 pm

Hon ROBIN CHAPPLE: I will not belabour the point. I really have a lot more things to say, but I will just deal with the one little item that I was talking about. I had started reading the letter from the Western Desert Lands Aboriginal Corporation to the board of directors of Newcrest Mining. I will continue reading. It states —

The Martu people understand that there are legally binding financial commitments that Newcrest has made in the execution of the Land Access Agreement. The article —

That I had already referred to —

has raised concerns that the proposed tax will be used as an excuse by Newcrest not to fulfil these obligations.

WDLAC has requested a financial breakdown on the Newcrest community programs. The financial investment in these programs are used by Newcrest staff to seek concessions to save money on heritage surveys.

I understand Martu people are particularly concerned about that.

However, despite Martu agreeing to the cost savings and completing heritage surveys, WDLAC is yet to receive the requested information.

The article contradicts your Reconciliation Action Plan. If Newcrest is sincere in its commitment to maintaining enduring partnerships, there would be serious, considered conversation with the Martu on

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

this matter before making statements based on an outdated paradigm (i.e. Aboriginal programs are the first to be cut during fiscal constraint).

Please contact me directly to discuss this further ...

Quite clearly, the Mardudjara people have been considerably concerned about this, and as a result I received this letter dated 27 September 2017. Without wanting to go on to further information, of which I have copious amounts, I want to come back to the point that if the government wishes to raise funds now—as it will ostensibly lose a considerable amount of its budget allocations—I suggest that the mining industry bear the brunt of this in the form of the removal of assistance packages. That has already been identified in previous speeches. Also, the removal of the exploration incentive scheme would save a considerable amount of money. We have already identified many of the other aspects, including the \$34.6 million that was identified in the questions I asked earlier in Parliament. The magnetite financial assistance program, which gives a 50 per cent discount to magnetite miners, could be removed and that would be a further saving to the state government. It would basically make sure that the mining sector pays its correct dividend to the state. That is my final observation.

HON Dr STEVE THOMAS (South West) [2.04 pm]: I am thankful for the opportunity to make a fairly brief comment on the proposal to raise gold royalties and the disallowance motion before the house. I am particularly pleased to follow Hon Robin Chapple, who I always think makes a fairly valuable contribution. In fact, for the first 20 minutes of his speech I thought he was going to steal my thunder and I might not be speaking at all! The history of this issue is particularly important and members will be pleased to know, especially Hon Tjorn Sibma who has to put up with it, that my speech has now been curtailed significantly because of the history provided by Hon Robin Chapple. I do not propose to go through the whole history again, but I will, if I may, summarise this in a rather brief and hopefully concise manner. Prior to 1996 there was no gold royalty applied and the Liberal Party applied a gold royalty so the people of Western Australia could receive some compensation for the minerals owned by them and the government.

Hon Robin Chapple interjected.

Hon Dr STEVE THOMAS: I am happy to take Hon Robin Chapple at his word, because, as I say, I have done the same research and I am in full agreement with him. The Liberal Party decided that some royalties should be paid, taking a rather reluctant National Party, when it was in coalition, kicking and screaming to the table to avoid a dissolution of a reasonably good coalition government. The Liberal Party certainly appreciates that when there are minerals in the ground, the people of Western Australia deserve some compensation for the process of extracting them. A proper and assiduous process was gone through in 1996 and 1997 in that then Liberal Premier, Richard Court, and his cabinet discussed the proposal, took it to the people and tossed it around for a while, with, as Hon Robin Chapple has ably demonstrated, some great concern and criticism and some significant opposition. He was correct in all of those assertions. But the Liberal Party held its ground and it provided for a royalty to be paid. It was the only party that originally supported that proposition in that coalition, and there was also support from some members of the Greens party. A proper and substantial debate was engaged in, a bill was presented to the Parliament and as a result the gold royalty was delivered. Is that a fair summation so far, Hon Robin Chapple?

Hon Robin Chapple: Absolutely.

Hon Dr STEVE THOMAS: Jump forward nearly 20 years, 18 years after that, and the next Liberal-led government decided it would re-examine the issue and it did so in a wholesome, fulsome manner by commissioning a report, putting the idea to the community, engaging with the community and, again, receiving a very strong campaign in opposition. At that point that Liberal-led government decided not to proceed, but it had had a report done, it had had a significant level of consultation, it had taken the argument to the people and it had made an assessment based on the day. I was not a part of either of those governments and I cannot say whether the decision in 2015 was good, bad or indifferent because I was not at the cabinet table, but a full and proper process was engaged in.

Hon Robin Chapple: That report was a very, very good report.

Hon Dr STEVE THOMAS: I thank Hon Robin Chapple. That is why I enjoy speaking after him!

Let us jump forward to this year and my significant problem with the process as presented to the Legislative Council of Western Australia, a Council in which I have done my very best to bring what I call an economically legitimate and literate debate. In 2017, six months after having won government, in what I consider an absolutely breathtaking act of arrogance, the Premier of this state presented for the first time that I was aware of a fait accompli in relation to these royalties, in which he presented them as a part of the budget, with the disallowance process, and said, "We will not have a conversation about the royalty processes. We will not debate with the community, the Legislative Council or the parties. We will present you with an option and you are reduced to a binary choice."

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

I am not able to debate that now. I cannot look at an appropriation option. Instead, I am faced with a choice between voting either to disallow or not disallow. The arrogance of the Premier puts a binary choice on me and every other member of the Legislative Council that will result in the outcome we will probably see today. That is what I could have looked forward to. I listened to Hon Robin Chapple's very good contribution. I could have looked forward to a debate about royalties any industry could afford, how they could be applied and at what point they would not be an impost on jobs and at what point they would be absorbed. All those things could have been debated completely legitimately by this Legislative Council. But we do not have that option. We cannot look at this regulation; we cannot amend it. We cannot truly be a house of review and look at all those issues. A simple binary choice has been imposed upon us, I think, certainly for the first time in my memory of a money bill.

Hon Robin Chapple: In 1996, the regulation was amended in this chamber.

Hon Dr STEVE THOMAS: That amendment would have been debated; members could have debated an amendment. I am not standing up and saying, "I move an amendment to change the thresholds from what they are to X." I have no opportunity to say, "At what point in the gold price could the industry absorb more?"

Hon Sue Ellery: Do you have a view about that—at what point they could absorb this?

Hon Dr STEVE THOMAS: There is no point in me having a view, Leader of the House.

Hon Sue Ellery: I am asking if you have one.

Hon Dr STEVE THOMAS: Leader of the House, if we can debate that at some point in the future debate, I would be happy to give an opinion. Right now, the government and the Premier are leaving me with a simple binary choice: I can either support the disallowance or allow the gold tax proposed by the government. I am reminded of the republic referendum in which the proposed model, in my view, was designed not to take into account the community's preference; it was presented, rather, as a *fait accompli*. At that time the public said, "We don't like that particular presentation." I think we are dealing with exactly the same process here.

I am interested to know at what point the government decided that this was the option it would go with. This is not an urgent regulation. If the government wanted to go down this path, it had six months to have that conversation with the Western Australian community. It could have said, "This is what we propose. Tell us what you think." The government did none of that. When the gold royalty was leaked on either budget day or the day before—I cannot remember exactly when—that was the first time anybody could potentially discuss the matter. It was immediately at that point the government left us with this simple binary choice. I presume it did so deliberately. I presume it did so to try to wedge everybody. I think that if the government was actually interested in budget repair, it would be interested in having a conversation with people. It is not as though the government did not know the make-up of the upper house at that time because the upper house did not change until May; the result was known in March. The government must have known in advance that it was going to face difficulties in the upper house. If the government were legitimate about having this conversation, it would have discussed the matter in advance. It did not. It thrust this *fait accompli* upon us and demanded we support it.

I must admit that when this matter first came along, I wondered whether the government was doing it deliberately. Did the government think that if it gave people an impossible choice, it would make life difficult for the opposition? Surely, it cannot be that cynical. In reality, the things that could have made this an acceptable process have been completely removed. We are stuck where we are stuck.

I am proud of the history of the Liberal Party in this debate, because, as I say, the Liberal Party introduced the first gold royalty. The Liberal Party looked at the potential for change in 2015, and, I hope, after looking at it at that time, it decided that it was not appropriate. But in every case, there has been a debate in the community. I think we have an enormous amount of credibility. I know the left-wing parties. That is good coming from someone who stands at the right end of the right-wing party. I think it is fantastic. We generally believe in fewer taxes. I know that left-wing parties are generally the parties of more taxes. I know that the Labor Party wants to increase the gold tax, and that if it does not get up, it will look for another tax.

The National Party has looked at iron ore taxes and the Greens jump on any royalty they possibly can and want to lift the whole lot. Is that the message I got from Hon Robin Chapple?

Hon Robin Chapple: Absolutely.

Hon Dr STEVE THOMAS: At least he was completely honest. At least there is some honesty here. That is at least interesting. It is a pity that Hon Robin Chapple was not invited by the Chamber of Minerals and Energy to address the crowd on Tuesday morning because his honesty in this process is quite refreshing; I quite enjoy it.

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

I know the National Party addressed that crowd. I would be interested to know from Hon Jacqui Boydell whether the National Party said that its thrust was to remove the gold tax and to put it back on iron ore. When the National Party addressed that crowd, did it say that it was going to take the tax off gold and put it on iron ore? I am looking for economic credibility and reliability in the debate. I am not convinced that was said.

Several members interjected.

Hon Dr STEVE THOMAS: Maybe I missed that.

The ACTING PRESIDENT: Order! There is a lot of chatter in the chamber. As is often said, it makes it difficult for Hansard. Can members please take their conversations outside.

Hon Dr STEVE THOMAS: Thank you for your protection, Mr Acting President.

I am interested in how this will be progressed in an economically literate manner. I am concerned that the arrogance displayed by the Premier in this process has left us in a far worse position. I am concerned about the economic capacity of the government. I will not spend a lot of time on this, but I will make the following point: not so long ago everyone was jumping on the Productivity Commission's "Horizontal Fiscal Equalisation Productivity Commission Draft Report". Members know that I have talked about this report quite a bit in this house. I have seen a whole pile of media statements and comments on the process, and I must admit that for the most part I wonder whether those people who are commenting have read the report. Has any member in the chamber read the draft report?

Hon Colin Tincknell: Parts of it.

Hon Dr STEVE THOMAS: Hon Robin Chapple and Hon Diane Evers astound me, as usual! The report is worth reading. What it says bears little relationship to what we read in the media and bears no relationship, largely, to the comments of the government of the day. That is immensely interesting.

Hon Darren West: It got stuck into the previous government.

Hon Dr STEVE THOMAS: Let us turn to what the report recommends. It is incredibly interesting. As far as I understand, the Treasurer, and I think the Premier, have suggested that were the commonwealth government to simply implement the recommendations of the interim review, it would be a good solution to the problem. I wonder whether they have actually read the recommendations. I am very interested to know that, because the recommendations do not say that. In fact, there are only six recommendations in the report on page 25 of the full report, which is nearly 300 pages. I do not expect all members to read the full report—I think that would be a bit over the top—but I recommend that members look briefly at the summary report because it is actually quite interesting. There are only six recommendations. The first is —

The Commonwealth Government should clearly articulate the objective of HFE.

HFE is horizontal fiscal equalisation. The second—recommendation 7.1—is the one that everyone seems to rely on to suggest that this is the solution to all our problems. It reads —

The Commonwealth Government should direct the CGC, through the terms of reference ... to consider approaches to assessment that deliver ... simplification and 'good enough' equalisation outcomes.

That does not actually recommend a particular outcome. It does not recommend that the commonwealth government do anything significant or make any significant change. It does not actually recommend that the Commonwealth Grants Commission take a particular path. It states that the commonwealth government should direct the Commonwealth Grants Commission to have a look at it. The third recommendation, which is recommendation 7.2, states —

The Commonwealth needs to develop clear guidelines detailing the basis on which ... payments are to be quarantined from HFE by the ... Treasurer, so that they do not unnecessarily erode the efficacy of the ... relativities.

That is the first three. After that, we basically get to the very simple, institutional ones. This is good. Recommendation 9.1 states —

The CGC—through its Chairperson and Commission members—should provide a strong neutral voice in the public discussion on the HFE ...

Recommendation 9.2 states —

The CGC should make the data provided by the States publicly available ...

The final one states —

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

The Commonwealth and State Governments ... should develop a process that would work towards a longer term goal of reform to federal financial relations.

At no point in this report does it actually say that the recommendation is that we change the system significantly. All it says is that the commonwealth government should ask the Commonwealth Grants Commission to look at it. I am very concerned about the financial capacity of the leadership of this state—of both the Premier and the Treasurer. If they are saying that the commonwealth government will implement the recommendations of the interim report, in doing so the commonwealth government could deliver absolutely zero change, some change or a lot of change to the current system. For all those who have galloped around and decided that this is a very exciting report, I wonder whether anybody has actually read it. I am immensely concerned about the fiscal and economic policy of the state of Western Australia. I am very concerned that we have not gone through a process of looking at all the options. I am very concerned that this upper house has been left with a very simple binary position, which means that we can either accept what, in my view, has been arrogantly thrust upon us or reject it, but we cannot do anything else. For that reason, I think this house has no alternative but to choose “reject”. We accept and support the disallowance motion and reject what has been thrust upon us by the government because it has been done in a way that, in my view, is unprecedented and arrogant. We have been presented with a single model to assess whether it is the best potential model for Western Australia. As difficult as it is for me personally to support a motion that undermines a government’s financial management—I find it absolutely abhorrent—I cannot bring myself not to support the disallowance motion, given the circumstances thrust upon us by this government. Should I ever do the same, I hope I would suffer the appropriate fate.

HON PETER COLLIER (North Metropolitan — Leader of the Opposition) [2.23 pm]: I stand to reinforce the fact that the Liberal Party will support the disallowance motion. Having said that, it was not a decision that the party came to lightly—we gave it enormous consideration—but it is one with which we unanimously agree. We feel our decision is eminently sensible and very defensible. We had two issues to deal with. The first was the actual gold tax—that is what it is. The other issue was the conventions of the chamber. We had no issues with the first one whatsoever. We could not, in any shape or form, dispute the fact that we were opposed to the increase in the royalty rate for gold. That is a no-brainer. We have no problem with that whatsoever. It is the other issue—the conventions of this chamber—that caused us some anxiety, and I make that quite clear. I want to make it quite clear that gold is the heart and soul of this state. It always has been. As a Kalgoorlie boy, born and bred, I grew up with the gold industry. I vividly remember sitting in my room doing my homework when I was in year 11 back in the mid-1970s and listening to 6KG, which was directly linked to a public meeting at the Kalgoorlie Town Hall about the closure of the Great Boulder gold mine. It was going to be closed because of the low price of gold. That is a true story. My parents had a small business. All my friends were involved in small businesses or the gold industry. It had a palpable negative impact on that magnificent town of Kalgoorlie. Kalgoorlie has always had its ebbs and flows, but, fundamentally, this was going to be a dagger to the heart of that town in terms of taking the gold industry out of that town. What we are dealing with here is not quite as profound but it is just as significant. We are dealing with an industry that is the heart and soul of very small towns, large towns and the metropolitan area—throughout Western Australia. That is why we will not be supporting the gold royalty increase. There is a misguided notion that everyone in the gold industry travels business class, has a Rolls-Royce and a place in Peppermint Grove, and enjoys international travel. That is absolute garbage. There is less margin in the gold industry than in virtually every other resources sector.

Hon Darren West interjected.

Hon PETER COLLIER: I am not going to take Hon Darren West’s interjection because I do not have time. I am trying to get through this, and most of his interjections are not worthy.

That is absolutely wrong. So why did the government decide to do this? We have been relentlessly told that it is for budget repair. That is what we have been told. It is interesting, because of course Labor had a plan going into the election. I went through this fastidiously two days ago for over two and a half hours. Labor had a plan. It went to the election with a plan. In addition, Labor allocated about \$5 billion in election commitments. I repeat: \$5 billion. The GST was not an issue. We were told relentlessly by the Treasurer and the Premier that there was no issue with the GST; it was the Liberal–National government. As I said on Tuesday, over and again, spending like drunken sailors, we were the crux of the problem and the GST was not the issue. Labor said, “We have a problem. We don’t have to sell Western Power. All will be kosher; all will be fine.” That is what we were told. We were told unambiguously, constantly and relentlessly that there would no new taxes. I quote the Premier from 21 February 2017, when he said —

... there will be no new taxes on West Australians or increases in taxes on West Australians. If we’re elected, full stop,” ...

Extract from Hansard

[COUNCIL — Thursday, 12 October 2017]

p4649a-4677a

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple; Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan; Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

They are the comments of the Premier. Make no bones about it, that is where we are at. As I have said, Labor said that the problem rested with the Liberal and National Parties and had nothing to do with the GST. Labor said that it had a great plan, that it would not increase taxes and that the GST was not the issue. The people of Western Australia made their value judgement, and they did so emphatically. As I keep on saying, I respect that. It was time for a change, according to the public of Western Australia. On 12 March, people woke up and expected to have exactly what they were promised—\$5 billion of election commitments, no new taxes and a plan. Of course, the GST was never an issue! It was all folly. What have we got? We have increased spending as a result of the budget that was handed down, increased deficit and increased debt. That is a direct result of the budget that was handed down. Members cannot dispute that; that is fact. The other point is that the GST is a problem, just as it was a problem for us, particularly for the last four years. I am not going to go over that ground again; I spent about an hour on that on Tuesday. The GST is a fundamental issue for the finances of Western Australia. It was an issue for us and it remains an issue for the current government. As I keep on saying, the reborn GSTers opposite apparently discovered that the GST was an issue only on 12 March. All of a sudden it was an issue, but it is their issue.

As far as I am concerned, members opposite have the trifecta of hypocrisy: increased spending, increased deficit and increased debt in a budget that purports to be their plan. What will we do? An \$11 billion Loan Bill was one of the very first pieces of legislation that was introduced into this chamber to cope with their plan. As a result, debt will increase from \$32.5 billion to \$43.66 billion. Interest will increase by \$1 billion on the increased debt level; we will have \$1 billion extra in interest charges as a result of that \$11 billion loan. That is the plan in the mob opposite's budget; they own it. We had our go and they own it now.

Let us look at how members opposite can overcome the problem of increased debt—which we were not going to have, but we do now—in their plan. What should they do? They are taking the low-hanging fruit as far as the Bolsheviks are concerned by taking on the gold industry and the big end of business with the payroll tax increase. Members opposite think, “Who cares? They're never going to vote for us anyway. We'll get rid of them by doing that.” That is exactly what the Labor Party is doing. In addition, it hiked up household fees with an 11 per cent increase in electricity prices when it said that the forward estimates would be followed for electricity price increases. Remember that everyone is sharing the love, are we not? We keep on hearing in the talking points that we are sharing the burden. The Labor Party has also reduced the rebate for self-funded retirees. If that is the plan of members opposite, they really need to do a bit of soul-searching. Their so-called financial initiatives, particularly the daily double—the increase in taxes that we were told would not happen on both the gold royalty and the payroll tax, plus increases in household fees—will not even cover the interest of the increase in debt! We are not even reducing debt; we are increasing it. Let us have some perspective here. It will not do anything.

How on earth could the Labor Party have possibly gone to the election with this plan? When the Premier faced the cameras on 21 February, instead of saying there would be no new taxes, why did he not “unambiguously”—I am going to keep on saying that word, so get used to it—say they would face a precarious financial position and there was the possibility of increasing the gold and payroll taxes? If he had done that, he would have a degree of authenticity with this regulation now. But he did not do that. He was, quite frankly, untruthful to the Western Australian public. As I said, I went through this on Tuesday in a great deal of detail with further examples. That is why we are having this debate today. That is why we have this conundrum. In normal circumstances, the Liberal Party would say outright that it would not support any increase in a gold tax but, because this is now a regulation—it is a regulation; it is not part of the appropriation bills, so I make quite clear that we are not denying supply—we are faced with this conundrum.

As I have said, this situation is based on pure politics because the Labor Party is taking the low-hanging fruit for the Bolsheviks from the group that the Labor Party feel will give it the least political pain, which is the goldmining sector, scattered throughout Western Australia; not concentrated in one area. It is the same with big business; it does not matter. It matters to us, but it does not to the Labor Party. Let me make clear that there was no consultation whatsoever with anyone in the sector about this increase in the gold royalty. It was certainly not part of the Labor Party's mantra going into the election—absolutely not. In addition, as a result of both the Treasurer and the Premier's disingenuous attitudes, they are giving wildly inaccurate appraisals of the gold sector. If I have heard it once I have heard it a thousand times since the budget came down on 11 September; that is, both the Treasurer and the Premier have looked down the barrel of the camera and said that they are asking for \$20 out of \$1 650. Quite frankly, that really is completely disingenuous. It does not remotely represent the gold industry in Western Australia. As I have said, it has one of the lowest margins of any resource sector group and it does not get \$1 650 an ounce in profit from its gold. I want to make that quite clear, but the Treasurer and the Premier's clear insinuation consistently over the last three to four weeks is that they are asking for \$20 out of \$1 650. I am sorry, Hon Diane Evers, but they are. That is what they have been saying. The margin is nowhere near that. I will give this commitment: if the Treasurer and the Premier can find me one gold producer that is making \$1 600 —

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

Hon Alannah MacTiernan interjected.

Hon PETER COLLIER: I am not listening to the minister. If the Treasurer and the Premier can find me one gold producer that is making \$1 600 an ounce in profit from gold, they can have the keys to my house! It is a pretty good pad! I really like it. I am doing some renovations to it at the moment. It is a really nice place.

Several members interjected.

Hon PETER COLLIER: No, you will not get an invitation; I am fairly selective!

It will not happen. The margins in the gold industry, particularly for small producers, are absolutely minimal. We have to clarify that. Members lose the respect of the public when they talk about this insinuation—most people do not really understand the resource sector and the gold industry—that gold billionaires are making \$1 600 an ounce in profit. That is rubbish! It is garbage, and the Premier and the Treasurer know that. But that is what we have been hearing constantly. This is going to have a very serious detrimental impact on communities across Western Australia.

I will give a couple of examples of the impact this decision will have on profits in the gold industry by looking at the price of shares for some of these producers. From 7 September, when the budget was brought down, until 21 September, the share price for Saracen Minerals Holdings declined by 5.3 per cent; Regis Resources declined by 9.4 per cent; Doray Minerals declined by 9.6 per cent; Westgold Resources declined by 3.2 per cent; St Barbara declined by 3.5 per cent; Millennium Minerals declined by 8.8 per cent; Evolution Mining declined by 14.6 per cent; Pantoro declined by 12.5 per cent; and Silver Lake Resources declined by 6.4 per cent. Across the gold sector, the price of gold shares declined by eight per cent over that period. As a direct result of the decision that was made by —

Hon Stephen Dawson: And what did the price of gold do? It's a spurious argument. Tell the whole story!

Hon PETER COLLIER: Have a Bex and a lie down! I have about 15 minutes to get through here and I am trying to give everyone a go. I kept my mouth shut during everyone else's contribution.

Regarding care and maintenance, let us look at what we are talking about and put a bit of perspective into the argument. In 2014–15, when the price of gold was \$1 450 an ounce, 11 mines were in care and maintenance. In 2015–16, when the price shot up to \$1 550 an ounce, nine mines were in care and maintenance. This year, in 2016–17, when the price is at \$1 650 an ounce, 21 mines are in care and maintenance. So this notion that the mines are flush with funds, pouring this ore out of the ground is absolutely garbage. Make no bones about it: this decision will have a direct impact on the goldmining industry. It will have a direct impact on jobs. It will have a direct impact on the community. It will ultimately have a direct impact on Western Australia. It cannot go ahead. That is one issue.

The second issue that I spoke on was the conventions of the Legislative Council; this is the one issue that we did have difficulty with. I do not think there is a member of the Liberal Party in particular or, I imagine, anyone else on this side of chamber who did not have difficulty with this one. I have great respect for the Legislative Council. All I ever wanted to do was to be a member in the Legislative Council. I could not think of anything worse than being with the rabble downstairs.

The ACTING PRESIDENT: I thought that all you ever wanted to be was a chalkie.

Hon PETER COLLIER: I wanted to be a chalkie for as long as I lived, Mr Acting President. I left Kalgoorlie and I wanted to be a chalkie, I wanted to play Davis Cup tennis and I wanted to be in the Legislative Council—I got two out of three. Throughout my political career, I never would have contemplated going in with the rabble downstairs.

Hon Alannah MacTiernan interjected.

Hon PETER COLLIER: I am not listening to the member.

As far as conventions are concerned, while I was Leader of the House, which I thought was one of the greatest privileges of my life, I insisted upon maintaining conventions. I was insistent upon standards with questions. I insisted that the ministers within our government send back questions that were inappropriate or answers that perhaps did not answer the question. I was very reluctant to accept answers that said that the question should be put on notice, unless it was an absolutely desperate question. I never, ever abused pairs. I always made sure that we apologised when we said the wrong thing. We made sure that we never used the gag or guillotine motions, contrary to what members have heard. They are the principals to which we adhered in the entire time we were in government. Never once did we abuse any of the privileges of this house—never once.

With that in mind, we will obviously be supporting the appropriation bills. We will be supporting the budget. However, this is not about supply. We are not blocking supply; I want to make that quite clear. If we got to a point

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

whereby we could bypass appropriation bills and have tax increases through regulations, do members not think that the executive level of government would not take that path and do it ever so meticulously and effectively? Of course not. This is why, as I said, we thought about this long and hard. As far as we are concerned, that is something that we took into great consideration. However, in terms of breaking the conventions, I hope that members opposite do not open their mouths with this one. In the six short months that this mob has been in office, it has trashed the conventions of this chamber. When the government does not get its own way, it should not spit the chewie and cancel pairs; it should take it on the chin. What did these guys do? They cancelled pairs at five minutes to midnight—actually, it was five minutes to 10 o'clock when we found out. It was an absolutely disgraceful thing to do. Now they have the hide to carry on and we have to listen to the Premier and the Treasurer carrying on about convention. That is nonsense! In addition, as I keep saying, the government desperately tried to hand over the role of the President to someone on this side: "Let's have a look. We have 18 members and they have 18. Wait on; we will give them the President and then we will have 18 and they will have 17." Forget about the fact that the role of the President should be respected right across not just this house, but also the Parliament and the state of Western Australia. One of their own members, the eminently qualified Hon Kate Doust, should have had that position and ended up getting that position, but if one of our members had taken it on, she would not have had it. The government tried to abuse the conventions of the role of the President. In addition, whenever someone says something that is inaccurate and a correction is required, do they correct themselves? Not on your life! They scoff at it and roll the eyes and say that it is such a non-issue. Of course, it is an issue; it is an issue called convention, and they should adhere to it. Members opposite have been in too many levels of government and they do not know what house they are in.

Several members interjected.

The ACTING PRESIDENT: Order, please, members! I cannot hear the Leader of the Opposition.

Hon PETER COLLIER: In addition, when members make an apology in this place, it should be respected and taken on the chin; an apology has been made and it is accepted. A member should not race off to the nearest radio station and complain with the first breath. What an absolutely disgraceful exhibition! What about the behaviour of the other mob downstairs when the membership of the Joint Standing Committee on the Corruption and Crime Commission was determined? The convention for a very sensitive committee on the CCC is that someone from both parties sits on that committee. What did the Labor Party do in the Legislative Assembly? It put two Labor members on that committee. The government thought, "Yes, we've got all these numbers and there are four years to the election. Who cares out in voter land?" But again, if government members continue with this attitude of not sweating the small stuff, it will come back to bite them on the backside, which is exactly what is happening here. We have seen a litany of abuse of the conventions, and the government has been in office for only six months. Imagine what it will be like by the end of four years. News of this will trickle through into the community—there is no doubt about that. When we talk about conventions, guys, give me a break!

In terms of money bills, this is an interesting one: "You can't knock back money bills." Might I remind members opposite about the waste levy in 2009—a regulation introduced by the Greens. They were justified in doing so; they can introduce a waste levy, but who supported it? It was the Labor Party, but it does not oppose money regulations, does it? What about the 457 visa issue introduced by none other than Hon Stephen Dawson? He moved a disallowance motion on the 457 visa issue, which was a budget item.

Hon Stephen Dawson: Did you change it?

Hon PETER COLLIER: Yes, we made some adjustments, but it was a budget item.

Hon Stephen Dawson interjected.

Hon PETER COLLIER: The member is like a fly in a spider web; he can try to fight his way out of this. It was a budget item and members opposite moved the disallowance motion to try to block a budgetary measure. If we hear any self-righteous nonsense —

Hon Stephen Dawson: We did not have the numbers.

Hon PETER COLLIER: That would have to go down as the best clanger of all. I will give members a scenario.

Several members interjected.

The ACTING PRESIDENT: Order! The opposition leader can direct his comments to me rather than other members in the house.

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

Hon PETER COLLIER: These guys are the gift that keeps giving. The member has just said that they did not have the numbers. So it is okay to move a disallowance motion when a party does not have the numbers, but it is not okay when a party does.

Hon Stephen Dawson interjected.

Hon PETER COLLIER: Let me finish. Let me just say this to the member. Imagine if we did that. I will outline a hypothetical situation: there are 11 Labor Party members, two Greens members and five National Party members, and our 16 members. Imagine if, halfway through a debate, the National Party members decided to cross the floor so that members opposite had the numbers. What would they have done if we had divided? Would members opposite have voted against their own disallowance motion? What a crock! There is this old adage that my dad used to say to me: when you throw dirt, you dig a hole for yourself. That is exactly what these guys are doing. They are carrying on about conventions and then all of a sudden they say, “Oops, there’s that skeleton in the closet” and “Oops, we can’t do that or that”, but they keep on doing it. What a load of nonsense—give me a break! I have the pièce de résistance, which has already been read into the record but I will do it again because I love it. This one is from *The Weekend West* dated Saturday, 28 February 2015. The heading is “Start ad blitz, Labor tells goldminers”. This article refers to the Premier of Western Australia, who now carries on about conventions and not blocking money bills et cetera, and the Leader of the Government in the upper house. Listen carefully, members, because this is a pearler. Are members ready? It states —

Opposition Leader Mark McGowan has urged the gold industry to launch a politically damaging advertising campaign against the Barnett Government over its possible plan to raise royalties on the precious metal.

Mr McGowan made the suggestion after a request from the goldminers’ lobby group for a Labor commitment to support a disallowance motion in Parliament against any increase to gold royalties.

The Gold Royalties Response Group—a lobbying coalition of 11 goldmining companies and three industry associations—has secured —

Here we go; this is the clanger —

written commitments from Mr McGowan, Labor’s leader of the Upper House Sue Ellery and Greens MLC Robin Chapple to support any disallowance motion that is brought to the Legislative Council.

Royalty rates are set by regulations linked to the Mining Act and can be disallowed in the Upper House.

There is nothing preventing the Government from trying to reintroduce a disallowed regulation but it would be a black eye for the Government.

Please do not even contemplate the notion of carrying on about the breaking of conventions. The Labor Party’s track record in this area makes us look like rank amateurs. Do members know why? It is because we do not break convention. This is not the blocking of supply; I want to make that quite clear.

As I said, we do not do this lightly. We gave it a lot of consideration, looked at whether we should do it, and, for the reasons I have articulated with regard to the actual issue itself, decided to support the disallowance. I have no doubt that members opposite will use the lines about us breaking convention. They will also use the age-old lines about wrecking the finances et cetera, as I mentioned the other day. Everyone now has a copy of the Labor speaking points. Labor will use the age-old lines, such as —

- We have no option but to fix the mess left behind by the Liberal National Government.

That is one speaking point for the Labor Party. Another one states —

- Everyone will share the burden to help pay for the Liberals and Nationals out of control spending.

Several members interjected.

The ACTING PRESIDENT: Order!

Hon PETER COLLIER: The speaking points continue —

- Fixing the mess we have inherited will take time, but we will do everything possible to minimise the impact on struggling families and small businesses.

Hon Alannah MacTiernan interjected.

Hon PETER COLLIER: To the members opposite who are sitting there laughing at the moment, every answer we get to a question has these lines and we think, “Have these guys got a brain between them? Why do they need a piece of paper with speaking points telling them what to say? Surely if that’s what they believe, they don’t need

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

someone to write them out?" Every time government members get one set of these speaking points, we get them. I get these on my desk all the time. I know what is coming, so do not even worry about it. I particularly like this one.

Hon Alannah MacTiernan interjected.

Hon PETER COLLIER: Mr Acting President, she is really quite irritating.

The ACTING PRESIDENT: Leader of the Opposition, direct your comments at me.

Hon Alanna Clohesy: How very sad.

Hon PETER COLLIER: I beg your pardon? I do not mind the interjection from Hon Alanna Clohesy. What was that she had to say?

Hon Alanna Clohesy: Oh, I am allowed to interject!

Hon PETER COLLIER: Yes, of course. I have a bit of respect for you.

Hon Alanna Clohesy: Okay, let's go!

The ACTING PRESIDENT: Order!

Hon PETER COLLIER: Okay, what about this speaking point, which states —

- Everyone will share the burden to help pay for the Liberals and Nationals out of control spending.

As I mentioned on Tuesday—I am going to keep going on about this—how about ministers of the Crown share the burden? How about Ministers Logan, Quigley, Johnston, Saffioti, Cook, Tinley, McGurk, Kelly and Ellery pay back the \$5 321 that they got by double dipping on their cars? It does not mean much, but for the egalitarian socialists opposite to carry on and lecture us relentlessly about sharing the burden while they pocket \$5 500 in three months, the hypocrisy just oozes from their pores. They will get so much more respect from the community if they do what they should do, which is to take \$5 000 out of their \$270 000 income and put it back. We ask other people to pay. It does not matter whether it is \$5 on their electricity bill because \$5 to a pensioner in Joondalup is more expensive than \$5 000 is for a minister with a \$270 000 income who gets a driver. Do not feed us this nonsense about sharing the love or the burden. That is the height of hypocrisy.

Finally, I found this comment from the Premier yesterday highly offensive. This was in response to a question from Hon Michael Mischin to the Leader of the House representing the Premier. He asked what evidence there was about no jobs being lost, which was a stupid comment to make.

Hon Alannah MacTiernan: What—by your colleague?

Hon PETER COLLIER: It was by the Premier. As if the Premier can go out and say there is not going to be one job lost—what nonsense. It shows how out of touch he is with the gold industry. He has no understanding of the gold industry at all. In part, he said —

... I want to take this opportunity to implore Liberal Party members and others in the chamber to remember the traditions and conventions of this chamber with regards to budget and money bills.

I have just been through all that; it is a load of nonsense.

I am very aware that the other place does not appreciate being lectured to by those in the Assembly, so I hope those of you who have serious reservations about supporting a disallowance motion are not strong-armed by your lower house colleagues.

How patronising! The Premier of Western Australia wrote this, and it is now in *Hansard*. I do not know how they operate over there, but we do not get strongarmed, let me tell members right now. Evidently, in the Labor Party United Voice strongarms everything and bulldozes everything through. No wonder there is another Labor faction coming up to challenge United Voice. If the ethos and the mindset of the Premier of the state is that he can just bulldoze through and expect to be strongarmed, it shows just how out of touch he is. It does not work. If the Premier can make these comments, let us say that he will rue the day. Also, the Leader of the House, Hon Sue Ellery, made some veiled threats today about whether anyone is going to cross the floor, and one thing and another. Yet again, it is a race to the bottom. Hon Alannah MacTiernan did this just two weeks ago to Hon Dr Steve Thomas. Purportedly the comments were made behind the Chair outside the chamber; yet again an age-old convention that anything that is said outside this chamber is not brought into the chamber.

Hon Alannah MacTiernan interjected.

Hon PETER COLLIER: No, I am not going to talk to Hon Alannah MacTiernan. She is just not worth it. She came into this chamber and made comments about purported comments —

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

Hon Alannah MacTiernan interjected.

The ACTING PRESIDENT: Order!

Hon PETER COLLIER: — that were made outside the chamber. It is disgraceful.

Hon Alannah MacTiernan: When?

Hon PETER COLLIER: Go and check *Hansard*, minister.

Hon Alannah MacTiernan interjected.

The ACTING PRESIDENT: Order, members!

Hon PETER COLLIER: She is an absolute disgrace; she is an embarrassment to this chamber.

With that in mind, we will not be threatened by the Leader of the House with her veiled threats and we are certainly not bullied. We had an extraordinarily positive meeting on this issue. I can tell you, Mr Acting President, hand on heart, it was positive and it was unanimous. No-one was heaved into this decision. We looked at the issue of the gold royalty increase in the mining regulations and, wholeheartedly, no-one agrees with it. The only issue that we had was about the conventions of the chamber. We worked through that and I had a look at the history and the conventions that have already been broken. That is how we came to that judgement.

I can say quite categorically that this is an insidious, job and community-destroying tax that should not have even seen the light of day. It should never have reached the point at which we are debating this issue in this chamber. It should not have happened. The government should not have put anyone in this chamber in this position. I am sure that there are members from the Mining and Pastoral Region, in the upper house and the lower house, who will just cringe at the fact that they have to support this regulation. As I said, it is potentially a community-devastating move on the part of the Labor Party. I am very sorry that it saw that this was the only manner that it could use to pay for its unfunded election commitments, and for those reasons, the Liberal Party will enthusiastically support the disallowance.

HON DIANE EVERS (South West) [2.58 pm]: First of all, I have not had years of experience in front of a classroom full of children, like my honourable counterpart Hon Peter Collier. I may not be as entertaining over the next few minutes, but I will do my best. In any case, here we are again back to the budget and I think I will get a chance to say over and again that speaking as an accountant, which is not as exciting as a teacher, I suppose, the budget is in a mess and the budget was in a mess. Members on my right, who for the last eight years were here dealing with large increases in our revenue, spent that and more. They spent what they took in—the additional revenue from the higher iron ore price and many other things—and borrowed another \$30 billion in that time. They say, “How can Labor go on and say that it is the coalition’s fault because they put it in there? How can Labor do that? They have been in government for six months. Everything should be sorted out now; it is all their issues. That is how we are going to go.” Come on—has anybody here ever had a financial issue of their own, or known somebody who does? How often would it get sorted out in six months? The mess we are in, with \$33 billion in debt and the interest we have to pay on that each year, is not something that we will be able to wipe away, even in a full term of government. We are stuck with it for some time, unless fortunes go our way. We are in a mess, and something has to be done about it.

So here we are again, flip-flopping back and forth—he-said, she-said, they said, you voted this way last time, this time or the other time—and I am getting the hang of it. The idea is for the opposition to make the government look bad. I have got that, but members opposite must take some responsibility for when they were in government and the current government was in opposition. It is not just a one-sided thing. It goes on and on, and I sit here and laugh. It has become very entertaining, now that I can understand what everybody is saying, because we all talk so fast. I listen, and I hear things, and I think, “You’ve got to be joking; haven’t you said this three, four, or five times already?” Why do we keep going back to the same thing? I, like some of the other members on the crossbench, would love to hear some debate on this disallowance, but we are not hearing any debate; we are just hearing accusations back and forth, one thing after another. I am a bit new to this, but I thought that once the disallowance motion was raised it was brought on to be discussed, but it seems to me that the other side could have said, “No, we’re not going to discuss it now; we actually want to negotiate.” It is a shame that my counterpart Hon Dr Steve Thomas has left the room, because he said that he would like to negotiate this. Why did we not give it the chance, like it was back in 1996, and leave it there on the table, so that both parties can come together, maybe with the crossbench as well?

Hon Nick Goiran: You supported the suspension of standing orders, so that we’re having this debate now. Did you vote against it? I didn’t hear you say no.

Hon DIANE EVERS: As I said, I am new here, and I did not understand the process at that point, but I believe that some of my colleagues in this room have been here before and do understand the processes. If there is an

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

interest in debating it, that could have been done, and it could have been negotiated outside the chamber, so that we could come to something that was acceptable to all of us. We are in a mess, and something has to be done.

To just restrict action to cutting spending all the time and to not allow any opportunity for raising further revenue is not going to work, especially when we look at the mines. As has been said, these resources belong to all people in Western Australia, so why are we giving them away? I digress a little bit; I want to come back and follow my plan here, so I will look at the levy. I have to thank my colleague Hon Robin Chapple for his history lesson for all of us, in case some of us were not there at the time, to help us understand how this royalty came about. It is very interesting to see the process of it flip-flopping back and forth and who was going to support it at the time. We have heard from the goldminers and, as I said, I think my counterpart Hon Dr Steve Thomas said that he would have been interested in negotiating. I wish we could have got to that point, but I understand it is too late now, which is such a shame.

Hon Dr Steve Thomas: You can blame the government for that.

Hon DIANE EVERS: No, as I have just described, the opposition could have stopped this from being brought on for debate, and some of the member's colleagues knew of this, and they could have actually said no and let us negotiate this first. But that did not happen, and we are past that point. Now we are stuck. We are saying we cannot raise that revenue, so we are not going to be able to use it to help balance the budget. As I was saying, we have been hearing from the miners. Yes, they work on tight margins. Can anyone imagine them telling us anything else? Across WA, we are all operating on tight margins for the large part. No business that I talk to says that things are good, things are going great, and they cannot wait to spend all this money on the weekend. It is not like that. We are having a recession, in fact. The miners are doing it tough just like everyone else.

I would like to explain to my colleague Hon Peter Collier, who says that the government keeps on saying it is only taking \$20, but the miners do not make \$1 600 in profit on every ounce. Of course they do not make \$1 600 profit on every ounce. That is the price it sells for; that is the revenue. We are not saying that there is a \$1 600 profit on every ounce of gold that is sold. I guess that is the difference—I am the accountant and he is the teacher—but that should be a very clear thing to understand. However, the miners are making some profit; we know that. Go back and look at their financial statements. As I said, businesses are not going to come and tell us, "Look, I'm making so much money; please take a little bit more from me." We have to raise the revenue somehow, and this is one of the items that we have put up. As my colleague Hon Robin Chapple said, just in the last couple of weeks royalties were put up on garnet and copper. It happens, and now it is on gold, and one day we will work out how to do it on iron ore, but not at this point.

I will refer to a couple of things that were said during this debate. Hon Jacqui Boydeell talked about miners having such difficulty that if we put this extra royalty on them, they will just leave the gold in the ground, and that is bad. I am thinking, wait a second—gold in the ground; that is an asset to the state, which is really good. The gold price is going up, and that is good because our asset is increasing in value. Also, we are having real difficulties creating a future fund. When I think of my children and grandchildren into the future, I think those minerals in the ground are a future fund. If we do not dig them up and sell them now, we have them there for when we need them again. Not every country has the wonderful resources that we have in the ground, but we do, and until we learn how to make a future fund, maybe we should think about leaving some in the ground. From what I understand, at the rate the gold is being dug up, we will have it only for the next 20 or 30 years or so.

Hon Aaron Stonehouse: Are you suggesting artificially restricting supply?

Hon DIANE EVERS: I am not suggesting artificially restricting it. All I am saying is that miners will come, and that brings me to the point, thank you, Hon Aaron Stonehouse. His comment was that we need the miners for their knowledge and skill, and we do, because I do not know how to get gold out of the ground. I have panned for it in the eastern states and I have got a bit there, but I know that is not how it is done here. These miners who have such knowledge and skill are not the only ones. If somebody says that as a result of the government charging them an extra \$20 they cannot make a penny out of it, and they leave town, somebody will step into their shoes real quick and say, "I can. I'll do that, because I know they were making a profit, and I know that I can do that." It is not as if just one miner is able to do this.

Hon Kyle McGinn: It sounds like Norway.

Hon DIANE EVERS: It would be nice. If we could pick up some of the lessons from Norway and figure out a way to hold on to a bit more of that value, we would be doing very well.

Hon Colin Tincknell commented a number of times in this house about overspending. He is right; we are spending a lot. Again, I am sorry to put this back on the previous government, but over the past eight years things were put in place that resulted in high recurrent expenditure and high capital expenditure. A lot of the things in the capital

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

budget, if we take the time to look through it, are works in progress. We are hardly going to go in there and stop items that are already in progress. It is not right. Some of the capital items that were put up in the budget were also planned well ahead of time and they were really too far gone to say we are not going to do that now. A lot of what is in the budget is stuff that was put in place by the previous government, so Labor has to carry that on. Yes, there is \$5 billion in election promises by the Labor government, but there was also \$5 billion in election promises by the coalition. Whoever got in would still want this \$5 billion worth of Christmas presents. That is what I said: the government gets to be Santa Claus for a period, and just gives away all these gifts to the people it thinks will keep it in for the next term. What a mess. Is that what our government has come down to? Maybe that is what it always was. I will be standing here many times from now struggling with this whole idea.

I have a few other comments before I finish. Hon Tjorn Sibma said that we need miners investing in our state. That is a nice way to think about it and I am sure they would like us to think about them investing in our state, but remember why they are here. They are here to take the assets of our state and turn them into a product that they can sell and make a profit from.

Hon Tjorn Sibma: In so doing they employ members of the community.

Hon DIANE EVERS: Absolutely they do and I am so pleased they do that. It is an absolutely great idea that they employ people to dig these resources out of our ground and sell them overseas, but they are not doing it because they love us, because they want to employ us or because they think living over here is a great idea; they do it because they can make a dollar out of it, and who can blame them?

Hon Tjorn Sibma: That is how the world works.

Hon DIANE EVERS: That is right, but that does not mean we have to facilitate it. Not only do we give them our resources at a very low rate, we also subsidise the construction of the infrastructure that they need. We also subsidise the exploration for minerals, we subsidise every chance we get, because we want them here employing us, digging up our wealth and selling it overseas, but maybe that is something we have to look at.

Hon Robin Chapple: I am really pleased to see that One Nation is now proposing a royalty of 10 per cent on all oil and gas—bloody brilliant.

Hon DIANE EVERS: That is right, we just saw that today. What a good idea.

When we have the assets, why should we not get the wealth from them? Why should we not be entitled to it? That is what I am really concerned about. I am concerned about the financial management of the state. I am concerned that it is a difficult situation. There are many different factors affecting it and the only thing I can see to drive us out of it is hope that in the future there is a higher iron ore price, a lower dollar or something else that goes our way. But things change; that is how WA operates. Things will change. For my part and that of the Greens, we would like a fairer distribution of the state's wealth. We would like the state to start decreasing the inequality between the wealthy and the not wealthy—the poor. We would like to see people well looked after; that is what we would like to see in the budget. To be able to look after people and the landscape, our environment, we need to raise revenue. The idea that scares me is that the opposition will block every opportunity to do that; it just makes no sense. I believe the opposition is here for the benefit of the residents of the state as well. Collaborative governance would be a really great idea so we can actually negotiate these sorts of things. Before it comes time to hear things, we are just hitting a brick wall. Watching things going on in here is like watching a game of ping-pong. I would like to see some sort of negotiation happen in the future to allow some revenue to be raised so we can afford the things that have been put in place and are needed across the state. It is a long time off before we get to the Christmas present thing again, but come on guys. It is really nice being in the Greens coming up to an election and having people ask us what we are promising. I tell them that we are the Greens and we will not get anything through on our own; we will have to negotiate and work with whoever gets into government. For both sides to make \$5 billion worth of promises—pretty much \$5 billion in Christmas gifts, with the parties saying, “We will give you these if you vote for us”—is irresponsible, unconscionable, wrong and not good for the state. I would like to see some sort of flexibility so we can bring the state back into good, sound financial management.

HON ALANNAH MacTIERNAN (North Metropolitan — Minister for Regional Development) [3.14 pm]: I am going to do as was asked by the Leader of the Opposition and I am going to park the whole issue of the conventions of the house, because I do not think we need to base our argument against this disallowance motion on them. I want to go through a whole raft of facts that we really need to consider. The Leader of the Opposition's speech in particular completely ignored the reality that led to us being in this situation of seeking to increase the gold royalty. First of all, we did have a plan. We had a plan based on the financial statements provided in the first instance by the government, the midyear review of December 2016. We then waited until we had the *Pre-election Financial Projections Statement* from Treasury. We ensured that our election commitments were

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

tailored and matched the Treasury pre-election estimates—that is the way government is done—and our numbers absolutely added up. Yes, it is true that we made commitments, but we provided a very detailed analysis of how we were going to contain the growth in expenditure so that we could move towards a balanced budget. Members will understand, if they follow the financial news on this state, that subsequent to the election there was a \$5 billion writedown of our financial situation. There was a writedown on expected royalties. This all happened subsequent to the election. We had a \$1.7 billion writedown on royalties. We had a \$1.7 billion writedown on GST grants. The census had come in and there had been a reduction in population, so we had a \$1.7 billion writedown on that. We had a \$780 million writedown on other government revenue such as land tax, insurance duty and payroll tax. We then had a writedown due to changes of the formula from the federal government for grants associated with hospitals and schools, so another \$572 million came out. Altogether that is a reversal worth \$5 billion, so we had to act on it. We had to take measures that we had not anticipated would be necessary when we went into the election. We acted with great probity to ensure that our plan totally matched Treasury's estimates of our income only to find that shortly after getting into government a whole raft of circumstances had changed and there was a \$5 billion hole. Of course, we had to address that. That is the inconvenient truth that I think most members on the other side of the house, the Nats and the Liberals, have ignored in their analyses. The other side left us in this position. We came into government and inherited a deficit of around \$3 billion. The former government left us with a deficit over the forward estimates of something like \$43 billion in a time of record revenue. I think it is irresponsible for the opposition then not to accept that it has any responsibility to help solve this problem and think it can just sit there and say that it will block these things because it can. We do not have to argue this on conventions; we argue it on taking responsibility for the situation the former government left this state in. I think members opposite will be marked by the community if they fail to do that.

I understand that members opposite have expressed some very sincere concern about the impact of this measure on jobs. I also recognise some members opposite have also made some very insincere comments, particularly, of course, the Leader of the Opposition. Never, ever have we talked about or suggested, as Hon Diane Evers said, that the gold price is the same thing as a margin. Over and again, in all his descriptions, the Treasurer, Hon Ben Wyatt, made it very clear that the government has looked very closely at the all-in sustaining cost that will determine the margin. The all-in sustaining cost, for example, in the Argonaut research paper is \$1 077 an ounce. That is an average. We expect that there will be a variation. However, that would suggest an average profit of about \$600 per ounce. I ask members to look at our capability. We need to raise some money. This proposal is not at all inconsistent with the revenues extracted by other states. No member who supports this disallowance has been able to explain why the gold industries of New South Wales, South Australia and Queensland have managed to function quite well with significantly greater royalty rates than 2.5 per cent.

Hon Martin Aldridge: On that point, why did your two colleagues next to you oppose that two years ago?

Hon ALANNAH MacTIERNAN: Two things have happened in the last couple of years. One is the price of gold has really skyrocketed. According to the latest price today, it has gone up to \$1 659 an ounce. That is a huge increase. At the same time we find ourselves in very dire financial circumstances. Those two things have been brought to bear. This is not something we would have done had we not found ourselves in such dire circumstances. We have to find new revenue streams to help support the state, to help us build the economy. No-one has explained why it is sustainable in other states. New South Wales has a 3.5 per cent royalty; South Australia has a four per cent royalty; and Queensland has a tiered system of 2.5 per cent and five per cent. It is clearly sustainable in those states. I point out that the ASX has not made a series of announcements saying, "Oh my God! Market, you had better be aware that there is this new thing happening and our share prices are likely to go down." The Leader of the Opposition referenced some fluctuations in share prices; fluctuations that are entirely accountable to the day-to-day fluctuations in the gold price.

I want to make members aware of the difficult circumstances we face. In the first term of the Barnett government, expenses grew on average by 7.4 per cent per annum. They were at absolutely extraordinary levels. When growth in revenue collapsed, the former government kept spending. As Hon Diane Evers said, it takes some time to turn the ship of state around when a raft of trajectories of expenditure have been locked in. Our plan has focused very much on containing expenditure growth, and over the forward estimates the budget shows that we are aiming at around 1.9 per cent per annum over four months.

The impact of this increase in the gold royalty has been assessed at around three or four per cent of the average operating margin of producers. I think the Liberal Party's decision to oppose this regulation has probably got a lot more to do with continuing the blue-on-green wars. During the last term of government a study was done on the sustainability of increasing the gold royalty. Of course, the royalty was not increased because the National Party fiercely opposed it. We have a huge problem here and we have to deal with it. We have to be sensible. We have to

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

find something that is going to bring us more revenue, and the regulation will increase the royalty rate to a rate that is in place around the rest of Australia—and that has not devastated their gold industries.

Hon Robin Scott, Hon Colin Tincknell and I think Hon Simon O'Brien talked about Telfer. Occasionally, I visit Telfer to deal with the Martu Education Alliance. I acknowledge that its mine represents an incredible opportunity for the Aboriginal community. Ben Bryant has really led a process of driving opportunities for the Martu people in that area. We respect that. But our analysis is not that this royalty increase would drive the mining company in Telfer out of operation. We want to support it. We support the gold industry. Kalgoorlie was, in its heyday, shall I say, very much part of the Labor movement. Indeed, the Labor movement in Western Australia was formed in Kalgoorlie in 1892. It is very much part of our understanding. The suggestion by the Leader of the Opposition that we have some hostility to Kalgoorlie and the gold industry is just palpable nonsense. However, I urge members to ask themselves why this can be done in every other state but cannot be done here in Western Australia and what else are we going to do to bring forward a budget that is capable of getting us out of this fiscal mess?

HON KEN BASTON (Mining and Pastoral) [3.28 pm]: I want to say only a few words on the disallowance motion. It is important that we continue to keep our feet on the ground and talk about what is happening. I thank Hon Jacqui Boydell and Hon Robin Scott for this disallowance motion. It was only by a nose and a whisker that they happened to run into each other.

I am a member of the Mining and Pastoral Region, which covers an enormous amount of the state. I, along with other members who represent the Mining and Pastoral Region, one of whom is a minister, recognise that it contains a very small population of only 110 000 people, with some 68 000 voters. However, it is a very important part of the state and Australia. It makes up 80 per cent of the state and, until recently, produced 40 per cent of the nation's income. Members can see why we all get a bit stroppy about the GST. The main reason this area is so productive is the resource sector and the oil and gas industry. I thank Hon Robin Chapple for his history lesson. I was aware of most of it, but it was great to have it refreshed once again.

I would also like to thank Kyran O'Donnell, the member for Kalgoorlie, who very much organised the first rally in Kalgoorlie and brought this matter to everyone's attention. The issue is, of course, the 50 per cent increase—going from 2.5 per cent to 3.75 per cent. It sounded easy—2.5 per cent to 3.75 per cent is still well under five per cent—but it is not. It was a 50 per cent increase. Of course, this would bring in some \$392 million over the next four years, or around \$100 million a year. That cash was to come directly off the bottom line of that industry; it would have had \$392 million less in cash flow. Western Australia is the country's major gold producer; it accounts for 70 per cent of Australia's total gold production. Boddington and other places like Southern Cross are not in the Mining and Pastoral Region, but they are major gold producers. In 2015–16, the eight producers accounted for 73 per cent of Western Australia's gold sales. The gold sector produced 14 per cent of the minerals in Western Australia in 2016, with a sale value of \$10.6 billion. The volume was steady over those two years, with 195 540 kilograms in 2016 and 194 624 kilograms in 2015. The gold sector was the main investor in exploration expenditure in 2016. These all add up and provide jobs to the people who actually go out there. As many members would know, exploration is important for our future, not only as a nation in terms of export dollars coming into the state, but also for the people who are in training and the jobs they hold in regional areas. Exploration accounted for some \$446 million and was 48 per cent of total exploration. We can see the value provided through Western Australian jobs and investment. There are the drillers, the rigs, the food providers—it goes on and on. I will go through some more of those a bit later.

There were 12 gold companies in 2012–13 to 2015–16, representing 80 per cent of Western Australia's gold production and covering some 27 individual mines. They paid the state government royalties of \$713 million. I have listened to the debate today and people have said that they are not paying anything and that we should get more. They already contribute some \$713 million as well as a further \$220 million in payroll tax, which has been touched on today, as well as through other taxes. On top of that is the corporate income tax, which is another federal tax of \$742 million. They also contribute some \$33 million in local government rates. Of course, if any of these mines or their leases fall over, that will be a loss of income to local government, which will obviously have to be found from other sources in the consolidated revenue. In 2015–16, 3 500 Western Australian businesses supplied goods and services to the gold sector. Seventy per cent of these businesses were in the metropolitan area. An amount of \$4.4 billion was spent on wages and salaries, business purchases and community contributions.

I will talk about the impact on the Telfer mine, which the minister spoke about. The profit for that mine is just \$20 per ounce. There is no doubt that the proposed gold revenue increase would make this mine unprofitable. I have been out to Telfer. I must admit that it is the most amazing country to strike gold in. It is all flat spinifex with sandhills, which is the most unlikely place to go and look for gold. Many stories go round about how they found it. It was a bit like the rock in the oil and gas industry—the golden rocks in the ocean off the Browse. This certainly has been going for a long time. The mine life is short at this stage. However, exploration will obviously

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

continue that. If this change were to go ahead and we applied those royalty rates, that further exploration would not happen and there would be 1 550 people without a job, not to mention the effect on the shire and all the spin-off that goes with that. The minister touched on the work the company does with the people it employs. The company told me that it employed some 75 to 125 Indigenous people. They go to great lengths to get them to work. Having employed Indigenous people in my life before I came to this place some 11 years ago, it is that level that one has to go to if one is to make a mark and get people employed. They travel in cars right up as far as Fitzroy Crossing to pick up employees and bring them back down. That is a mighty effort. We cannot probably even get somebody to give us a lift to Parliament down here.

Hon Colin Tincknell: Two days to get to work and two days to get home.

Hon KEN BASTON: There we are. I believe they do some 5 000 kilometres a week in that vehicle, just delivering staff backwards and forwards. That is tremendous work. On top of that, the company provides sporting fixtures and makes sure there are football teams, swimming and all the other things, such as education. Telfer is an excellent corporate citizen, yet it is probably one of the closest to being threatened by a change in the royalties. Its profit last year was some \$8 million. Although that sounds a lot, as a percentage it is awfully small.

Somebody mentioned the effect this has had on the stock exchange already. Since the announcement in the budget, from 7 September to 6 October—I will not read them all out again because the time frame is a little different—it basically dropped some 12 per cent, which is a remarkable amount of capital to be sliced off those companies. Of course, it is all about having that confidence for investment. That is extremely important. Interestingly enough, I was looking at an article in *The Australian* of 26 September 2017, headed “ASX concern over WA gold royalty impacts”. This article by Paul Garvey was comparing the situation here with what happened in Tanzania. The article reads —

The Australian stock exchange has indicated it will force the suspension of the bulk of Australia’s listed gold sector should the West Australian government’s new gold royalty hike find its way through the state’s parliament.

A spokesman for the ASX told *The Australian* that the exchange expected the affected gold producers and developers to update the market on the impact of the royalty change once it had been passed.

It means the ASX could repeat the dramatic steps it took earlier this year, when it suspended more than a dozen resource stocks after the African nation of Tanzania introduced a sweeping overhaul of its royalty and tax regime.

The companies were forced to remain suspended from trade until they could satisfactorily explain the impact of the changes on the economics of their projects.

The ASX’s intervention followed Tanzania’s passing of legislation that increased mineral royalties by 50 per cent and introduced requirements for the government to own stakes of at least 16 per cent in mining projects.

That is another example; the state put its money where its mouth was and invested in these goals, took a 16 per cent share and made a profit, if that is how big the profits are. That would be very productive. I find it very interesting that the same thing could happen. That destroys confidence in the government backing the state’s assets to increase productivity.

On top of that, students are concerned. A press release from 2 October uses two students as an example. One of those students got herself a job. She did a double degree in chemical engineering and extractive metallurgy at Curtin University. She has a job, but when she started the course, she was told there were heaps of jobs. Suddenly, those jobs have tightened up and they could tighten up further. The Western Australian School of Mines, which I have frequented to give out awards, is a very good educational facility that produces students who are considered some of the best in the world. We need to keep those people working in our mines in Western Australia and not travelling somewhere else in the world after they have done their training here. There are important aspects right through from the youth who are after jobs and coming back to the need for jobs, jobs, jobs. I think that everything has been said and I am sure that more members want to add to the debate but I have no doubt that the resource industry is all about export dollars coming into our nation. That is how we can get ourselves out of the hole and get real dollars on the ground with real people, and not worry about how we are going to disperse the profits that these mines might make.

HON KYLE MCGINN (Mining and Pastoral) [3.42 pm]: I will try to be brief; I know that other members want to talk on this disallowance motion. I want to reflect on how the last three to four weeks have gone from my perspective, which is a bit different from what has been said in this chamber over the last couple of days. My

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

background is not at university or an accountant—it is none of that stuff. It is in the workforce, particularly the resources sector in the offshore oil and gas industry. I have learnt many times within that industry how tough it is to deal with employers and, in particular, trying to wade through what is true and what is untrue. For example, enterprise agreements are one aspect I have reflected on. With an enterprise agreement, employees put up what they want and they get back from their employer the reasons they can or cannot have what they asked for. Going through that process, in almost every negotiation I went into I heard employers saying, “We can’t afford to do that. We can’t make people permanent. We can’t give pay increases. We can’t make a better roster. We can’t make these changes because it will affect our bottom line and it’ll mean job losses. It’s going to mean the business will go under.” If workers dare to dream and come together, united, and take action to pursue their claims, which is their right, they can end up with protected action. When they get to protected action, one of two things normally happens: either the employer backs off and gives them what they want, or workers go on strike under protected action and they see whether they or their employer sticks it out for longer. One thing I can guarantee is that when they are on the picket line, they are definitely under no suspicion of being paid to be at the rally, that is for sure.

The next thing I want to touch on is that in the first two weeks since the announcement, no mining companies reached out to me to raise any concerns about the gold royalty increase. Newcrest Mining was the first company to do that. I had a different experience from Hon Simon O’Brien and what has been said about Newcrest and Telfer by many members here. I set up a meeting with Newcrest, as I would because it is in my region. When I rocked up, half the people who were supposed to be there did not attend. When I got into the room, I asked a list of questions that could not be answered. They included questions such as, “You’ve thrown out a figure of job losses. Please show me how these job losses are going to come on if the royalty is brought in.” They could not show me that. They actually said they were still working on how that looks. I said that was not a problem and I gave them my questions on notice. There would have been between five and 10 questions. I have had nothing back three-and-a-half weeks later; I have not had one response to the questions I asked. On the Saturday just gone I got an email with a generic response that had been put together by Newcrest and sent around. It did not answer my questions. I then emailed Newcrest again and asked whether the answers to my questions could be provided. I still have not received answers to them. For some reason, it seems as though Hon Simon O’Brien had a better presentation than I did to explain these job losses because I cannot confidently stand here and say that I have seen any evidence for them. It is easy to say that jobs will be cut. One thing I have understood as a worker is that when the boss tells someone they will lose their job and they cannot have a pay increase because it will cost the business, that creates fear. It puts a worker in a position of asking what they are going to do. Will they sign a petition if their boss tells them they will lose their jobs? They have to go home and put food on the table. At that point, I do not think evidence comes into it for a casual employee or a worker. If the boss tells them they will lose their job, a lot of people sit back and will genuinely believe their boss, but I have learnt time and again that when I get to the other end of a negotiation and we have the outcome we said we would get, nothing happens; the sky does not fall in! It is about calling their bluff and saying, “Show me the evidence.” Workers need to have the gall to dare to dream.

Another thing is that I have been getting around in Kalgoorlie over the last three weeks. The spring festival is a big event that took place at the weekend. Between 4 000 and 5 000 community locals went through it. After reading the newspapers and hearing the regional member in the other place tell me how people are angry and upset and that this was treachery to the Kalgoorlie region, I went to the festival ready to listen to my constituents and say, “Bring it on. Here we go; let’s have this discussion.” The whole day passed. I walked around all the stalls. I spoke to the businesses. Hundreds of people came through the tent. It was a great day. Issues were raised with me about mental health, youth and the crime rate, and the step-up, step-down facility was praised. How many times do members think the gold royalty was raised with me?

Hon Sue Ellery: How many?

Hon KYLE MCGINN: It was raised zero times; not one person said to me at my stall that the gold royalty was an issue for Kalgoorlie. Not one! It is easy to tell workers that they are going to lose their jobs and get them to sign a petition but when I stood there and listened to the community, they did not reflect the concerns I am hearing throughout the media and from the Chamber of Minerals and Energy. How can we stand here and believe that? I say that we need to dare to dream and we have to understand that we are in a mess and we need to move forward. My constituents did not tell me that the gold royalty was an issue. I accept that is not the entire region but the issue was not raised with me. How many emails did I get from workers in the gold industry and people who are concerned they will lose their jobs?

Hon Sue Ellery: How many?

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

Hon KYLE McGINN: I will be generous; I got 10 emails. Please tell me how that is a catastrophic issue in my region because I would expect thousands of emails from what I have heard from the other place and the member in that region. It is easy to say that when a boss tells a worker the world will end if this royalty gets up.

Hon Dr Sally Talbot: It's a disgrace.

Hon KYLE McGINN: Absolutely. That is my opinion on it. If it were a really big issue, why was the front page in Kalgoorlie the day after the budget about the success of the step-up, step-down facility in the Kalgoorlie region? It was not about a gold tax; it was about fixing the mental health issues we have in that region and getting on with the job. That is my opinion on it. It is a tough issue to talk about but please look at some other perspectives. Do not sit there and tell me that corporations and employers are right every time they say that the sky is going to fall on our heads because I have learnt my lesson and, nine times out of 10, it is not true.

HON NICK GOIRAN (South Metropolitan) [3.49 pm]: The disallowance motion before the house that was moved by Hon Jacqui Boydell is that that this house disallow the Mining Amendment Regulations (No. 2) 2017.

My consideration of the matter takes into account the comments by the Leader of the House earlier today who, after two days of preparation and notetaking, rose to her feet and delivered a speech that indicates the government's position. Part of the explanation provided by the Leader of the House on behalf of the government made reference to the Liberal Party's position that members of the state Parliamentary Liberal Party have a conscience vote on all issues. It is interesting that the Leader of the House would take the opportunity to refer to that aspect of the state Parliamentary Liberal Party. Nevertheless, she did, and as the Leader of the House would know full well, I am one of those members who, while my party was in government, took the opportunity on more than one occasion as a member of the backbench to use my conscience vote. The Leader of the House is unfortunately away on urgent parliamentary business at the moment, so she cannot even provide an interjection at this time to clarify things for me, but perhaps she was appealing to the likes of me to find out whether I might be inclined to use my conscience vote and oppose the disallowance motion moved by Hon Jacqui Boydell. Conscience votes should be used by Liberal members sparingly and rarely in extreme circumstances. I look no further in consideration of this matter and whether to use my conscience vote than this article dated 21 February this year, almost eight months ago. It was written by a gentlemen from the ABC by the name of Andrew O'Connor. I do not know what the attitude of members opposite is to journalists in Western Australia or towards Andrew O'Connor, and I cannot say that I have a lot of experience in dealing with Andrew O'Connor, but, from what I have observed of this gentleman, he strikes me as a very experienced journalist. Of course, experience does not necessarily mean good, it just means that a person has been in the job for a long time. However, my observation is that he is experienced and competent. If the members opposite disagree when I read out this article, I would be happy to take an interjection. This is what he reported in his article on 21 February this year. It states —

WA Labor has pledged not to impose any new taxes or tax increases on West Australians if it wins government in next month's state election.

That was reported on 21 February this year. The election was in March this year. I repeat —

WA Labor has pledged not to impose any new taxes or tax increases on West Australians ...

Perhaps this experienced, competent journalist got it wrong. Maybe he should have said, "WA Labor has pledged not to impose any new taxes or tax increases, except for an increase in the gold royalty." Maybe that is what the then Leader of the Opposition, Mark McGowan, actually said and Andrew O'Connor got it all wrong, although I doubt it. We have had no evidence of that from the Leader of the Government today. The Leader of the Government, who is away on urgent parliamentary business while we are dealing with this urgent matter that required the suspension of standing orders, asked me to cast my conscience vote on this matter, but she did not provide me with any evidence to tell me that Andrew O'Connor got it all wrong on 21 February this year. His article goes on —

Labor leader Mark McGowan made the commitment just 24 hours after announcing a tax hike on foreign investors buying property in the state.

That sounds like a backflip, does it not? He announced a tax hike on foreign investors 24 hours beforehand, and then the next day WA Labor pledged not to impose any new taxes. Mr O'Connor goes on —

Mr McGowan said Labor would release all of its revenue-raising measures before polling day, but stressed people in WA were already paying enough tax.

Again, maybe Andrew O'Connor got it all wrong. This experienced, competent journalist got it all wrong and that is not what Mr McGowan said. Maybe, what he should have reported was: "We will release all of our

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

revenue-raising measures, except for the very shifty, very sneaky gold increase that we will do after the election.” Maybe that is what Mr O’Connor should have reported. I will now read out a direct quote that Hon Mark McGowan made on 21 February 2017, according to Andrew O’Connor in his article —

“There will be no new taxes on West Australians, full stop. If we are elected, there will be no new taxes on West Australians or increases in taxes on West Australians. If we’re elected, full stop,” he said.

The Leader of the House wants me to exercise my conscience vote to work against and oppose Hon Jacqui Boydell’s disallowance motion on the basis that the government says it would like to implement the gold royalty increase. No members opposite have risen to their feet to argue this matter, I will grant them that. None of them have risen to their feet to say, “Well, actually, you know what? Our leader at the time, Mr McGowan, said that we would not have any new taxes on Western Australians. But this is not a new tax, right?” Maybe they think that there is already a gold tax, so this is not actually a new tax, right? But then, of course, Mr McGowan did not say that, did he? He went further and said that there would be not only no new taxes, but also no increases in taxes. That is probable why members opposite have not risen to their feet to say that. However, one of the members opposite might have taken the opportunity to jump up and say, “Hey, Liberal Party, this is not even a tax. It is a royalty, and a royalty is not a tax.” Members opposite could have done that, but they did not.

Hon Darren West: I thought you would have been able to work that out yourself.

Hon NICK GOIRAN: That is why the member has not done it, right? According to Hon Darren West, he has not got to his feet because what I have just said is obvious. With all due respect to Hon Darren West, who was not listening when I said this earlier, it might also be that Mr McGowan on 21 February 2017, as reported by this experienced, competent journalist, said —

Labor would release all of its revenue-raising measures before polling day ...

He did not say that he would not release some of them that he would shiftily put in later; no, he never said that. If members opposite disagree, they are saying that Andrew O’Connor is incompetent and that he got it wrong on 21 February. If that is the case, they should stand up and present their evidence and I will consider my conscience vote. It makes me laugh that the Leader of the House could possibly come in here and suggest that I should use my conscience vote on this matter. This whole episode reminds me of none other than *The Adventures of Pinocchio*. I do not know whether the Premier of this state’s favourite book or film was *Pinocchio*. Maybe I should ask that question in question time. Madam President, indulge me if you will, as I draw to your attention the fact that *The Adventures of Pinocchio* is a novel for children by Italian author Carlo Collodi.

Point of Order

Hon MARTIN PRITCHARD: I would like to draw the President’s attention to my dislike of the approach of the honourable member in, I think, suggesting something, and I would ask him not to.

The PRESIDENT: We have heard some very interesting literary quotes today and references to poetry. I am not too sure where the member is going with this. We will see how he is tracking. I am sure he will moderate his language.

Debate Resumed

Hon NICK GOIRAN: *The Adventures of Pinocchio* is about the mischievous adventures of an animated marionette named Pinocchio. Interestingly, Pinocchio is a naughty pine wood marionette who gains wisdom through a series of misadventures, which lead him to becoming a real human as reward for his good deeds. By way of analogy, it strikes me that we now have a new chapter to insert into *The Adventures of Pinocchio*. I understand that that literary piece has inspired many things across the globe over the years. We should remember that this book was written in the 1880s. Since then, it has inspired people across the globe. I wonder if those adventures of Pinocchio have inspired our new Premier, Mark McGowan.

The PRESIDENT: I am going to remind you about standing order 45 about imputations and personal reflections on other members and just caution you about where you are going with your line of debate.

Hon NICK GOIRAN: I simply wonder whether this book, *The Adventures of Pinocchio*, has inspired the Premier of this state. I find it staggering that the Leader of the Government in the Legislative Council, who is away on urgent parliamentary business, has asked me and my colleagues on this side of the chamber to exercise our conscience vote on a matter when the Premier of this state, when he was the Leader of the Opposition only in February of this year, less than a month out from the election, said to the people of Western Australia that there will be no new taxes on Western Australians—full stop. He said, “If we are elected, there will be no new taxes on Western Australians or increases in taxes on Western Australians—full stop.” The only thing he did not add was “and no returns”.

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple;
Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan;
Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

It is an absolute disgrace for the Labor government to suggest that this is now a problem of the making of the Liberal Party. Every Western Australian who went to the polls in March was entitled to rely on the word of Hon Mark McGowan, the member for Rockingham. Maybe there is a statue of Pinocchio in Rockingham; I do not know. The people were entitled to take him at his word. He said that there would be no increases—full stop. Yet what gets presented in the first shifty budget by this new Labor administration is a sneaky increase in tax for the gold industry. I thought he was going to release all his revenue-raising measures before polling day. If we cannot take a leader of this state at their word in the lead-up to an election, when they are that categorical, what further things during the remainder of this administration over the next three and a half years can we believe? If he says that there will be no new taxes—full stop—should we not believe it? I would have thought that that is what he would want.

The other place is sitting next week. The Premier of this state will speak words in the other place, outside of the Parliament. Are we to believe those things or was it just on 21 February? My recollection is that April Fools' Day is 1 April, not 21 February. It is the height of disgrace that the Labor administration can bring in this regulation, shiftily trying to increase the royalty rate on the gold industry when its leader said that if the Labor Party gets elected, this would not happen. That is what he said. No explanation has been provided for why it would be okay for the leader to say one thing in the lead-up to the election and do another thing after the election.

If this whole adventure was some form of Olympic sport, the member for Rockingham, the Premier of this state, Mark McGowan, would be right up there as a world champion. I wonder whether the only person who would be able to compete with this heavyweight in these adventures would be Hon Julia Gillard. I remember, once upon a time, since we are telling stories —

The PRESIDENT: I am going to draw you back to talk about the disallowance at hand. I think you are wandering off and your debate needs to be a bit more relevant to the matter that we are dealing with right now.

Hon NICK GOIRAN: I would like to support this disallowance motion and not exercise my conscience vote, as I have been invited to do by the Leader of the Government today, because in my view Hon Mark McGowan ought to be held to account for his categorical statements on 21 February. I am saying that that episode on 21 February reminds me of Hon Julia Gillard. I remember Hon Julia Gillard telling the people of Australia at one point in the lead-up to an election, just like Mr McGowan, in exactly the same way, "There will be no carbon tax under a government that I lead." What happened after the election? She brought one in.

Hon Diane Evers: And then it dropped by eight per cent less carbon a year. It worked. Why didn't we get to keep it? If you want to bring that up, we can debate the carbon tax.

Hon NICK GOIRAN: There we go. Hon Diane Evers asked us earlier in her contribution to this debate why this was not deferred so we could negotiate. My recollection of events this week is that the Leader of the Government, Hon Sue Ellery, who is away on urgent parliamentary business at the moment, moved a suspension of standing orders so that my good friend Hon Jacqui Boydell could put her motion forward for debate. Hon Diane Evers never said a word against it. With all due respect to the member, her contribution earlier this afternoon was laughable. She is somehow suggesting that members on this side should have deferred things in order to be able to negotiate when she was silent at the time and now she proceeds to tell me that it was okay that Hon Julia Gillard brought in a carbon tax. It is okay to do those things. It is okay to tell people before an election, "Under no circumstances will I bring in this tax" and then afterwards do it anyway, according to the Greens. That is the standard. Why would I believe anything that the Greens say for the next four years on the basis of that contribution? "It doesn't matter! The end justifies the means"—is that the saying? There is absolutely no way in the world that this disgraceful regulation even warrants consideration of my conscience vote. It offends me that the Leader of the House, who knows full well that, as a member of the Liberal Party, I hold the privilege of a conscience vote with great honour and have used it in circumstances in which I thought it was appropriate, thinks that I am going to exercise my conscience vote on this pathetic regulation, which does precisely the opposite of what Hon Mark McGowan said he would do. On 21 February, he said that it was not going to happen—full stop. Two seconds later, he would sneak it into the first budget. That is a disgrace. It is a disgrace that the Leader of the House would suggest to any member over here that we should even contemplate using our conscience vote on that. Come up with something sensible—a proper piece of legislation, a proper proposal or something with integrity, which this does not have—and then maybe I will consider it. I have done it on a couple of other occasions, one of which was to stand on the same side of the chamber as all the members of the WA Labor Party at the time. I will do it if there is a proper proposal that has integrity. This has no integrity. This is the complete opposite of integrity.

I cannot believe that Hon Mark McGowan can even show his face in public. I cannot believe a word that the Premier of Western Australia says now, when he said so categorically that this would not happen—full stop—and then the very first thing he did was do it anyway. Madam President, you will be aware that in the time that this administration has sat on the treasury bench, I have had repeated problems with responses provided to questions

Extract from Hansard

[COUNCIL — Thursday, 12 October 2017]

p4649a-4677a

Hon Martin Aldridge; Hon Sue Ellery; Hon Simon O'Brien; President; Hon Tjorn Sibma; Hon Robin Chapple; Hon Martin Pritchard; Hon Dr Steve Thomas; Hon Peter Collier; Hon Diane Evers; Hon Alannah MacTiernan; Hon Ken Baston; Hon Kyle McGinn; Hon Nick Goiran; Hon Stephen Dawson

and with answers that have been inaccurate. Now I know why. It is because this is the standard: “It does not matter what we say before; we will just make it up as we go along. We will just use the approach of Hon Diane Evers—the end justifies the means.” This is just disgraceful. I am disappointed that the honourable Leader of the House is away on urgent parliamentary business, because I had hoped that she could assist me to understand how on earth she has come to the conclusion that this would warrant a conscience vote. This is a disgraceful regulation and this approach by the Premier of Western Australia should be condemned by members of this Parliament. No member of the Labor Party, other than the three cabinet ministers, should be supporting this.

HON STEPHEN DAWSON (Mining and Pastoral — Minister for Environment) [4.14 pm]: What a performance we have seen from members of the opposition over the past few days. Here is their chance to finally help fix the problem that they have left this state with—the financial mess that they have saddled this state with—and what do we see from them? It is appalling behaviour.

Several members interjected.

Hon STEPHEN DAWSON: Otherwise, I would say something I would regret!

Members opposite need to admit that it is their fault this state is in such a mess. After eight and a half years of financial irregularities and mismanagement, we are finally here today.

Debate interrupted, pursuant to standing orders.

[Continued on page 4686.]

Sitting suspended from 4.15 to 4.30 pm