

DUTIES LEGISLATION AMENDMENT BILL 2013

Committee

Resumed from an earlier stage of the sitting. The Deputy Chair of Committees (Hon Brian Ellis) in the chair; Hon Peter Collier (Leader of the House) in charge of the bill.

Clause 1: Short title —

Committee was interrupted after the clause had been partly considered.

Hon SALLY TALBOT: I will see whether we can pick up the threads from a couple of hours ago. I draw the minister's attention to the use of the word "expected" in the explanatory memorandum, which states —

It is expected that these amendments will improve the State's finances by around \$120 million per year. What exactly does "expected" mean? I would have thought that in light of the fact that the government knows, presumably, the size of the hole that it is trying to plug, that it could be a little more specific than "expected".

Hon PETER COLLIER: As I mentioned earlier, it is seven per cent of total transfer duty, so it is expected or estimated that that is what it will be. It is always around seven per cent for non-real assets, so that is as close a figure as we can get.

Hon SALLY TALBOT: I understand what an estimate is, but the government referred to \$120 million. Can the minister give us a range of that estimate? If \$120 million is in the middle, is the range from \$110 million to \$130 million or is it \$100 million to \$140 million?

Hon PETER COLLIER: No. As I said, based upon the fact that it is around seven per cent of all stamp duty, it is \$125.1 million in 2013–14. In 2014–15 it is \$121.9 million, in 2015–16 it is \$133.5 million and in 2016–17 it is \$146.9 million. So, the total over the four years is \$527.4 million.

Hon SALLY TALBOT: Perhaps the minister could just briefly outline for us what variables go into that. Presumably if we were talking about, for instance, in the minister's own portfolio, enrolments in schools, he would know pretty specifically what that is going to be. What are the external factors that could impinge on that figure and therefore lead to the use of the term "expected"?

While the minister consults his advisers, I will explain a little more what I mean. I paid particular attention to the part of Hon Ken Travers' second reading contribution about the recovery of the property market. I assume that that would be one of the variables. What sort of expectations has the government built into that estimate about the recovery of the property market or, indeed, a decline in the property market over the four years?

Hon PETER COLLIER: I cannot give the member anything definitive. Suffice to say, the estimated total stamp duty is based on past years and forecasts into the future. The non-real assets, as I have said, are seven per cent of that. That is probably as specific an answer as I can give.

Hon SALLY TALBOT: Hon Ken Travers and other contributors on this side of the house pointed out that under "normal circumstances", if I can use that shorthand term, we would be looking at budget papers in which we have all those predictions set out. I think this is one particular area where the absence of budget papers gives us the feeling that we are slightly stabbing in the dark. I do not want to mix too many metaphors, because I already had my shot at the use of the term "unwind". Unwinding and stabbing in the dark sounds like a remarkably dangerous endeavour, particularly on no sleep!

Hon PETER COLLIER: The *Pre-election Financial Projections Statement* provides a determinant for that total figure.

Hon Sally Talbot: So that's where we find the reference number?

Hon PETER COLLIER: No. That is total assets.

Hon KEN TRAVERS: As the minister knows, I have amendments on the notice paper that amend a range of clauses. The amendments look at a way in which we may be able to address the policy of the bill contained in the statement in the minister's second reading speech that —

The abolition will be revisited when its cost can be better accommodated in the state's budget.

The minister also stated, "Unfortunately, volatility in the state's revenue base ..." Can the minister explain what volatility is in the state's revenue base today that was not there in February this year when the *Pre-election Financial Projections Statement* was released?

Hon PETER COLLIER: I have a few areas to explain the volatility. First of all, the iron ore price has dropped from a peak of around \$US161 a tonne in early —

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Hon Ken Travers: I asked about areas where that volatility has changed since the midyear review. That volatility was included in the midyear review. In fact, the volatility on iron ore prices has been included in the midyear review, the economic outlook and the pre-election financial statements for as long as I can remember. I don't want to go through and detail them all again; I did that last night.

Hon PETER COLLIER: Fair cop, I understand that; but in the midyear review the iron ore price was \$US161 per tonne and it is now \$US113 per tonne.

Hon Ken Travers: What was it in the *Pre-election Financial Projections Statement*?

Hon PETER COLLIER: I will get that one for the member.

There is a lower GST grant as a result of the downward revision of the size of the national GST pool.

Hon Ken Travers: Talked about in the pre-election financial statements; there's a risk of uncertainty and volatility.

Hon PETER COLLIER: There is weaker-than-expected payroll tax collection; there were 4 500 fewer jobs in April 2013 than in November 2012.

Hon Ken Travers: Constantly recorded in the pre-election statements and other documents.

Hon PETER COLLIER: Strong population growth—more than 80 000, in year-ended terms, to the September 2013 quarter. I have to say that flows through to education. We found out in answer to a question yesterday that 70 per cent of more than 10 700 extra students are migrants.

Hon KEN TRAVERS: But that is nothing unusual. I am surprised the minister gave that answer. If he had listened to my comments last night —

Hon Peter Collier: But it does talk about continued volatility. That volatility continues.

Hon KEN TRAVERS: That volatility has been there. Population growth was going to be my next question. Where are the new expenditure pressures that have arisen since the midyear review? All those things were there—the volatility in iron ore prices, the risks associated with GST payments. All the things the minister listed were outlined in not only the *Pre-election Financial Projections Statement*, but also the midyear review, the *Economic and Fiscal Outlook* for the budget and the one before that and the one before that. It is not new; there is no new volatility that was not able to be predicted and it should have been incorporated into the government's fully costed, fully funded plan.

The minister also mentioned one of the issues that have exacerbated our problems; that is, the commonwealth government's refusal to implement the recommendation from its own GST distribution review to immediately reduce by three per cent the effect of the redistribution of mining royalties among the states. That is interesting because it is very similar to the advice that was given to Mr Barnett back in May 1998 in preparation for a speech to the CPA and prior to the signing of the commonwealth–state agreement. I do not know whether the minister recalls that I mentioned last night in the debate that one of the lines in that document stated —

- Western Australia is effectively penalised for its strong economic growth relative to other States by receiving a reduced share of Commonwealth grants. Paradoxically, the grant sharing process currently makes no allowance for the infrastructure demands generated by economic growth.

That problem has been around since 1998. That is not a new problem about the way in which we do not get a redistribution of mining royalties.

Point of Order

Hon NICK GOIRAN: I think the honourable member understands the custom of this house and takes the point of order. I was away, regrettably, on urgent parliamentary business, but I understand that during Committee of the Whole the time should be on and the member has a limit of 10 minutes.

The DEPUTY CHAIR (Hon Brian Ellis): Hon Ken Travers, the time is on now.

Committee Resumed

Hon KEN TRAVERS: Start from scratch!

Page 21 of the *Pre-election Financial Projections Statement* states —

The Review also recommended that the CGC's mining revenue assessments be discounted by 3% to allow for currently unrecognised costs incurred by State governments in supporting mining activity ...

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That is very similar to the comments made to Colin Barnett back in 1998. I assume that the comment the minister was making is that it was somehow exacerbated by that, but it was already mentioned that that was a problem in the midyear review. So again, there is nothing new about that.

But there is another problem. Is it not correct that if the federal government implements all the measures that were contained in its review, we would be worse off? Although we would pick up \$100 million for the three per cent discount, the other part of that review, depending on which scenario is adopted, would have an impact based on the states' relative capacities to collect royalty revenue from onshore minerals, whether they go for the low or the high-rate categories, with iron ore fines being classified to the low-rate category. The review recommended that the Commonwealth Grants Commission be asked to examine the treatment of iron ore fines in light of Western Australia's decision to align the fines royalty rate with the lump iron ore rate. The CGC will be asked to develop a new mining revenue assessment at the earliest opportunity.

Hon Peter Collier: They're trying to get in!

Hon KEN TRAVERS: It is not often that the media beat down the doors to try to come see the Legislative Council in its prime!

Hon Peter Collier: This would be a first!

Hon KEN TRAVERS: The media are beating down the doors! They have heard about us and they are ready; they are here.

Is it not a problem that when the government put that statement in to suggest that there is a problem with the commonwealth implementing that, that the government missed out another part that would have a significant negative impact? When we look at the various scenarios contained in the *Pre-election Financial Projections Statement*, it is arguable that we are actually better off with the commonwealth government not implementing those recommendations, because we would be worse off if it did.

Hon PETER COLLIER: This is a very complex area. I thought I was around it, until the last minute.

Hon Ken Travers: I want to get it on the record and be clear about it.

Hon PETER COLLIER: I would like to get it on the record, too.

If we look at the GST panel's recommendation 7.3 on mining relativities, it states —

The Panel recommends that, in the Terms of Reference for the 2013 Update, the Commonwealth Treasurer direct the CGC —

The Commonwealth Grants Commission —

to add an amount to its expenditure assessments equivalent to a 3 per cent discount of the mining revenue assessment in order to compensate for the fact that some mining related needs of the resource States are not fully recognised. This interim assessment should remain in place until the next methodology review is completed.

Essentially we would have received \$100 million per annum from that.

Hon Ken Travers: Would that not be \$123 million in 2013–14 and rising to \$161 million in 2015–16?

Hon PETER COLLIER: I will check on that figure in one second, but the commonwealth Treasury did not direct the Grants Commission, and that was after the election.

Hon Ken Travers: Actually, minister, on page 21 of the *Pre-election Financial Projections Statement* it points out that that has not occurred at that point.

Hon PETER COLLIER: Yes; \$123 million in 2013–14.

Hon Ken Travers: Yes, and then rising to \$161 million in 2015–16.

Hon PETER COLLIER: Yes.

Hon Ken Travers: I understand that.

Hon PETER COLLIER: The *Pre-election Financial Projections Statement* was released on 7 February 2013. The commonwealth Treasurer's draft terms of reference was provided for comment in late February 2013. The Commonwealth Grants Commission's 2013 update was released on 15 March 2013.

Hon KEN TRAVERS: That is right, minister. At that point there had been no decision in the *Pre-election Financial Projections Statement*—clearly outlined at page 21 of the *Pre-election Financial Projections Statement*—therefore anybody who based their fully costed, fully funded plan on the basis that we would receive that money would have been a fool. Was the Liberal Party's fully funded, fully costed plan at the election

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presuming that the government would get that money? I doubt the minister's advisers can tell him the answer to this one.

Hon PETER COLLIER: We hoped; it was not guaranteed.

Hon Ken Travers: So it was part of the fully funded, fully costed plan that the government assumed it would get that revenue?

Hon PETER COLLIER: No, it was not, because we would not know we were going to get it.

Hon KEN TRAVERS: The fully funded, fully costed plan did not have that revenue booked into it and the Leader of the House is now saying the government has to break the fully funded, fully costed plan because it is not going to get that revenue. The Leader of the House is putting forward an interesting proposition.

Hon Peter Collier: As I said, the government hoped it would have received it.

Hon KEN TRAVERS: Was it in the government's plan or was it not? This is a question the Leader of the House would have to ask his Liberal Party colleagues, not his advisers.

Hon Peter Collier: I could not tell the member.

Hon KEN TRAVERS: If it was in the government's fully funded, fully costed plan, the Leader of the House is basically telling us that the fully funded, fully costed plan was based around wings and prayers. The other part of the question that the Leader of the House did not answer: were there not both positive and negative impacts on Western Australia in how the CGC assesses the state's capacity to raise mining royalties?

Hon Peter Collier: Yes, that is the mining revenue assessment.

Hon KEN TRAVERS: If both of those measures were implemented, the net effect for Western Australia is that we would be worse off.

Hon Peter Collier: Potentially, yes.

Hon KEN TRAVERS: More than potentially—it is highlighted on page 21 of the *Pre-election Financial Projections Statement* that in any one of those scenarios, by 2015–16 we would lose more money than we would be likely to gain from the three per cent discount.

Hon Peter Collier: Is the member referring specifically to those three examples?

Hon KEN TRAVERS: Page 21 gives the three —

Hon Peter Collier: I understand. They are just three examples, though.

Hon KEN TRAVERS: They are the three choices.

Hon PETER COLLIER: Yes, that could be used.

The DEPUTY CHAIR (Hon Brian Ellis): Order, members. I have let the toing and froing go, but I think it might be starting to get difficult for Hansard. Perhaps ask the question and the Leader of the House can answer it and we will get back on track.

Hon KEN TRAVERS: Each and every one of those scenarios, whichever one, even if the Leader of the House argues there are only three examples, not a single example was given in the *Pre-election Financial Projections Statement* that would have resulted in Western Australia being better off as a result of the implementations. What the government needed to do in its fully funded, fully costed plan was make allowances for the fact that if that review was implemented, Western Australia would go backwards. On that basis, we are probably better off that it has not actually been implemented, are we not?

Hon PETER COLLIER: These are statements of risk. They were not factored into the pre-election estimate. As I said, they are statements of risk.

Hon KEN TRAVERS: Correct; but in the Leader of the House's second reading speech it is no longer a statement of risk, it is a statement by him to the house.

Hon Peter Collier: Yes.

Hon KEN TRAVERS: Does the Leader of the House now accept that that statement is only telling half the story?

Hon PETER COLLIER: No. As the second reading speech says, there is volatility. We had hoped to get \$100 million but we did not receive it.

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Hon KEN TRAVERS: The only way we would get \$100 million would be if the commonwealth government implemented the review. If it implemented the review we would get \$100 million but we would lose somewhere between \$250 million and \$565 million in 2015–16. The Leader of the House is telling half the story.

Hon PETER COLLIER: They do not have to implement all the recommendations of course. They could have chosen one or the other.

Hon KEN TRAVERS: The Leader of the House is still giving only half the picture. He cannot sit there and say, “They didn’t implement the bits of the review that we liked. What we wanted them to do was implement the bits of the review that we liked but not the bits of the review that we did not like.” That was the problem back in 1998 when Mr Barnett chose to ignore the advice that was given—it was part of that briefing note that I quoted earlier—and did not stand up for the state of Western Australia, with the Premier at the time, his leader, when Mr Barnett was the deputy leader, to demand that we get a better deal to provide for the infrastructure demands generated by economic growth. The Leader of the House is now saying, 13 years later, that that demand should be implemented. That is the problem. We are not in disagreement that Western Australia needs a better deal, but the Leader of the House cannot sit there and try to justify to this house that he is going to put an impost on businesses, in most cases small businesses, of \$527 million over the next four years because of these things he claims have happened since the election, even though they were clearly outlined in the midyear review. If the government’s fully funded, fully costed plan did not make allowances for that, it sounds to me like whoever did the fully funded, fully costed plan was behaving in the same way the former Minister for Energy behaved when he approved the Muja AB development.

Hon PETER COLLIER: As I said, it has been exacerbated by the potential loss of \$100 million but if —

Hon Ken Travers: But we never had it to lose at that point.

Hon PETER COLLIER: Wait on, let me finish. This is volatility in the state’s revenue base, and that is a host of issues, as I went through before. Land taxes are down, payroll taxes are down, iron ore royalties are down, so as I said there is that combination or that tapestry of issues that have created or typify exactly what the second reading speech says. It is a combination of factors; it is not that one identifiable issue in isolation.

Hon KEN TRAVERS: I do not want to keep going over old ground, but the Leader of the House really needs to concede, I think, that all of those volatility risks—I do not want to do what I had to do last night to try to demonstrate to this house; I can if that is what he wants me to do during the short title, go back over all of those pages. I quoted about 15 to 20 pages —

Hon Peter Collier: I know; I listened to every one!

Hon KEN TRAVERS: — of the *Pre-election Financial Projections Statement* where those volatilities the Leader of the House is now telling us he only learnt about after the election were clearly outlined. We were warned constantly. The Under Treasurer said we needed to ensure we were running large surpluses.

Hon Peter Collier: We always knew there were risks. That is not the issue, and that is what I said earlier.

Hon KEN TRAVERS: When doing a fully funded, fully costed plan, does the government not make allowances for risk in that?

Hon Peter Collier: Yes, of course we do. But as I said we are not talking about one thing —

The CHAIR: Sorry, Leader of the House, if you are going to take the call, it is probably easier for Hansard if you rise to take the call.

Hon Peter Collier: Sorry, I apologise. I think I have actually answered it.

Hon KEN TRAVERS: No, the Leader of the House actually has not.

The CHAIR: Can members observe the normal customs of the house and stand when given the call.

Hon PETER COLLIER: I cannot say any more than what I have actually said. It is just normal volatility. In a number of instances they have been realised. That is what has actually occurred.

Hon KEN TRAVERS: Can the Leader of the House give me one single figure where the revenue has changed since the *Pre-election Financial Projections Statement*?

Hon PETER COLLIER: Iron ore royalty rates. The Under Treasurer has talked about it. I will see if I can get the member a figure.

Hon Ken Travers: Are we talking about because the government has changed the methodology or the amount it will collect from iron ore royalties has changed?

Hon PETER COLLIER: A combination of both.

Hon Dr Sally Talbot; Hon Peter Collier; Hon Darren West; Hon Kate Doust; Hon Simon O'Brien; Deputy Chair;
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I cannot draw from the Treasurer but I have a more eminent source, and that is *The West Australian*!

Hon Ken Travers: Hang on, which journalist wrote it, first? If Peter Kerr wrote it, he's gone!

Hon PETER COLLIER: Under the title "The party is over" published on 20 May 2013 it was stated that royalty revenue estimates have been revised down by around \$1.5 billion over the next four years. If the member believes *The West Australian*, there is the answer.

Hon Kate Doust: But that should not have come as a shock.

Hon Peter Collier: I did not mean to be flippant.

Hon KEN TRAVERS: I think the Leader of the House might find that part of that revising down is actually related to the methodology changes.

Hon Peter Collier: It is, yes.

Hon KEN TRAVERS: I think it is a bit rich to come into this place and say because we have now changed the way in which we do our forecasting —

Hon Peter Collier: But it is as well as price; it is a combination.

Hon KEN TRAVERS: I suspect, if the Leader of the House looks at it again, the Aussie dollar has gone down and therefore the amount would have gone up. That highlights the problem of the volatility of iron ore, which needed to be incorporated. Pretty much every document released by Treasury for a fair while now—the midyear review, the *Pre-election Financial Projections Statement* and the *Economic and Fiscal Outlook: Budget Paper No. 3*—have highlighted the volatility risk with respect to both the spot price of iron ore and the US–Australia exchange rate, and, as I went through last night, a significant period of disconnect between those two that had traditionally acted as a hedge.

Again, I must say I find it interesting that the government once again tells opposition members that it is not for us to ask questions of the government in the Parliament of Western Australia; that we should get our information via journalists! The report the other day that the minister would not table initially but was happy to give off to a journalist—I find that fascinating!

Hon Peter Collier: What report?

Hon Nick Goiran: Don't stray!

Hon Peter Collier: What report?

Hon KEN TRAVERS: The report that initially the Minister for Transport—I do acknowledge that we eventually got it, but initially —

Hon Peter Collier: You got it the next day!

Hon KEN TRAVERS: It was a couple of days; I had to do a few questions first. It built up to a case of it being the next day—like, today is not the next day, today is yesterday still!

Hon Peter Collier: It has taken a while for them to condition to our standards!

The CHAIR (Hon Adele Farina): Members, can I just say that the committee stage is not an opportunity to enter into an open dialogue. The format is, a member asks the question and the minister gives an answer. Can we stick to the format?

Hon Peter Collier: Sorry, Madam Chair.

Hon KEN TRAVERS: What are the factors that will need to occur for us to be in a position to revisit the abolition?

Hon PETER COLLIER: Essentially, the budget position has to improve significantly, and I know that is probably not going to placate the member but that is the best answer I can give. The bottom line has to improve.

Hon KEN TRAVERS: I guess it all depends on what the minister thinks is the bottom line because the issues we are dealing with here are that the bottom line has not actually changed much since 1998. We had the same problems with the commonwealth grants process not making allowances for the infrastructure demands generated by economic growth. The time when we had the chance to change that was when the GST agreement was up for negotiation. The then Liberal government was aware of those problems at the time—we know that—and it did not do anything about it.

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I agree with the minister—I suspect we will just have to continue to agree to disagree. Clearly, it is on the record; that is, all these issues that the minister is now claiming to justify with this tax slug were clearly outlined in the *Pre-election Financial Projections Statement*. I will just allow any of my other colleagues, who have other questions on clause 1, to speak.

Hon DARREN WEST: As I had indicated earlier in this debate to the minister—Madam Chair, please point me in the right direction if I tend to wander because I am new at this—but during the course of the debate he would be well aware of my concerns about the Duties Legislation Amendment Bill 2013. I have made them abundantly clear and I will not go back through them again. But what I see here, especially as a new member of Parliament, is a narrative that is very, very different from the action. We got the narrative that there is a fully costed plan. It is not fully funded; it is not fully costed; there is not even a plan!

I have questions about this bill—I am just pre-empting those questions. There is a very different narrative to the action that we are seeing with the passage of this bill. The cynic in me says that it is all about timing rather than a good piece of legislation; that the bill, having been rammed through in the other place, is put here in such time to give us one day for debate!

Several members interjected.

The CHAIR: Order! Members, we will get through this a lot more quickly with fewer interjections and by giving members who have the call the opportunity to put their points of view. I remind members—in case a comment I made earlier misled you—that you do not have to ask a question during the committee stage. You can just get up and make a statement.

If the member wants to ask a question, that is fine. But he can, he has 10 minutes and can make a statement during that time.

Hon DARREN WEST: Thank you, Madam Chair. I do intend to make some statements and ask a question. I think I was at the place where the cynic in me says that the bill is all about timing rather than being a good piece of legislation, because I do not believe it is a good piece of legislation. It is extraordinary that this bill has to be imposed on business people at a time when we do not even have a budget. If the narrative and the action were together, it would suggest that we do not really know how much money we are going to have next year; therefore, we do not really know whether we need this piece of legislation or not. But we have been plugging away with this piece of legislation for the past 22 hours in what, I would think, are unusual circumstances from the discussions I have had with members from both sides of the chamber.

It is important that we have the maximum amount of review that we can on such a piece of legislation. From what I have heard, in all seriousness, I think business people in Western Australia can safely assume that this impost will be on their businesses forevermore. If this legislation and tax is not abolished now, I think the reality is that forevermore business people of Western Australia can expect to have to pay this duty. I ask the minister whether I would be correct in that assumption.

Hon PETER COLLIER: Can I say, no, the member would not be correct. Certainly as far as the Liberal—National government is concerned, and as the second reading speech states, when economic circumstances improve, it will be considered. If the member is implying wiping it out for future Labor governments, that is his call.

Hon KATE DOUST: I will pick up on the minister's comments. This government has demonstrated that there will indeed be a capacity for this not to happen in the future; it is fairly evident that it will not be delivering on this tax cut in the future. But my question and the discussion I wanted to pursue is, given that the minister has not really been able to clearly articulate a single change that was different from those matters he canvassed in the midyear review until after the election period—although the government had all those various trends changing and predictions in place, allowing for a fair degree of modelling and knowledge when the Treasurer made his announcement on 15 May—had there been, prior to that date, any consultation between the key business stakeholders in Western Australia to alert them to this proposed legislation? The fact that the government repeated deferral after significant promises leading back from the 2008 duties legislation, there would have been an expectation that this Liberal government would have delivered on this tax cut. Was there any discussion with those key business bodies—for example, the Chamber of Commerce and Industry, the regional chambers of commerce, the Small Enterprise Network? Was there any discussion with them about this proposed legislation? That is my first question.

Hon PETER COLLIER: No, not that I am aware.

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Hon KATE DOUST: Given that the government had consistently promised to defer this tax cut, why would the government not seek some feedback from those peak business bodies in this state about the implications of this legislation for small business?

Hon PETER COLLIER: Ultimately, what we are talking about here is a tax. There is no doubt about that.

Hon Ken Travers: It's a big tax.

Hon PETER COLLIER: Yes, well it is a tax, as I said.

Hon Kate Doust: A huge tax!

Hon PETER COLLIER: The relationship of the government with the business community and with a number of groups is very productive and regular. The government is not going to all groups.

Hon Kate Doust: Yes, well we notice your Premier doesn't consult groups very often.

Hon PETER COLLIER: Sorry?

Hon Kate Doust: The Premier doesn't consult; he just goes out and does things like this, doesn't he?

Hon PETER COLLIER: Possibly. All I am saying is that as far as I am concerned —

Hon Kate Doust: Possibly! Well, half the time the ministers don't know what the Premier's going to do, do they!

Hon PETER COLLIER: Do not be so nasty.

Hon Kate Doust: I'm not being nasty; I'm telling the truth! It's something this government might need to learn how to do.

Clause put and passed.

Clauses 2 and 3 put and passed.

Clause 4: Section 2 amended —

Hon KEN TRAVERS: The government has just made sure the chamber has passed clause 2, which is a guarantee that this bill becomes a bill containing a retrospective tax measure!

Clause 4 is the subject of the first of a number of amendments that I have put on the notice paper. Obviously, the following ones are all consequential to clause 4. The purpose of these amendments are to give effect to the statement made very early on in the second reading speech that the abolition will be revisited when costs can be better accommodated in the state's budget. That is what the government says it wants to do. In 2009—when the government first deferred these measures that were due in 2010 as part of the Duties Bill 2008, legislated and committed to by both political parties before the 2008 election—was the first time the Liberal party broke its promises on these matters. If the Liberal Party is genuine that it wants to see this money go back in tax relief to the people of Western Australia, rather than to fund its unsustainable election commitments, where it clearly promised more than it could afford, members would support this amendment and roll through the remainder of the amendments. The effect of these amendments will extend it out by another two years, from 2013 to 2015. I am more than happy if members on the other side say, "2015 is too soon, can we make it 2016?" I would even probably go to 2017, but I probably would want to bring it forward to 14 March 2017. The government might want to make it 1 March 2017 rather than 1 July. I am sure members will understand it is about making sure that these measures are in place and underway before the 2017 state election.

That is the choice for members opposite. They are going to have to live for a long time to come with the shame that they were members of a government that introduced a bill containing a retrospective taxation clause; despite the long history of the Liberal Party of Western Australia opposing that. But government members can make up for it; they can do one thing by supporting these amendments, saying, "We will make sure we will get rid of that tax by 2015" and, as I say, if members cannot bear that, they need to have it a bit later. By all means I would welcome some indication from across the floor; I would be prepared to compromise and push it back.

There is no doubt in my mind that there has been no substantial changes in the volatility of markets or the other issues that the government claims are the justification for this tax slug on the people of Western Australia. This is a broken promise. There is nothing that was not there clearly before our eyes for people to see—or for anybody who bothered to read the *Pre-election Financial Projections Statement*. I know I did. I know the member for West Swan, Rita Saffioti, read those documents. I know Hon Ben Wyatt, the shadow Treasurer, read those documents because we made sure that our election costings made allowances; that is why we took tough decisions during the election campaign to make decisions like shifting the stadium back to Subiaco; it was to save money to fund what we wanted to do. That is why we did not make commitments about the Perth–Darwin

Hon Dr Sally Talbot; Hon Peter Collier; Hon Darren West; Hon Kate Doust; Hon Simon O'Brien; Deputy Chair;
Hon Ken Travers

highway. It was only until we knew we could afford to fund it, unlike members on the other side. I say to members opposite, “Here is your chance, members! Here is your chance to do the right thing!” Members should at least try to minimise the damage of the government’s election extravaganza. The fact that it over-promised now means it will struggle to deliver, even after it has done this slug on the small business owners of Western Australia.

I would urge members to support these amendments. Obviously, if my amendment to clause 4 fails, then the rest of the amendments will fall away. I do not know that I actually need to formally move the first amendment standing in my name. We will achieve that by simply voting no to the question that clause 4 be agreed to. Then subsequently, if that motion is agreed to, I will then move the new clause standing in my name. The challenge for members on the other side is to show whether they are true Liberals and vote no to clause 4.

Hon SIMON O’BRIEN: I would like to thank my good friend, Hon Ken Travers, for laying down the challenge to us, the backbenchers, over here on the government side. We have been here for a little while, and I really did need a bit of a stretch and possibly a scratch! It also gives me the opportunity —

Hon Ken Travers: Go for a run around the block, then!

Hon SIMON O’BRIEN: If the member goes first and if I am not there in five minutes, start without me! It also gives me the opportunity to respond and I do so given the grandstanding of the member who has not finished flapping his gums yet, even though he has been at it for hours!

Hon Kate Doust: That is terribly insulting.

Hon SIMON O’BRIEN: We reject the accusations contained in the member’s remarks. Let me tell everyone in this place that we do not like being in the position where the government that we support is not in a position to cease this tax as early as we would like and as early as had been anticipated. We do not like that at all—of course, we do not. There is no monopoly or exclusivity on that viewpoint held by sanctimonious people opposite; we do not like it. But we also point out that this is not a new tax nor is it a retrospective tax. The duty we are talking about already exists; it has existed for donkey’s years.

Several members interjected.

The CHAIR: Order! Order! Members, Hon Simon O’Brien has the call.

Hon SIMON O’BRIEN: Although we and other states would like to get rid of it, I understand that a number of other jurisdictions —

Several members interjected.

Hon SIMON O’BRIEN: No, not the ACT and Tasmania, as the member quoted, but New South Wales, Queensland and the Labor state of South Australia have all had to take the action in response to their economic situation in relation to the very same sort of duty we are talking about here today.

Finally, the other challenge that was thrown down to us was that we should, on the run, decide that we are going to suddenly amend this bill to say that this tax will be done away with on a certain date. That is exactly the sort of parliamentary action that would cause a heap of trouble—to just, on the run, say arbitrarily, “Oh, let’s pick a date. There’s many millions at stake here, but let’s just pick a date and say we’re going to effect this”. The opposition should not tell us about consultation; it stood up after being up all night and said, “Oh, let’s just flick this; we’ll pick a date out of the hat”. I think it finally settled on somewhere in 2015; it might have been 2014. We reject that, and we reject Hon Ken Travers’ latest harebrained interjection that debate be adjourned.

Hon Ken Travers: We wanted to give you time to consider it!

Hon SIMON O’BRIEN: We have had plenty of time to consider it, even though the opposition has only just tried this. I do not know if I am speaking for everyone on this side, but I suspect I am! I can tell members that we are sick of sitting here, as we have for the last umpteen hours, listening to these false accusations streaming from the member opposite. I thank him for the opportunity to respond.

Hon PETER COLLIER: I will just confirm the position of the government as articulated by Hon Simon O’Brien. We will support clause 4 for the reasons I have outlined on a number of occasions. We cannot put a definitive date on it—I will just emphasise this again—because there is the potential for us to be back here in two years’ time, doing exactly the same thing. That is why there is no definitive date in respect of the conclusion. Particularly, given the volatility in Western Australia, nationally and internationally, it would be foolhardy to make such an amendment, so the government will support clause 4.

Division

Extract from Hansard
[COUNCIL — Thursday, 27 June 2013]
p2382d-2391a

Hon Dr Sally Talbot; Hon Peter Collier; Hon Darren West; Hon Kate Doust; Hon Simon O'Brien; Deputy Chair;
Hon Ken Travers

Clause put and a division taken, the Chair (Hon Adele Farina) casting her vote with the noes, with the following result —

Ayes (19)

Hon Martin Aldridge	Hon Jim Chown	Hon Alyssa Hayden	Hon Michael Mischin
Hon Ken Baston	Hon Peter Collier	Hon Col Holt	Hon Helen Morton
Hon Liz Behjat	Hon Brian Ellis	Hon Peter Katsambanis	Hon Simon O'Brien
Hon Jacqui Boydell	Hon Donna Faragher	Hon Mark Lewis	Hon Phil Edman (<i>Teller</i>)
Hon Paul Brown	Hon Nick Goiran	Hon Rick Mazza	

Noes (10)

Hon Robin Chapple	Hon Adele Farina	Hon Sally Talbot	Hon Samantha Rowe (<i>Teller</i>)
Hon Kate Doust	Hon Ljiljana Ravlich	Hon Ken Travers	
Hon Sue Ellery	Hon Amber-Jade Sanderson	Hon Darren West	

Pairs

Hon Robyn McSweeney	Hon Lynn MacLaren
Hon Dave Grills	Hon Stephen Dawson
Hon Nigel Hallett	Hon Alanna Clohesy

Clause thus passed.

Clauses 5 and 6 put and passed.

Clause 7: Schedule 3 Division 3 deleted —

Hon KEN TRAVERS: I might explain to members that the amendments to clause 7 standing in my name are consequential amendments. Having not had the concurrence of the house on the amendments to clause 4, these amendments are no longer relevant.

The DEPUTY CHAIR (Hon Liz Behjat): So Hon Ken Travers is saying that we can dispense with the notice paper.

Clause put and passed.

Clauses 8 to 18 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

HON PETER COLLIER (North Metropolitan — Leader of the House) [9.39 am]: I move —

That the bill be now read a third time.

HON KEN TRAVERS (North Metropolitan) [9.39 am]: I will not detain the house for very long, but I want to make a couple of points. As I said at the very outset of my contribution to the second reading debate, the Western Australian Labor Party does not support what the government is doing with these measures. We do not accept the arguments that it has put forward to justify these measures. We believe that this is an unfair impost on the businesses of Western Australia, but we do not believe that the upper house should block significant budget measures for governments, so we have tried our best to raise the concerns of the people of Western Australia on this legislation, to try to convince the government that what it is doing is wrong; that it has broken a promise; that what it has done is not justified by any of the evidence; and that the government has simply manufactured arguments to try to find a way to justify revenue to fund a series of election commitments which it made but which were not fully costed or funded. Although we do not support what the government is doing, we will not oppose the third reading of the bill.

Question put and passed.

Bill read a third time and passed.