

Legislative Assembly

Tuesday, 1 May 1984

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

THE LATE MR A. M. MOIR

Condolence: Motion

MR BRIAN BURKE (Balga—Premier) [2.17 p.m.]: I move—

That this House records its sincere regret at the death of Mr Arthur McAlister Moir, former member of this House, Chairman of Committees and Minister of the Crown and tenders deep sympathy to members of his family in their bereavement.

As most members will realise, Mr Moir was not a member of this Parliament during the period I have been a member. He was elected to the twentieth Parliament as the member for Boulder, on 14 September 1951, and he retired prior to the election in February 1971. He was succeeded by another very colourful member of Parliament, the late Mr Tom Hartrey.

As is indicated in the condolence motion, Mr Moir was not only a member of the House, but also a Chairman of Committees and Minister of the Crown. During the period of the Hawke Government, he served in the Ministry. Firstly, he was appointed as Minister for Mines in 1957, and then he undertook the additional responsibility of Chief Secretary in the same Government as from 13 November 1958.

It is not my intention to proceed further than to give those facts about Mr Moir and his service, and I indicate to the Parliament that the father of the House, the member for Welshpool, will be adding some comments to those I have made, based on his personal friendship and association with Mr Moir during the period they were colleagues in the Legislative Assembly of Western Australia. I assume the member for Welshpool will make those remarks following the Leader of the Opposition's seconding of the condolence motion.

MR HASSELL (Cottesloe—Leader of the Opposition) [2.19 p.m.]: I second the motion, and indicate my support for it. I indicate also that my colleague, the member for Mt. Lawley, will make further remarks on behalf of the Opposition in support of the motion.

MR JAMIESON (Welshpool) [2.20 p.m.]: You, Sir, would have known Arthur Moir quite well,

bearing in mind your position in life in Kalgoorlie at the time he was the member for that region.

Arthur Moir was a fighter in every sense of the word. He was born of a very dour Scots father and grew up on the wheat-belt with a number of brothers. They had a rather rough time in the Depression when it was necessary for them to get out and make their own way.

As I said, Arthur Moir was a fighter in every sense of the word. Indeed, to keep the wolf from the door, he was a professional fighter for some time and received many a blood nose.

However, that was typical of the man, who was later involved in the mining industry in Kalgoorlie and who was ultimately the secretary of the mining division of the AWU in that region. From there he gravitated towards being the member for Boulder, and that seat under various names was held by him, as the Premier indicated, for approximately 20 years. During that time, Arthur Moir fulfilled his position as a member of this House and as a worthwhile person in the community.

I well remember being with Arthur Moir at the Boulder Club after he had been elected to Parliament unopposed for the fifth time. He never had an opponent. Someone came up to him and said, "Arthur, would you do something for me? I voted for you at the last election." Of course, Arthur knew very well that this man had not voted for him at the last election but he did not let that worry him as far as his doing something for the fellow was concerned. Arthur Moir had one of those very secure seats which we would all like. He served the people of the region well.

Of recent years, he was not all that well and was not prominent in the precincts of Parliament as was formerly the case. He had suffered a number of strokes and I understand that on Thursday of last week he was taken by a massive stroke. Only a few months ago, he shifted to Melbourne to be with his daughter.

We have seen the end of a great and faithful servant of this State, a man we could all aspire to copy. The relatives of Arthur Moir deserve our sympathies at this time. I am sure his wife would appreciate the motion being expressed here today, as would his son and daughter. His daughter lives in Victoria and his son is a waterside worker at Fremantle.

With those remarks, I support the Premier's motion of condolence concerning to Arthur McAlister Moir.

MR O'CONNOR (Mt. Lawley) [2.23 p.m.]: I support the motion of condolence with respect to Arthur Moir.

Before I came into Parliament in 1959, Arthur Moir was a Minister in the Hawke Labor Government. I found him to be one of the most sincere men I have met. Although he did not strike me as a dynamo, he was a decent man who understood and respected the wants of the people of this State. I found him to be a person to whom I could talk easily and who understood and fought for the cause he believed was right.

I can remember his speaking for some six hours in Parliament one night on a particular issue. During the 26 years I have been in Parliament, only two members have spoken longer than that. They were Herbie Graham and Arthur Tonkin, the present Leader of the House. Arthur Moir always spoke on issues in which he believed; if he did not believe in a cause, he would say so.

He retired from Parliament because of age. I had to smile later, because the person who took over from him was one year older. That struck Arthur as being rather strange.

He had sincerity in everything he did. He believed in what he did, and irrespective of whether the person with whom he was dealing was a Liberal or a Labor man, Arthur would support that view all the way.

The world could well do with more people like Arthur Moir, and I respected very much the contact I had with him and the enthusiastic views he expressed on behalf of the people he represented.

I express to his wife and family my regrets at their sad loss. He certainly contributed to this State in a great way.

MR COWAN (Merredin) [2.25 p.m.]: Like the mover and the seconder of the motion, I have no personal knowledge of the former member, but I did listen with interest to the member for Welshpool and the member for Mt. Lawley. I have risen to indicate that the National Party supports this motion.

The SPEAKER: I ask members to join with me and to stand for a few moments in silence as a mark of respect.

Question passed, members standing.

PORNOGRAPHY AND VIOLENCE

Video Films: Petition

MR HASSELL (Cottesloe—Leader of the Opposition) [2.27 p.m.]: I have a petition from 22 citizens of Western Australia, and it reads as follows—

The Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned plead that because it will cause serious harm to the community the Parliament will not legalise the sale, hire or supply of any video tape, video disc, slide or any other recording from a visual image which can be produced, which portrays scenes of explicit sexual relations showing genitalia detail; acts of violence and sex; sexual perversion such as sodomy; mutilation; child pornography; coprophilia; bestiality or the use and effect of illicit drug taking.

Your petitioners therefore humbly pray that you will give this matter earnest consideration and your petitioners, as in duty bound, will ever pray.

The petition conforms to the Standing Orders of the Legislative Assembly, and I have certified accordingly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

(See petition No. 96.)

PORNOGRAPHY AND VIOLENCE

Video films: Petition

MR HASSELL (Cottesloe—Leader of the Opposition) [2.28 p.m.]: I have a further petition in identical terms, and it bears 20 signatures. It conforms to the Standing Orders, and I have certified accordingly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

(See petition No. 97.)

HOMOSEXUAL ACTIVITIES

Legislation: Petition

MR BLAIKIE (Vasse) [2.29 p.m.]: I have a petition containing 61 signatures, and it reads as follows—

TO:

The Honourable the Speaker and Members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, request that the Western Australian Government will refrain from legalizing the homosexual act between consenting adults in private, on the grounds that homosexuality is not an alternative lifestyle but rather the perverted abuse of the human body, and that this unhygienic perversion breeds diseases that endangers the health of the whole community.

Your petitioners therefore humbly pray that you will give this matter earnest con-

sideration and your petitioners, as in duty bound, will ever pray.

The petition conforms to the Standing Orders of the Legislative Assembly, and I have certified accordingly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

(See petition No. 98.)

PORNOGRAPHY AND VIOLENCE

Video Films: Petition

MR RUSHTON (Dale) [2.30 p.m.]: I have a petition from 566 people and it is couched in terms similar to those of the petition presented by the Leader of the Opposition. It conforms to the Standing Orders of the Legislative Assembly, and I have certified accordingly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

(See petition No. 99.)

PORNOGRAPHY AD VIOLENCE

Video Films: Petition

MR McNEE (Mt. Marshall) [2.31 p.m.]: I have a petition to present couched in terms similar to those of the petition presented earlier by the Leader of the Opposition. It bears 40 signatures, and I have certified that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

(See petition No. 100.)

PORNOGRAPHY AND VIOLENCE

Video Films: Petition

MR McNEE (Mt. Marshall) [2.32 p.m.]: I have a further petition again couched in similar terms. It bears 10 signatures, and I have certified that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

(See petition No. 101.)

HOMOSEXUAL ACTIVITIES

Legislation: Petition

MR SPRIGGS (Darling Range) [2.33 p.m.]: I have a petition to present which is couched in similar terms to those of the one presented by the member for Vasse. It bears 26 signatures, and I certify that it conforms to the Standing Orders of the Legislative Assembly.

The SPEAKER: I direct that the petition be brought to the Table of the House.

(See petition No. 102.)

HEALTH: ALCOHOL AND DRUGS

Select Committee: Extension of Time

On motion by Mr Gordon Hill, the time for submitting the report of the Select Committee was extended to 10 May.

LOCAL GOVERNMENT AMENDMENT BILL

(No. 2) 1984

Report

Report of Committee adopted.

Third Reading

Bill read a third time, on motion by Mr Carr (Minister for Local Government), and passed.

PAY-ROLL TAX ASSESSMENT AMENDMENT BILL 1984

Second Reading

Debate resumed from 19 April.

MR HASSELL (Cottesloe—Leader of the Opposition) [2.34 p.m.]: I do not wish to canvass again all those things which I said when this matter previously came on for debate.

Mr Bryce: Hear, hear!

Mr HASSELL: I know the Deputy Premier was embarrassed so I will not embarrass him again.

Mr Bryce: No; we were mindful of Standing Orders and their requirements about tedious repetition.

Mr HASSELL: I want to bring a number of points forward in summary and in conclusion of my remarks. I have today received from the Treasurer an answer to question 3073 which I asked on 19 April, as follows—

What consultations were undertaken by him with the insurance industry in relation to relevant parts of the Pay-roll Tax Assessment Amendment Bill?

The reply I have now received is as follows—

No consultations were undertaken with the insurance industry.

Mr Brian Burke: Keep reading it. Read the rest.

Mr HASSELL: Yes, I will read the rest.

Mr Brian Burke: Thank you.

Mr HASSELL: To continue—

The clause in the Bill which refers to insurance agents is designed to overcome the effects of a court decision in New South Wales which had the effect of exempting from the tax amounts paid to insurance agents which had previously been taxable.

That answer is not accurate, of course, because the amounts were not previously taxable. Previously,

the tax had been illegally charged. The court found that there was no basis upon which the tax could be lawfully charged.

As I have said previously, the point is that the purpose of this Bill is to extend the burden and the incidence of payroll tax. In doing so, it operates contrary to the way in which the Government indicated prior to the last election it would operate in terms of payroll tax. The Government has not consulted with the local insurance industry and, as a result, finds itself in a position where the industry has been caught by surprise by this legislation. In fact, the legislation creates anomalies.

I quote from one letter which I have recently received about this particular subject. These points are made by an insurance company, as follows—

1. By definition Payroll Tax is a general purpose tax, levied on wages paid or payable by an employer in Western Australia.

Part of my company's function in our State is to be managing agents for another company, for which a commission is paid.

We, the people running our company, are paid wages. These wages are declared and payroll tax paid.

To tax, in addition, the commission would appear, in our case, to be outside the intention of the Act. Therefore, the amendment needs amending.

2. Commissions paid cannot be construed as being a salary cost: it covers many other costs including petrol, motor car costs, travelling and entertaining, rent, etc.
3. Imposition of such a tax will create a situation where the end result will be that the cost will be passed on to the consumer.

That recent letter indicates that the Government should have consulted with the insurance industry before proceeding with this legislation. It does not do the Treasurer any credit for him to say that he is simply introducing a measure to overcome the effects of a court decision. The court found that the Parliament had never intended by the legislation to include these people within its ambit, so we see the presentation of a new measure of taxation and new provisions of various kinds.

Let me simply make these points about the Bill itself. It is intended to make insurance agents' income liable for payroll tax. It includes a questionable attempt—I give the Premier that warning—to define agents' income as wages. Of course,

it is an attempt to turn people who are not employees into employees, and it is an attempt to turn employers into employees, just as the Government's rejected and discredited industrial legislation tried to do.

Thirdly, it includes a dangerous provision for the communication of information concerning a taxpayer, at the direction of the Minister, to any person. That power is unprecedented in relation to a taxing Act, and it is open to political abuse and blackmail. We can contrast the Commonwealth income tax law with that. That legislation specifically provides that the taxation administration is not permitted to provide information concerning individual taxpayers to the Minister or, and indeed, to any Minister of the Crown. He is specifically defined as "a person to whom it is prohibited that information on individual taxpayers be provided". Yet, in this State we have a proposed law under which it would be open to a Minister of the Government to direct that information about an individual taxpayer be provided to any person. That is the third undesirable aspect of the Bill.

The fourth aspect of the Bill is that it contains oppressive provisions as to payment of interest on unpaid tax. The rate of interest is 20 per cent and inhibits appeals being made against an assessment, however genuine those appeals may be or however well founded and reasonable it may be that they be pursued. The rate of 20 per cent is excessive, it is higher than any accepted commercial rate and in being excessive, it is of course oppressive. What is worse than those aspects of this provision is the fact that there is no counterbalancing provision for the State to pay interest on the taxpayer's money when the taxpayer is found to be innocent and is entitled to a refund of his money.

It is a peculiar game of roulette in which only the State can win, and the taxpayer will always lose. If the taxpayer appeals and loses he has to pay this excessive rate of interest on the tax demanded by the Taxation Department. If the Taxation Department is found to be wrong and it is found that it has no right to the money it demanded, then it simply has to repay the money, without any obligation to pay the interest which the taxpayer has to pay on the money the department seeks. It is a most unfair, unjust, and unbalanced provision.

The fifth aspect of the legislation which we question relates to the provision for charities. Of course, we do not wish to deny any charity any benefit it may receive under this legislation, but we are surprised that this provision has been included. We trust that the Treasurer will explain

this matter thoroughly when he replies in the debate and in the Committee stage.

A charity is adequately defined in the legislation and it seems the new provisions are open to selective and politically influenced decisions. This is bad in a taxing Bill. The legislation is really indicating that if one is friendly with the Minister, one can get out of paying a tax. That is a wrong principle to apply in a taxing Bill. If ever there were legislation in which it should be clear where the obligation falls, and in which there should not be a wide discretion to exempt, it is a taxing Bill.

As I said, we do not wish to deny any charity the benefit of this legislation, if it is intended for that purpose, but given that the Act contains an adequate definition of charity which covers all those cases we see as being in the public interest and which should be covered—

Mr Cowan: Could you quote that particular provision in the Act?

Mr HASSELL: No, not from the papers in front of me. I will look at it for the purposes of the Committee stage. The question I am raising at this point is that there is no need for the new provision, or for discretion to be granted, because we have consistently raised the question about the discretion of the Minister to direct that information about an individual taxpayer be given to a person. We are questioning this discretion.

It is always desirable in taxing legislation—although it is not completely possible—to avoid discretions because they are so much open to abuse.

The final point I wish to make about the Bill is that it reverses the onus of proof in the grouping provisions. That again is a measure which is sometimes included in taxing and other legislation—to reverse the onus of proof. This is a serious and important issue when one is trying to force a person, who is burdened with an obligation arising from taxing legislation, to be the one who proves his innocence, or the non-application of the law to him.

I know that on this point the Treasurer will be able to quote to me on this point other taxing measures and many other provisions in other Acts under which the onus of proof is reversed, but that does not mean it is a desirable principle. It does not mean it should not be carefully applied. We believe it is undesirable in the context of this Bill in its intention and consequence.

Overall, we see this Bill as being much more than simply an attempt to fix up what the Treasurer would like to describe as an anomaly arising from a court decision. It is not a Bill which only fixes up an anomaly. In the first place, what

it fixes is not an anomaly; and, secondly, what it does is much broader than counteract the effects of the court decision in New South Wales.

The legislation brings in new provisions concerning communication of information, the payment of interest, the provision for charities, and the reversal of the onus of proof.

For all the reasons I stated when the matter was first debated, and for all the reasons I have stated today, and because of the lack of consultation—it is, after all, a bad Bill—the Opposition opposes the legislation strongly. We believe that if the Government were genuine in its professed concern about business and if the Premier were concerned about the levels of taxation, the Government would withdraw this Bill and go through a proper process of reconsideration and consultation before proceeding with legislation.

It is not impossible to do that. There is no urgency or great pressure on the Treasury or the finances of the State which demand that the Bill should go through immediately. It would be entirely reasonable for the Treasurer, as Minister responsible for this Bill, either to withdraw it or at least to leave it in suspension on the Notice Paper until an appropriate process of consultation and reconsideration can be undertaken. We believe the Government should do that because this is a thoroughly bad Bill as presented, and we oppose it.

MR MacKINNON (Murdoch—Deputy Leader of the Opposition) [2.52 p.m.]: I support the comments so ably made to the Parliament by the Leader of the Opposition. I begin by giving members a brief history lesson—a history that stretches from October 1982 to April 1984, a period of about 18 months. We will see how and why over that period the Treasurer earned the tag of “Pinocchio”, as he was so appropriately depicted in a cartoon in the media some time ago, particularly when the matter of payroll tax arises.

I start the history lesson by referring to *The West Australian* of 30 October 1982, in which was the following—

Mr Burke said that action was needed to:
Replace payroll tax which was a tax on employment.

That is a quite categorical statement, and a factual one. True to his word, in January 1983, the Treasurer, together with the present Deputy Premier, presented their small business policy titled “Small Business: New Growth and Development”. That policy states on page two—

A State Labor Government will take positive action to reverse these trends by implementing a new and innovative programme for INDEPENDENT SMALL

BUSINESS DEVELOPMENT in our State. In summary, a State Labor Government will—

Not “maybe”, “if”, or “but”. To continue—

—take action to **ABOLISH PAYROLL TAX**.

There is nothing in that about consultation with anybody, such as the Commonwealth Government or the other States. It is clear and categorical: A State Labor Government will take action to abolish payroll tax. The Treasurer was committed to the abolition of payroll tax in October 1982, and that commitment was outlined in subsequent advertisements which appeared daily in the media at the time.

We then come to March 1984, about 12 months after the Treasurer attained that position. I addressed a question to him as Treasurer on 22 March, asking how much would be collected in payroll tax by the State Government during 1984. I also asked how much had been collected by the Government in 1983. The answers are very interesting when one bears in mind the comments made previously by the Treasurer. He replied that in 1983, the State Government collected \$254 million from payroll tax, and that in 1984, it expected to collect \$272 million from that tax—an increase of \$18 million on the previous year. Bearing in mind the Treasurer's comments prior to his elevation to that position, it seems clear he has gone back on his word.

It is strange that since becoming Premier and Treasurer his first act of any substance in relation to payroll tax is to broaden the tax net and, secondly, as the Leader of the Opposition indicated, to extend draconian-type powers to the Minister and the commissioner, which powers are not contained in comparable Acts in this State or elsewhere to my knowledge and, thirdly, to extend quite broadly this Government's attack upon the taxpayers of Western Australia. This attack already has taxpayers reeling—under the impact of the FID Act, electricity and gas charges which increased last year by up to 117 per cent on the previous year, and Government charges which—not in the Opposition's terms, but as revealed by independent inquiries across Australia—increased to the highest level of any State in Australia over the last 12 months. The Treasurer has taxpayers reeling.

The Leader of the Opposition has covered the Opposition's general approach to this Bill. I express my concern at amendments in two particular areas. The Treasurer referred to them in his second reading speech in which he said—

In particular, the Bill includes provisions to—

update and broaden the powers of communication of information presently conferred on the Commissioner of State Taxation;

I would like to elaborate on those comments as I examine clause 4 of the Bill, and we will do so in much greater detail in the Committee stage. I refer to that part of clause 4 which says—

(3) The Minister may, where in his opinion it is in the public interest to do so, in writing direct the Commissioner to communicate any specified matter described in subsection (2) (a) of this section—

That is, any information he has received as a consequence of the administration of this legislation. To continue—

—subject to such conditions as may be specified, to the Minister administering any specified department or agency or instrumentality of the Crown or to any specified person or class of persons.

That means the commissioner, at the direction of the Minister, has the power to provide any information that comes into his hands in the administration of this Act to anybody in Western Australia if the Minister considers it to be “in the public interest”. Interestingly, the Bill contains no definition of what is meant by “public interest”. It is up to the Minister of the day to decide in his mind what is in the public interest. That clearly leaves that part of the Bill open to abuse.

The Treasurer could well say in response to this aspect of the debate, “We are going to be most reasonable people; we will not be draconian in our administration of the Act”. That is no protection for the taxpayers or the public of Western Australia who have no knowledge of who his successor may be on that side or this side of the House, or how this law may be used to persecute or prosecute individuals in the community. That power should not be available; it should not be possible for such a thing to happen. Therefore we express serious concern at clause 4 and its implications.

One might ask whether precedent exists for this amendment. The answer clearly is, “No”. In fact the Government in the Financial Institutions Duty Act 1983 which is a similar taxing Bill, specifically precluded the commissioner from providing such information to the public. I refer to section 8 which states—

The Commissioner or any person authorised by him may communicate any information respecting the affairs of any person disclosed or obtained under the provisions of this Act and relevant to the exercise or per-

formance of the powers, authorities, duties or functions of the person to whom it is communicated to—

- (a) the Commissioner, Second Commissioner or a Deputy Commissioner—

In other words, his own officers within the department responsible for the administration of the Act. The Act goes on—

- (b) the Commissioner or any other officer of another State or a Territory administering any law of that State or Territory relating to taxation—

In other words, an exchange of information with taxation authorities in other States and the Commonwealth. The Act goes on—

- (c) the Commissioner for Corporate Affairs for Western Australia.

In other words, the FID Act, which was introduced by this Government in 1983, restricts to whom the commissioner in this State can give information—this is for administrative purposes. He cannot disclose information to members of the public, or to Government authorities or agencies involved in the collection of taxation. Section 8(2) of the Act states that except as provided in subsection (1), a person shall not communicate to any person or publish any information, etc. Contravention of this section could result in a penalty of \$1 000.

It is unusual that in fewer than six months the Government should have a dramatic change of mind which will have a most severe effect on the community.

One might say that the State Government would surely have taken its direction from the Federal Government's Income Tax Assessment Act. Section 16(2) of that Act reads as follows—

- (2) Subject to this section, an officer shall not either directly or indirectly, except in the performance of any duty as an officer, and either while he is, or after he ceases to be an officer, make a record of, or divulge or communicate to any person any such information so acquired by him.

Therefore, the Federal Income Tax Assessment Act specifically precludes any officer from providing any information to anyone except in carrying out his duties as an officer of the Australian Taxation Office or even after he has left its employ. He can be penalised if he contravenes that section of the Act. There is no necessity for this clause to be included in this Bill. It is draconian and should be rejected. I urge the Treasurer to give serious consideration to the direction in which he wants to proceed in relation to that clause of the Bill.

The second major cause for concern by members of the Opposition was referred to briefly by the Leader of the Opposition, and relates to the following statement in the Treasurer's second reading speech—

...allow the imposition of an interest charge in cases of a taxpayer being granted an extended period of time in which to pay his tax or is permitted to pay arrears of tax by instalments;

Clearly, that is a further attack on the rights of taxpayers in this country and, in particular, in this State.

One might ask why this is the case. Quite clearly, it is outlined in the Bill that if a dispute arises concerning any unpaid or outstanding tax by a taxpayer or the Government, an interest rate of 20 per cent will be levied on that outstanding tax. Of course, it does not have to be 20 per cent because that figure can be varied at the discretion of the commissioner. However, if the figure of 20 per cent, which is used by the Australian Taxation Office, is any guide, it will be the rule and not the exception, and that will be the percentage charged to taxpayers.

The Opposition believes there is a need for interest rates to be charged on outstanding taxes, but it should be no greater than the prevailing bank rate. Why should the taxpayer be penalised because of a dispute concerning unpaid taxes? It could well be that the dispute is no fault of the taxpayer, but is the commissioner's responsibility. The taxpayer is severely penalised because he could be discouraged from appealing. He may be forced to borrow money from his bank which could severely restrict the operations of his business, particularly if he believes he is right and has had no advice to the contrary. As a result he could pay a 20 per cent fine which is not tax deductible and may receive no benefit whatsoever; or, he may choose to pay the tax and not seek the right to pursue an appeal to the commissioner.

The Opposition believes that this should not be the case. While every effort should be made to encourage the taxpayer to meet his obligations he should have every right to dispute an assessment if he believes it to be wrong in any way.

As outlined by the Leader of the Opposition the other concern of the Opposition is that if the commissioner is wrong, the taxpayer has no similar rights of refund of the penalties paid. It is a one-way street. If the taxpayer borrows money to pay his assessment and his subsequent appeal succeeds, his outstanding taxation is recouped by him, but the bank interest he has had to pay cannot be recouped. The commissioner will not pay interest on the outstanding money the tax-

payer has been required to borrow to carry on his business. It appears to the Opposition that the taxpayer's rights should be the same as those of the commissioner. If the commissioner is wrong, and proved to be wrong in a court of law, and if the taxpayer has had to forgo the use of certain money, the commissioner should pay the taxpayer accordingly for the loss he has incurred during that time.

It is not likely that that process will cause great concern to the State Treasurer. As the Leader of the Opposition has indicated it is unlikely to have a great impact because there will not be a large number of disputes resulting from this legislation. The important point is that the rights of the taxpayer, whoever he may be, are protected. The Opposition would like to think that the Treasurer shares that interest and will agree to amend this legislation or completely withdraw it, have proper consultation, and come back on the basis of that consultation and advice with what the Opposition would consider to be legislation which properly protects the interests of the taxpayer.

I conclude with a brief word of advice to the Treasurer. The business community in Western Australia feels betrayed by his Government. He has broken his commitment to the people of this State, both in regard to FID and payroll tax. If the Treasurer wants to retain any credibility with the business community, he must give serious consideration to repealing the Financial Institutions Duty Act and reducing payroll tax. After all, it was the Treasurer who made the promise to abolish payroll tax.

If he fails to do so, his publicity machine, all his professional advisers, and all the advertising and promotion in the world will fail to win back the support of those people who gave him their support prior to the last election.

This legislation gives no indication the Government will do either of those things and for the reasons outlined by the Leader of the Opposition, myself and subsequent members of the Opposition, and because it is a most draconian piece of legislation, the Opposition will vigorously oppose this Bill.

MR COURT (Nedlands) [3.09 p.m.]: I add my support to the comments of the Leader of the Opposition and the Deputy Leader of the Opposition. We are all aware that payroll tax is a great disincentive to employment; in fact, a business pays payroll tax on wages even if it is running at a loss. As pointed out by the Leader of the Opposition when he documented cases going back a couple of years, the Government has made it clear that it intends to take steps to get rid of payroll tax. During the debate on the FID Bill in late

November-December last year, the Treasurer gave a commitment that the Government would work towards the abolition of payroll tax. However, only a few months later legislation has been brought to this House to broaden the net.

In the last 18 months, while this Government has been in power, it seems to have been policing the payroll tax provisions in a very strict manner. Instead of the Government's cutting down on the tax, it has strongly enforced various provisions, particularly the grouping provisions, of the Payroll Tax Act. One of the groups affected is contractors. I have been contacted by plumbers and carpenters who have received letters seeking information about their number of employees, gross wages, etc. With regard to subcontractors working for contractors, it has been made clear that the labour content of subcontractors must be included in the calculations for payroll tax payable by contractors. Many of those contractors are already operating under severe difficulties and this represents a further attack on them. Many have very small businesses and yet they must provide the information to prove to the Taxation Department that they do not have to pay the tax. As we know, under the industrial relations legislation, the contractors were to be turned from employers into employees. Their main difficulty has been the downturn in the economy and they are experiencing problems in getting work. However, the financial institutions duty, the prescribed payments duty, and many other attacks make it difficult for them to operate.

When bringing out the Budget, the Government made a big fuss about payroll tax exemptions for small businesses under the 1983 amendments. However, those exemptions turned out to be a farce; the collections this year will increase by 10 per cent. The Government raised the limit on exemptions for the smaller businesses, and at the same time it cut the previous minimum deduction, which was \$37 800, to those employers whose annual wage bill was \$400 000 or more. In one fell swoop those people had to pay five per cent of \$37 800. The Government helped one section of small business, but another section had to bear the brunt of it.

The Bill before us widens this net by including the commission insurance sales people. During the recent debate in this House, the member for Pilbara commented on this amendment. I hope the member realises that commission salesmen operating in her electorate will come under the grouping provisions in this Act. While we were saying that the Government is widening the net, the member for Kalgoorlie interjected saying, "You wait until the next Budget and see what we

do". In other words, he was suggesting that some changes will be made in the next Budget.

It is common knowledge around the traps that in his drive to encourage industry into Western Australia the Deputy Premier has been offering payroll tax incentives. I will cover that aspect later, because I believe some dangerous precedents could be set in this area.

One of the most obnoxious provisions I find in this legislation is the broadening of powers for communication of information. The Deputy Leader of the Opposition made a good point when he said it is unique in taxation law for a Minister to be given such broad powers. The legislation allows the Minister to direct the commissioner to give information to virtually anyone. In other words, the Minister can direct the commissioner to give information—that is, payroll tax information about any business—to one of the Minister's advisers. I think that such information should remain on a confidential basis between the State Taxation Commissioner and the operating company. I would have thought it would be covered by some secrecy provisions; however, not any more. The Minister can now direct the commissioner to provide a ministerial adviser, for example, with confidential information about a business. It is a very serious step, and I hope the three members on this side have made it clear to the Premier that he is trying to create a dangerous precedent.

I refer now to the grouping provision of the Act, which is probably the most difficult part to interpret. The Government is attempting to widen its net by changing definitions to try to cut out the loopholes. As this House is aware, the intention of the grouping provision is to prevent the artificial creation of circumstances to avoid taxation. However, many problems arise with the grouping provision which is one of the most annoying parts of the Act. I quote the example of a group of stores, owned largely independently, but with one person having an interest in all stores. A typical example is the grocery chains, individual stores in which belong to centralised buying groups. These stores are grouped together and they must pay payroll tax. They are small individual businesses, but because of their buying arrangements, they are grouped together and are required to pay the tax. This is a major attack on small business. At present, the franchise operators seem to have escaped, but I am sure the Government will widen the net in that area also. I will elaborate a little further on the possibility of the Government's offering payroll tax holidays to certain new companies coming into the State. I am concerned that the Minister for Industrial Development and Minister for Technology is considering giving such

holidays to foreign companies establishing in Western Australia when the same incentives may not be given to local firms. I support the concept of companies being given payroll tax holidays; in fact, I would like the tax to be abolished. However, if the Government is to give the holidays to foreign companies to encourage them to come to this State, all companies at present operating should receive those incentives first, or at least they should be given to them on a footing equal to that of the foreign companies.

I am concerned that the Government is becoming desperate and is trying to attract new enterprise to the State at any price. One hears of the possibility of technology companies being given slabs of freehold land and other incentives to entice them to Western Australia. I can only say that the Deputy Premier will be seen to be a failure if he has to go to such lengths to encourage this business to the State. I ask the Deputy Premier or the Treasurer, who is handling this Bill, to give an assurance that if payroll tax holidays are given to foreign companies, the same incentives will be given to local companies. I am sure that the companies operating here already would be able to expand their operations and do what the foreign companies claim to be able to do, if they were given the incentives which we hear will be given to the technology companies to encourage them to come to Western Australia.

I conclude my brief remarks on this Bill by saying that I am opposed to the continual widening of the payroll tax net. The Government has diverted the business community by giving it false promises. Even in December last year, the Government was saying it was working towards getting rid of payroll tax, yet here is a Bill which widens the net further.

The provision enabling the Minister to direct the commissioner to give payroll tax information to virtually any person is very dangerous, and I would like to think that the Treasurer is prepared to amend that particular provision.

MR COWAN (Merredin) [3.21 p.m.]: I will not take up much of the time of the House, but I indicate to the Treasurer that the view of the National Party is that it has always opposed payroll tax, and has advocated for some time the gradual abolition of this tax over a period. It should be reduced by a rate of 10 per cent per annum so that it is abolished after 10 years.

The move by the Government to bring into the scope of payroll tax insurance companies or any other bodies is something which, although we generally oppose payroll tax, we recognise the Treasurer is doing in an attempt to make taxation in this form applicable right across the board. We

have no inclination to accept the need to widen the taxing powers which the Treasurer is giving himself.

The clause of this Bill which provides ministerial discretion and exempts from payroll tax charitable institutions or bodies which have charitable objectives, does not cover country high school hostels—certainly not those which come under the auspices of the Country High School Hostels Authority. The Treasurer will notice that I have forecast an amendment—

Mr Brian Burke: I am aware of the amendment.

Mr COWAN: —to include those hostels under the exemption provision.

I examined the Bill which the Treasurer introduced, and it seems to me, even though he is giving ministerial discretionary power to exempt charitable bodies, the hostels would not come under that power. I did seek advice, and I was told that is the case, and that is why my amendment is on the Notice Paper.

It can be argued that people who have children attending those hostels do not pay a large hostel fee, particularly when compared with those of boarding houses for the public schools which are at the moment payroll tax exempt.

It could be argued that because the fee charged by country high school hostels is not in any way near the same category, there is no need to give hostels this type of relief. I would like to assure the House that many of the students who attend country high school hostels have no alternative. Parents are not reimbursed the full amount paid for hostel accommodation, so they find themselves faced with an added cost burden for education—anything from year eight to year 12.

The Government has just established an inquiry into education costs, and I am sure that inquiry relates only to the cost of educating a child at school each day. It concerns just the cost of education itself. It certainly does not involve living-away-from-home expenses.

I remind the Government that this cost is an added burden for many country people, and I ask the Government to give a great deal of consideration to the amendment on the Notice Paper to give exemption to country high school hostels, because they well and truly deserve it.

It can be argued that the losses which any hostel incurs are reimbursed by the Government, or the tab is picked up by the Government hostel authority. That is true. However, I am quite sure those hostels which pay payroll tax would include that amount in their operating costs and they are required to recover it from the students. I hope the

Government has no argument with my amendment.

I do not intend, as the Leader of the Opposition did, to use this debate to discuss the economy of the State or the affairs of private business. The National Party has always been opposed to payroll tax. It does not see any need to support the widening of the powers in the collection of that tax. We see no need to widen the powers of the Minister to direct the commissioner to give information which we regard as private and confidential. We are opposed to the measures in this Bill. However, we know the Government has the numbers, and if the Bill is passed through the second reading, as I am sure it will be, I intend to proceed with my amendment.

MR BRIAN BURKE (Balga—Treasurer) [3.27 p.m.]: The Leader of the Opposition made a number of points which should not pass without comment, and it is my intention to answer them in the order in which he has raised them, and to satisfy any other people who have attempted to undermine the credibility of the Government in respect of this legislation.

The Deputy Leader of the Opposition, in a contribution which was largely political flim-flam, touched on two points of substance which the Leader of the Opposition raised, so I can answer those at the same time. The member for Nedlands did much the same sort of thing without the political flim-flam, and he will be answered in the same way. The member for Merredin raised an "in principle" objection, and this is a different point with which I will deal.

While it may not satisfy the member for Nedlands, action is under way which may eventually satisfy him on that matter.

When dealing with this legislation, the Leader of the Opposition repeated his earlier spurious comments about increases in the levels of State Government taxes and charges. I find it very hard to accept the credibility of any member of Parliament who says, "If I was wrong in including that material, that still only means each household pays this much in extra taxes and charges", and attempts in that way to put aside his responsibility to be close to right, or accurate in his method of calculation.

Mr Hassell: It was not wrong.

MR BRIAN BURKE: All I can say is that the Leader of the Opposition was heard in comparative silence. I normally do not claim the right—

Mr Hassell: You have a look at the *Hansard* report of my speech!

MR BRIAN BURKE: I do not mind interjections, but in the pursuit of the efficient handling of

the business as the session draws to a close, perhaps the Leader of the Opposition can keep his powder dry and do something else on this occasion.

The Leader of the Opposition's position that, although he may have been wrong in his calculation and it may be his staff's fault or someone else's fault, but that, if he were wrong, all that means is the impost on the average family is that much less, does not detract from the criticism that the Leader of the Opposition has an obligation to be mathematically correct and at least to approach some acceptable level of accuracy. He failed to do that and, although he tried to excuse his previous mistakes in his preamble to his contribution on this Bill, he still did not achieve the desired result. The desired result—the accurate and correct one—is that, if we take actual collections and compare them with anticipated collections, we will make a mistake, because we will compare two unlikes. That is the first aspect.

Mr Hassell: What about the natural movement in charges?

Mr BRIAN BURKE: That is the second reason the Leader of the Opposition is wrong. Not only was he comparing like with unlike—that is, an actual collection with an anticipated collection—but also, in his anticipated collections, he was refusing to accept the fact that he made mistakes in inclusions that should not lie rightly as inclusions in his compilation of the anticipated collections. It is as clear as the nose on your face, Mr Speaker—

Mr Hassell: Could I ask one question?

Mr BRIAN BURKE: —that the Leader of the Opposition cannot assign to the people of this State by way of taxes or charges, the \$50 million special payment in respect of the agreement entered into with the Argyle joint venturers. That \$50 million simply is not an increased tax or charge.

There is no way that the Leader of the Opposition can claim the \$50 million should be included as part of the impost. I do not want to dwell on that part of the Leader of the Opposition's comments, but it has been amply illustrated as being correct that he made a mistake.

I turn now to the new points raised by the Leader of the Opposition in his address and I will make one or two observations of a general or comparative nature in respect of them. The first is this: According to the latest CPI figures published today, Western Australia has experienced the greatest decrease in the rate of inflation of any State. I suppose that is something about which we should all be very pleasant and it is certainly

something which impacts on the position taken by the Opposition in respect of taxes and charges.

Regardless of the claims made by the Opposition, the truth is that we are leading the nation in the fight against inflation and, as far as that is concerned, the absence of any tribute to that fact by the Opposition renders to it a certain sort of meanness that I would hope it would disclaim.

We are very pleased that, despite all the things said by the Leader of the Opposition about taxes and charges, the inflation rate in Western Australia is falling faster than it is in any of the other States of Australia.

I shall touch quickly also on the Leader of the Opposition's lukewarm response to the steps taken in the last Budget in respect of payroll tax. I suppose that, as a politician, I am as adroit as is the Leader of the Opposition and as are other members in making political points, but it is really a bit much for the Leader of the Opposition to fail to mention, and for the Deputy Leader of the Opposition simply to say, that all the serious steps taken in the last Budget to relieve 1 100 businesses of the obligation to pay payroll tax did not exist. That was a substantial step towards releasing businesses of any obligation to pay payroll tax.

At least the Opposition could have said, "Yes, we know you have done that, but it is not enough".

Mr Hassell: You obviously weren't here, because I dealt with all those things very precisely.

Mr BRIAN BURKE: I was in the House to hear the Deputy Leader of the Opposition say in his contribution that, as far as he was concerned, that action did not exist or, if it did, it was not significant.

Mr Hassell: You are sliding away from the point which was that you said I did not acknowledge it. I have the notes here of what I said.

Mr BRIAN BURKE: If the Leader of the Opposition dealt with or acknowledged that point—

Mr Hassell: I acknowledged the percentage increase in exemption. It was the subject of a considerable exchange across the Chamber with the member for Kalgoorlie. All the figures were quoted.

Mr BRIAN BURKE: —that criticism is diverted from him, but rests squarely with the Deputy Leader of the Opposition whose contribution I sat through in its entirety and who referred to it as not a significant, substantial, or existing action in respect of payroll tax. Therefore, the first point relates to the lukewarm response of the Opposition—

Mr Court: You know why that is. It is because, a bit further up the scale, a company which

employed 20 people overnight had to pay an additional \$15 000.

Mr BRIAN BURKE: It is true that 1 100 businesses—employers—were freed from the liability to pay payroll tax—

Mr Court: How many businesses had an increase? It was a trick.

Mr BRIAN BURKE: —when we increased the exemption level by 28 per cent to \$116 000.

I do not mind going all the way with the member for Nedlands and saying that we took a substantial step to lift the exemption level and then, in his words, we tricked someone by increasing at another stage in the scale or schedule the payroll tax for which another employer might be liable; but that still does not detract from the substantial increase in the exemption level of 28 per cent, nor does it remove from the Opposition the obligation to be fair and reasonable—not to whinge and whine, but to say, in a manly fashion, if it has an objection, that it is an objection couched in the context of substantial and significant steps taken in respect of the exemption.

The Opposition also should take into account the fact that, in respect of first-year apprentices, the Government was prepared in the last Budget to do something which the Opposition, when in Government, failed to address; that is, to remove the liability that employers of first-year apprentices had to pay payroll tax. Perhaps that was not as significant as the increase in the exemption level, but it was still quite substantial. It was an indication of policy and it was something we did which the Opposition, when in Government, refused to do.

Having said that, I indicate that payroll tax continues to be an inappropriate impost and that the Government, during its term of office, will be looking at every avenue open to it either to substantially reduce payroll tax or to abolish it.

The Leader of the Opposition went to great pains to say that we had made statements about the abolition, replacement, or diminution of payroll tax. He did not say that he had done that, but rather that we had. Evidently the Leader of the Opposition forgot to refer members to a copy of the policy speech delivered in 1983 in which the Opposition made the same promise, the only difference being that the Opposition did not make the promise in the careful terms in which we framed it, accepting that payroll tax constitutes 50 per cent of the State's taxation revenue.

The Opposition, in a display of "me tooism" decided to put a sentence into its policy which simply said, "We will get rid of payroll tax".

Mr MacKinnon: Can you quote that section?

Mr BRIAN BURKE: I do not have it with me.

Mr MacKinnon: Because it does not say that at all.

Mr BRIAN BURKE: I referred to it during the Leader of the Opposition's speech and, although those may not be the exact words used, there was a clear commitment. However, the Leader of the Opposition indicated that we had committed ourselves to the abolition of payroll tax, but he and his party, intelligently and cleverly, had not seen fit to do so. All I am saying is that, if one looks at the policy, one sees the Opposition made a commitment in terms which were clearer than those of the commitment we made.

Mr Hassell: You are confused about the commitment, when it was made, and what I said, and you have not even read the *Hansard*. Apparently you weren't here at the time.

Mr BRIAN BURKE: Far from being confused, I am perfectly happy to say again that the commitment made by the Opposition when in Government was clearer than the commitment on which we are now transfixed as being dishonest, and also it was a commitment that the Leader of the Opposition indicated did not exist, because he said we made a commitment, but the Opposition, when in Government, did not make one. The Leader of the Opposition was hoist with his own petard on that matter.

Mr Hassell: Are you going to tell us what you are going to do to get rid of payroll tax?

Mr BRIAN BURKE: As I have said, we are committed to taking any and every action available to us to reduce and to replace payroll tax. However, quite clearly in a situation where that tax comprises 50 per cent of taxation revenue received by the State, it has to be true that the Commonwealth must come to an arrangement with the States in respect of additional funding to compensate for the revenue that will be forgone. That should be clear to everyone.

Any marginal adjustments in reductions in payroll tax—while they may be possible—will not go to the nub of the problem, and the nub of the problem cannot be pursued in the absence of any Commonwealth additional funding to compensate for the revenue that will be forgone.

I think it was the member for Nedlands who interjected a moment ago and asked what we were going to do about it. I am happy to tell him. Largely as a result of the impetus of the Western Australian opinion, the next Premiers' Conference will discuss the whole question of relative taxing powers of the Commonwealth and the States. A paper is being prepared—

Mr MacKinnon: Two years ago, when Leader of the Opposition, you said exactly the opposite thing. You raised it at a Federal Labor leader's conference and said you would move to abolish payroll tax.

Mr BRIAN BURKE: I am glad the Deputy Leader of the Opposition has pointed to the evidence of the success of the Government's efforts, because the meeting to which he is referring was a meeting of Labor leaders in Adelaide about two years ago. At that meeting, I put a proposition that we should, as Labor leaders, form a joint working party and that we should address the question through that. It was a natural progression from that when we were later elected to Government—so that not only were we Labor leaders, but also we were Premiers, and Prime Minister in one instance—which led to the adoption of that policy set down at that Adelaide meeting.

We had the full support of Mr Bjelke-Petersen and Mr Gray, both non-Labor Party Premiers, in instituting that working party to come up with possible solutions. That was done at the last Premiers' Conference, largely on the initiative of the Western Australian point of view, and the paper dealing with relative taxing powers of the Commonwealth and the States will be presented at the next Premiers' Conference, which is now just a month or two away.

It is a major achievement to have focused the attention of the States and the Commonwealth on the very matter on which the Opposition attempts to demonstrate our inactivity. Largely as a result of the initiative of the Western Australian point of view, we have had established a working party, and part of the deliberations of the next Premiers' Conference will be concentrated on the paper produced by that working party.

The Opposition once again attaches to itself a certain meanness in its opinion. Rather than give credit to anything that the Government does, it seems intent upon pulling it down and refusing to acknowledge those opinions that do not fit in with its arguments, and in a mean way it attempts to deny the Government any credit whatsoever.

Mr Hassell: You said FID would be a better tax than payroll tax.

Mr BRIAN BURKE: Among the other points made by the Leader of the Opposition—apart from the political points which have no substance—he referred to the inclusion of insurance agents in the scope of the tax. No matter what the Leader of the Opposition tries to say, this legislation originated from the State Taxation Department and it seeks simply to restore the situation that was thought to exist prior to the 1983 Privy Council decision in the New South Wales

case. It does not matter what the Leader of the Opposition said about the finding of that court in support of its dissolution of that situation. The court had to have bases on which to make its judgment. We accept that the court, for whatever reason, decided it was not appropriate for the scope to be what was thought to be the case, whether it was because the Parliament had never intended it or for some other reason.

The truth is that this legislation simply seeks to establish the situation that was thought to exist prior to that case—that is all. That is the point made in the answer to the Leader of the Opposition.

Acting on the advice of the State Taxation Department, we considered that the scope as previously thought to exist was an appropriate restoration.

If the Leader of the Opposition believes that what he says is right—that is, that we should simply be confined and restricted at the behest of other State Governments or of the Commonwealth Government—let him say so. If it is his point of view that we should let the Commonwealth or the States take a court case, the decision on which binds us to having to accept the surrender of our rights as a State Administration, he should say so. We believe the pre-1983 scope is appropriate, and that is all this legislation seeks to achieve.

As for the charging of interest, I want to make it perfectly clear that the proposed interest rate of 20 per cent per annum will apply only in situations where the time allowed for payment has been extended or where the payment of tax is to be made by instalments over a period of time. It will not be used as a charge in a situation where a taxpayer takes exception to an assessment by the State Taxation Commissioner.

Mr MacKinnon: When you say it will not be used, are you saying it is not designed to do anything but that?

Mr BRIAN BURKE: It will not be used; it is not intended to be used. As to whether it could be used, there is some doubt. What the Opposition does, if it is returned to Government, is for it to decide. I am trying to make it perfectly clear to this Parliament and to the public in the context of this Bill and in my second reading reply to the debate, that it is not and never was the intention of the Government or the State Taxation Commissioner that this 20 per cent interest rate should apply when situations occurred which involved objections to an assessment.

Mr MacKinnon: If anyone lodges an objection, a penalty interest rate will not be charged?

Mr BRIAN BURKE: I can only say it again. It will apply only in a situation where the time allowed for payment has been extended or where the payment of tax is to be made by instalments over a period. That is only when it will apply.

Let me hedge that further by saying that it is not the intention or the Government's view—and the Government will not permit it—that the interest rate will be charged in a situation involving objections to assessments—about which other members spoke—issued by the State Commissioner of Taxation.

Mr Hassell: It is a drafting deficiency.

Mr BRIAN BURKE: No, it is not. The Leader of the Opposition will know that tax avoidance and tax evasion often require—as was acknowledged by his former Federal leader—that certain powers repose in people. As the Leader of the Opposition indicated himself when talking about payroll tax legislation, certain powers repose in people although those powers might not otherwise find a place in legislation. Not for one moment do we stand in support of any pretence, by the Opposition or anyone outside the Parliament, that we should be soft on tax dodgers. In that respect, legislation which will permit the charging of interest goes to the prevention of any tax avoidance which would place the people involved in an advantageous position when compared with that of other taxpayers.

Mr Hassell: How do you arrive at that? This legislation has nothing to do with tax avoidance, in relation to interest.

Mr BRIAN BURKE: The Leader of the Opposition is wrong not only on the general point when he says that this Bill has nothing to do with tax avoidance—it has a lot to do with tax avoidance in its different clauses—but also in his further clarification that he tried to sneak in when he realised he had made a mistake to start with. Tax avoidance by the deliberate refusal to pay according to arrangements made might, in the Leader of the Opposition's view, not be avoidance—it might be delinquency or some other form of evading a tax—but it is perfectly clear that if by being able to delay paying obligations, one taxpayer is put in a position which is advantageous when compared with that of another taxpayer, that person has avoided an obligation that has resulted in an advantage accruing to him.

The interest rate component is deliberately designed to ensure that as far as possible the State Commissioner of Taxation is able to treat people as fairly one to the other as possible.

The Leader of the Opposition also raised—as I think did all the other speakers on this particular

matter—that part of the Bill which deals with the disclosure of information. I say to the Opposition that this change represents what was considered to be necessary to facilitate investigations in line with proposals agreed to by Commonwealth and State Governments. That is the first aspect.

The second is that all the criticisms of the ability of individual Ministers who might do this or might do that ignore the fact that already existing is the ability for any Treasurer to encourage people by relieving them of payroll tax obligations, and any Government, perhaps Treasurers, but certainly Governments, to provide guarantees, and for any Minister to do certain things which will advantage or disadvantage people unfairly. All those powers now exist. In respect of the Minister's disclosing information to one of his advisers—I think that is what the member for Nedlands said—and in respect of the advantage that might be gained by the Minister's exercising discretion wrongly in respect of disclosure, those sorts of situations parallel similar situations that exist in the exercise of ministerial discretion in a number of cases.

Mr Court: Not in taxation law. It is unheard of.

Mr MacKinnon: Can you give us an example of one case where you might want that information to be disclosed to an interested party in the public interest?

Mr BRIAN BURKE: I am not sure that I follow that question, but to answer the member for Nedlands' question first, I am not sure whether there is a parallel in taxation law, but I am sure that there are parallels from which probably much more grievous results could accrue in other areas. I do not know whether that means something sacrosanct about taxation law as opposed to other laws that permit delinquencies and are greater or graver, but I cannot answer the question about taxation.

Mr Court: There does not have to be a delinquency. You can simply instruct your adviser to tell you a bit about Court Marine and he would know everything about our payroll tax history which is confidential between us and the State Taxation Department.

Mr BRIAN BURKE: Any of my officers or me?

Mr Hassell: Why does your Bill allow you to find that out when other legislation prohibits it?

Mr BRIAN BURKE: Because while we might not want to find out anything about Court Marine, we might want to find out something about someone else.

Mr MacKinnon: Exactly.

Mr Hassell: You have got it right.

Mr BRIAN BURKE: That complies with the arrangements made successively by State and Federal Governments, which begs the question—it really does—whether a person believes that in the public eye he will fall down continually. What has the member got to hide?

Mr Court: We have got nothing to hide.

Mr MacKinnon: Absolutely nothing, but we want to protect the rights of individual taxpayers.

Mr Hassell: Aren't you interested in the right of privacy? Are you opposed to it?

Mr BRIAN BURKE: While it is obvious that this sort of power would help to overcome problems in certain situations—that is, in situations where there is a need to assess claims for payroll tax—in connection with any genuine inquiry to be launched by the State Commissioner of Taxation, I take on board those comments of the Opposition. It is not a matter of pressing moment to us, and the Government is willing to entertain any amendments that the Opposition puts forward on the matter. I cannot be more straightforward than that. As I said earlier, it is not a matter that we embrace without the advice of the commissioner, or a matter that we embrace as something that we look very fondly upon. At the same time, there are good reasons in the commission's mind and in the minds of members of the Government, to have that sort of power within the legislation, but it is not something to which we nail our flag. However, as far as the Government is concerned, I am perfectly happy to say that we would consider any amendments that the Opposition might care to suggest in that respect.

In respect of the specific matter raised by the member for Narrogin, I indicate that at present a number of organisations and private student accommodation bodies are paying payroll tax and the State Commissioner of Taxation is currently investigating the operations of all such bodies with a view to examining the extent to which they are liable. I think, and I am advised by the Acting Under Treasurer, that the proposal mentioned is undesirable because it may set a precedent in the situation where those inquiries and negotiations are going on. I am also advised by, and I agree with, the Acting Under Treasurer who indicated at that time that there would be scope at a later date to do something to satisfy the thrust of the amendment. So while the Government is not prepared to accept the amendment on this occasion, it is prepared to give a commitment to consider that amendment on another occasion.

The Leader of the Opposition also touched upon the subject of resources rent tax.

Several members interjected.

The SPEAKER: Order!

Mr BRIAN BURKE: In a sort of wide-ranging debate and contribution which was largely political, in this section at least, he attempted fairly badly to take the Government to task over the resources rent tax. All I can say is that the State Government has acted as honestly as it can to represent what it thought and what it continues to think is the best possible position in seeking the best possible arrangement for Western Australia.

Mr Parker: We did very well out of it.

Mr BRIAN BURKE: It was unfortunate that the Leader of the Opposition, prior to making his comments, was not privy to the fact that the arrangement entered into by the Commonwealth, or the proposals defined by the Commonwealth, treated Western Australians so well.

Mr Parker: Extremely well; couldn't have done better.

Mr Hassell: You could have done better if you didn't have a resources rent tax.

Mr Parker: No resources rent tax in Western Australia. That is what it amounts to. That's true.

Mr BRIAN BURKE: He might bite his tongue when he sees how well this State has done in the face of this horrid creature to whom he referred. It was largely as a result of the efforts and the good faith of the Commonwealth Government and the efforts of the State Government that we are able to include an arrangement which sees for all intents and purposes no resources rent tax in Western Australia.

Mr Court: So we don't have a resource rental tax?

Mr Parker: There is no project in Western Australia to which a resources rent tax applies.

Mr Peter Jones: That is not the point.

Mr Parker: You were saying two days previously that I should be flying over to Canberra because we would lose money from the North-West Shelf.

Mr Peter Jones: You said you were concerned about it.

Mr BRIAN BURKE: I said I was concerned about some aspects of the programmes which were sold out, but the member was saying for months that we would lose the revenue from the North-West Shelf. In fact, we have not lost a cent. We have done extremely well.

Mr Peter Jones: That project is not doing well.

The SPEAKER: Order!

Mr BRIAN BURKE: I think the Minister for Minerals and Energy makes a very valid point.

Mr Hassell: How sweet it is!

Mr BRIAN BURKE: The Deputy Leader of the Opposition was giving advice, and I suppose he will allow me to give him a word or two of advice, too. Mine will be sound advice. I sometimes wonder why I bother to give advice to the Opposition when all it will do is make it more effective. One of the elementary lessons to be learnt is that one does not, as the Leader of the Opposition has done on this occasion, open his mouth before he is sure of his ground.

Mr MacKinnon: That is advice that we could return to you.

Mr BRIAN BURKE: He fell right on top of himself when all those predictions and criticisms concerning the State Government came to nothing.

Mr MacKinnon: The true test will be the level of exploration that occurs within the next 12 to 18 months. That will be the true test of it.

Mr Parker: As a result of our representations, the Commonwealth is talking about a very substantial exploration subsidy as well as the amount of work that the State Government has done on that question.

Mr Peter Jones: You were quoted on 12 April as being concerned about the North-West Shelf.

Mr BRIAN BURKE: Leaving aside all the arguments about resource rental tax impact; parameters; tax rates; thresholds; exploration subsidies; etc., one thing missing is any grace or goodwill from the Opposition in the face of the good deal which has been obtained by the Government for this State. The Minister for Minerals and Energy fought very hard and was very successful in having excluded from the parameters of the tax the North-West Shelf, notwithstanding the fact that a day or two previously the member for Narrogin was saying that we would lose revenue.

Mr Peter Jones: Your Minister said he was concerned about it.

Mr BRIAN BURKE: The Leader of the Opposition was saying all these things about the resources rent tax and its dire effects on Western Australia. It really is time that the Opposition understood that with this matter the State Government deliberately decided that frontal confrontation—something that sits so easily with the Leader of the Opposition—was not in the interests of the State.

Mr Parker: When the member for Narrogin was the Minister for Mines, and Minister for Fuel and Energy, he was responsible for our losing about \$13 million a year to the Commonwealth, from Barrow Island.

Mr BRIAN BURKE: The Opposition in Government presided over the greatest transfer of

revenue from this State to the Commonwealth and to other States that has ever occurred. I am replying to the comments on a resources rent tax which I did not perceive to have much to do with this Bill, but the Leader of the Opposition raised it—

Mr Hassell: I raised a few other things, but you have quite deliberately ignored them.

Mr BRIAN BURKE: I can understand that the Leader of the Opposition would wish that he had not raised this point.

Mr Hassell: Not at all. It is on record and it will be used against you.

Mr BRIAN BURKE: In adopting a more reasonable and conciliatory approach, the Minister for Minerals and Energy has achieved a result which is so different from that achieved by the Leader of the Opposition when his Government was in power that we must be starting to give some credit to that non-confrontationist approach which the Leader of the Opposition seems to shun.

The Leader of the Opposition made a number of claims about the state of the Western Australian economy. While I do not intend to answer all those points, there are some comments I would like to make in respect of the Western Australian economy, in the hope that the Leader of the Opposition might see fit to give just a smidgeon of credit where it might be due.

The first is the CPI figures which were released today, in which it is clear that this State is progressing better than are other States, and which illustrate that as far as the very wild and unsubstantiated claims—in most cases—the Leader of the Opposition made about the increased taxes and charges are concerned, as they reflect on the inflation rate, there is not much credit to be attached to them. We are progressing in that area at a more pleasing rate than are the other States.

I would also like to mention employment growth in Western Australia.

Mr Williams: Growth?

Mr BRIAN BURKE: The member for Clontarf will be interested to hear the figures, because they are the figures which the Opposition was so pleased to use itself so often. They will be interesting to people on the other side, I am sure.

Despite the rising unemployment from 9.8 per cent to 10 per cent over the 12 months to March 1984, the number of employed persons increased in Western Australia by 3.1 per cent over the same period. That was a 3.1 per cent increase in employment and that increase represented an extra 18 000 jobs—18 000 people gaining employment in the State's economy.

Mr Hassell: Which part of that was natural growth for which you were not responsible?

Mr BRIAN BURKE: In comparative terms, we are doing very well when we look at the performances of other States. I can remember the previous but one Premier talking about inflation being beaten State by State. He beat the State over the head with it and unemployment was eliminated only from the ranks of the Government at that stage. They had jobs and no-one else did.

We had 18 000 additional people gaining employment in the State economy during the last 12 months.

Mr Hassell: How much was natural growth?

Mr BRIAN BURKE: All I can say about these figures is that we had 18 000 additional people gaining employment; that is, 3.1 per cent. I would say that we would be responsible for the whole 18 000 additional jobs. I would think so, because the doom and gloom that was evident during the final days of the last Government was discouraging business, boosting inflation, attacking employment, and generally destroying the State's economy.

Had the Opposition retained Government, I do not know what it would have wrought within this area of the State's economy. Had the Opposition remained in Government, unemployment would have hovered somewhere around 15 per cent judging by the way it was going.

Several members interjected.

Mr BRIAN BURKE: I can judge only on performance. Far from having additional people in the work force, we had a negative growth rate in terms of employment. So far as this is concerned, I feel confident in taking credit on behalf of the hard-working Cabinet members for all that 3.1 per cent.

The housing sector in Western Australia is experiencing a rapid turn around from its previously depressed state. Acknowledging the pre-eminent role of the Federal Government, we made in Opposition a point in priority of assistance to housing and all the Opposition has been able to do, in a mean fashion, is to criticise the disposal of some of the State Housing Commission's land, ignoring the fact that we as a State Government are boosting the housing sector in this State by achieving levels of construction about which the previous Government did not even dream.

Several members interjected.

Mr BRIAN BURKE: As far as State Housing Commission programmes are concerned, we have been rationalising the commission's land assets to ensure that we have money available to build houses. The number of new dwelling approvals in

the first eight months of the current financial year was 33 per cent higher than the figure in the corresponding period of 1982-83. These figures speak for themselves—surely things have turned around.

Mr Court: It does not mean you have to widen the payroll tax net.

Mr BRIAN BURKE: All I am replying to are the points the Leader of the Opposition referred to in relation to the Western Australian economy. Most of his comments did not refer to payroll tax either.

As far as the Government is concerned, it does not expect the Opposition to vote for it or at an election not to campaign; the two-party system demands that they do, but what we do expect is the Opposition not to be mean in its attitude.

Several members interjected.

Mr BRIAN BURKE: I have outlined two areas where it would have been possible for the Opposition to see a need for improvement, but the Opposition is being niggardly and mean and refuses to acknowledge those areas.

I turn now to consumer demand.

Mr Old: You poor man.

Mr BRIAN BURKE: I can look after myself.

Consumer demand is picking up strongly with retail sales in the first seven months being 9.1 per cent higher than those in the corresponding period of the previous financial year. That really is a promising and encouraging increase in the level of retail sales.

Mr MacKinnon: What was the increase?

Mr BRIAN BURKE: It is 9.1 per cent.

Mr Peter Jones: That is the volume of money?

Mr BRIAN BURKE: I presume "retail sales" refers to volume of money.

Mr MacKinnon: What is the inflation rate for the same period?

Mr BRIAN BURKE: Under a series of Labor Governments, we have halved the inflation rate. The same sort of meanness is evident in that remark by the Deputy Leader of the Opposition. The national inflation rate has been halved in the period since the Fraser Government was in power.

Mr Court: From 18 per cent to nine per cent?

Mr BRIAN BURKE: It is 5.9 per cent according to the latest figures.

Mr Hassell: Everyone acknowledges that has to do with the medifraud levy.

Mr BRIAN BURKE: It appears we have to change the basis of calculation of the CPI to suit the Opposition.

Mr Hassell: You have changed the basis of calculation.

Mr BRIAN BURKE: We have not changed it at all; perhaps the Leader of the Opposition can tell us how we have done that.

Mr Hassell: You are not comparing like with like.

Mr BRIAN BURKE: The method of calculation is unchanged. It is true that one of the provocations to inflation is the fact that the Medicare levy has been exempted from calculation of the CPI. The Opposition cannot be so silly as to believe it will not show up in the wage increase situation.

Mr Hassell: Who said it would not?

Mr BRIAN BURKE: Then how can the Opposition gainsay the halving of the inflation rate under a successful Labor Administration? That has happened. While the Opposition has been languishing there in a negative and niggardly way, we have been about the job of increasing employment and halving the inflation rate nationally.

Mr Court: Stop smiling.

Mr BRIAN BURKE: I am not smiling.

Mr Hassell: You need a black hat.

Mr Bryce: It is good news.

The SPEAKER: Order!

Mr BRIAN BURKE: Consumer demand has increased markedly, and increases have occurred in those other areas of the economy to which I referred. Despite the negative attitude of the Opposition, the successful policies being pursued by the Hawke Government are bearing fruit.

Question put and a division taken with the following result—

Ayes 27	
Mr Barnett	Mr Jamieson
Mr Bateman	Mr Parker
Mr Bertram	Mr Pearce
Mr Bridge	Mr Read
Mr Bryce	Mr D. L. Smith
Mrs Buchanan	Mr P. J. Smith
Mr Brian Burke	Mr A. D. Taylor
Mr Burkett	Mr I. F. Taylor
Mr Carr	Mr Tonkin
Mr Davies	Mr Troy
Mr Evans	Mrs Watkins
Mr Grill	Mr Wilson
Mrs Henderson	Mr Gordon Hill
Mr Hodge	

Teller

Noes 20

Mr Blaikie	Mr McNee
Mr Bradshaw	Mr Mensaros
Mr Clarko	Mr Old
Mr Court	Mr Rushton
Mr Cowan	Mr Spriggs
Mr Coyne	Mr Stephens
Mr Grayden	Mr Thompson
Mr Hassell	Mr Trethowan
Mr Peter Jones	Mr Watt
Mr MacKinnon	Mr Williams

Teller

Pairs

Ayes	Noes
Mrs Beggs	Mr Tubby
Mr McIver	Mr Laurance
Mr Terry Burke	Mr O'Connor
Mr Tom Jones	Mr Crane

Question thus passed.

Bill read a second time.

ACTS AMENDMENT (WESTERN AUSTRALIAN MEAT INDUSTRY AUTHORITY) BILL 1984

Second Reading

Debate resumed from 17 April.

MR OLD (Katanning-Roe) [4.16 p.m.]: When I spoke during the debate on this Bill two weeks ago, I referred to the very steep increase in inspection fees for export meat in Australia and the effect it was having on the industry. I said that the extra cost for the balance of the current year from the time of its implementation was about \$17.9 million. On the same basis and taking into account the same production, it would cost \$40 million in a full year. We have often talked about this subject and it is a delicate matter, but it must be solved quickly if the meat industry is to continue to be viable.

The effects of the drought and increased costs, and in particular the latest decrease in livestock production throughout Australia, is well demonstrated by the fact that 40 abattoirs have closed during a three-year period. In the five years from 1977 to 1982, 14 000 jobs in the meat industry have disappeared. This has had a tremendously serious effect on the unemployment situation in Australia generally, and in our State in particular. We must endeavour to arrest that trend. No doubt exists that the first thing we must achieve is a better relationship between employer and employee, which in itself will lead to a reduction in costs. We must also endeavour to reduce that added impost of the export inspection fees to the local producer when he takes meat from the export chiller and puts it onto the local market. He pays another set of fees when he does that.

The best example I can give of the industry's attitude to this double meat inspection is one which occurred at the opening of the new floor at Watsons Foods (WA) at which the Premier and the Minister for Agriculture were present. When the General Manager of Watsons addressed the audience, he advised the Premier that the company was reluctantly handing in its export licence because it could no longer afford the luxury of a double inspection fee on almost every pig that went over the floor. That is certainly an indictment on the system and one which I feel we could overcome with co-operation.

During the Minister's second reading speech, he referred to the very successful campaign to promote "Tender Gold" beef. I believe the promotion has been moderately successful, but to say it has been "very successful" is drawing a longbow. The electrical stimulation of meat has been experimented with for some time and it has been proved to be successful, but it is not the only parameter which should be considered when enabling abattoirs to brand meat as "Tender Gold" for sale to the public.

Teething problems have been encountered with this project, as one would expect and I do not believe we should be overcritical of the fact. I have eaten "Tender Gold" beef. I do not know whether it was especially selected for me, but the meat I received has caused no complaint. However, there have been complaints and the two main factors are that firstly, the original parameters were too loose, and, secondly, it has been shown as a result of experimentation by the CSIRO at Cannon Hill in Queensland that there is a failure rate in the electrical stimulation programme. In fact, the CSIRO claims a 10 per cent failure rate on a low-voltage plant and an eight per cent failure rate on a high-voltage plant. That, in itself, puts a fairly unacceptable element of chance in the branding of this beef. I am hopeful that the problems can be overcome, but, in the meantime, we are suffering because in some quarters there is a buyer resistance to the brand. I hope the department and the participants will be able to successfully overcome these problems. I understand that two of the largest retailers in this State are not handling "Tender Gold" beef and this is a great disadvantage to the industry.

The Bill contains a provision to broaden the definition of "carcass" to include primal cuts. Originally the definition of a carcass was the fore-quarter with five ribs. Under this amendment, both quarters of each side will be included in addition to primal cuts. Within the trade there is some apprehension that this change could lead to misbranding of some meats, and while I would use

the word "substitute" very carefully, because I do not want it to be mixed with the substitution of other types of meat, there would be an opportunity for the substitution of primal cuts from export beef to be labelled "Tender Gold" and put on the market in competition with that product.

It is common practice to market primal cuts from export animals. I have eaten some of them and they have been very good; but they do not come within the parameters of "Tender Gold" beef. This is an aspect which should be looked at carefully before this Bill is proclaimed. It is important, especially if we are to obtain the confidence of the buying public. After all is said and done, the public decide the buoyancy or otherwise of the beef market. If we were to lose that confidence, "Tender Gold" beef would be history.

I must admit the provisions in the Bill concerning prescribed and declared animals are confusing. It appears to me that a prescribed animal—we could take lamb as being an excellent example as one which is bound to come through a particular channel, in this case through the Lamb Marketing Board—can be killed only at prescribed abattoirs. In this case, we have several different types of abattoirs, and as I mentioned previously, a declared animal under this Bill is aimed at "Tender Gold" beef which it would be possible to kill at only prescribed abattoirs. As I understand the Bill, a prescribed abattoir would be one that would provide a tenderising programme approved by the authority.

Mr Evans: You would not want electrical stimulation in the small abattoirs. They could not afford it.

Mr OLD: There is the alternative of tender stretch which is still acceptable. I understand that E. G. Green & Sons uses this system, and is able to brand "Tender Gold". Therefore, there is an alternative available.

What small abattoir owners fear, and which possibly theoretically would reduce their throughput, is the fact that the Government could declare hogget as a declared animal under this Bill. If that were done, the only abattoirs which would be able to stamp hogget would be those which are approved as declared abattoirs. If this were to happen, the small abattoirs—despite the hilarity of the Acting Government Whip; some of the small abattoir owners in his electorate would be pleased to hear about him!—would be able to kill hogget on the basis that it could be sold as mutton, and no abattoir would do that. I see this as being a serious bar to the small abattoir operation throughout the State, and it is an aspect which the Minister should study. I have looked at it with a view to finding a reasonable amendment.

However, the whole Bill would be taken out of gear if it were amended to exclude the declaration of hogget as a declared animal.

Before any Government takes the step of declaring any type of animal, it should give it serious thought, having regard for the proprietors of small abattoirs which are an important part of our chain.

I believe the whole legislation is premature, because the Minister appointed a committee to inquire into the meat industry a long time ago. We are anxiously awaiting the findings of that committee. I believe, from what the Minister said in reply to a question, that we can expect the findings of that inquiry some time in July. One of its terms of reference, as stated in *The West Australian* of 21 December 1983, reads as follows—

The purpose of the inquiry is to examine and report on the State Government's involvement in the meat industry. Given the Government's commitment to meat marketing and processing the inquiry will consider the benefits and costs of such involvement to assess how well the producers are served by private sector marketing. The recommendations must include changes required immediately and those that are required in the next ten years.

That, in itself, is setting the wide parameters of this inquiry. The article goes through a list of headings, and continues—

Is there a need for a statutory licensing system controlling the establishment and throughput of abattoirs?

I am not too sure that there is a need for that control any more, and the fact that the system has sorted itself out, or has been sorted out to a large degree by the restrictions in the Act, indicates that perhaps the time has arrived to go back to the licensing only of abattoirs without the restrictions which we placed on that industry in 1975 or 1976.

Undoubtedly the committee of inquiry which was set up to investigate this industry has looked very closely at whether there should be Government involvement in this particular matter. Until that committee of inquiry has made its findings public, and the Government and Opposition have both studied them and decided which recommendations should be implemented and which should not, this Bill is premature. It could well be that in the next session of Parliament we will find further amendments to the Meat Industry Authority Act.

There is no urgency in this Bill—none whatsoever. The meat industry will go along quite happily without it. With this in mind, and in accord-

ance with Standing Orders, I wish to move an amendment known as a reasoned amendment.

Mr Bryce: It is not reasonable, though.

Mr OLD: It is better to be reasoned.

Amendment to Motion

I move an amendment—

That the word "now" be deleted with a view to adding after the word "time" the following words—

after consideration and agreement by the Government and the various sectors of the meat industry of any action required in regard to the Meat Industry Authority arising from the findings and recommendations of the Committee of Inquiry into Government Involvement in the Meat Industry.

In other words, the consideration of the second reading of this Bill should be deferred until the House has had time to have a good look at the recommendations of the committee. In fairness to the industry generally, the passage of this Bill should be delayed.

Abattoir owners are becoming very confused at the various amendments going through. As they point out, this could be very restrictive on small abattoirs, some of which are in the Minister's own electorate, and he knows the problems which some of them are facing. It would give us all time to consider the committee's requirements, and I remind the Minister of my plea to him when he instituted the Lamb Marketing Board referendum, that that referendum should not have been held until the findings of this committee were made known. Here again, this is within one of its terms of reference. It could well be that the committee will have different views, although it is doubtful, in the light of the result of the referendum. It is unfair, and it brings some weight to bear on the committee when a referendum is held virtually making a decision on one of the terms of reference during its deliberations. I would submit that there is no point in the Government's appointing a committee of inquiry if the Government is to blunder ahead blindly, ignoring the work being done by that committee.

MR CRANE (Moore) [4.35 p.m.]: I rise to second the amendment moved by the member for Katanning-Roe, and in doing so, I reiterate what he has already told us. It is very premature of the Government, while waiting for the results of this inquiry, which is an important one for the meat industry and abattoir proprietors in particular, who are awaiting the results with a great deal of

interest and concern, to move ahead with these amendments in the Bill.

I do not have a great deal to say in opposing what the Government is doing, except to criticise the timing. This is tantamount to a person's sitting for an examination without his having studied first. We know the results which would be likely from such an undertaking. The student would probably fail. I believe that the legislation we oppose in this place would be all the better if we were to wait, as has been suggested in this amendment now before the House, until the findings of this inquiry are known.

It costs a lot of money to instigate an inquiry, and many inquiries have been made into the meat industry over the last few years. It must have cost a great deal of money.

It was interesting to hear in this discussion what the dual inspection was costing and how people felt they had to leave the industry because they could not afford the luxury. While I do not blame the Minister for this, I am sure he will remind the House that it was the previous Government which should perhaps answer these questions I am asking now.

Mr Evans: I was going to mention that.

Mr CRANE: The Minister was a member of the Honorary Royal Commission, and I happened to be the chairman. On page 266 of the report of the commission, some of its recommendations read as follows—

All inspection at export abattoirs to be undertaken only by the Commonwealth Department of Primary Industry.

All inspection at non-export abattoirs to be the responsibility of the State Department of Agriculture, the present inspection and administrative arrangements with Local Government Authorities to continue.

A peripatetic type inspection service be implemented through local authorities for remote and isolated areas.

The State Public Health Department to be responsible for domestic meat inspection after the product leaves the abattoir.

This is the important one.

The Public Health Department was responsible for domestic meat inspection after the product left the abattoir.

The DEPUTY SPEAKER: Order! I was just about to point out to the member—

Mr CRANE: I know what you were about to point out, Sir, but I was just using the opportunity.

Good reason exists for this matter to be deferred. I had a great deal to do with the Minister

in the study of the meat industry, and I am sure he will understand the points we are making. I am confident he will agree with this amendment, because it will take nothing away from the Government, but will give it the opportunity to show it is genuinely concerned about the industry and is prepared to wait until the findings of the inquiry are known. When that occurs, clearly whatever legislation comes before the Parliament would be better than that which is introduced prior to the findings of the committee being made known. Therefore, it would get the full support of the House.

I have much pleasure in supporting the amendment before the Chair.

MR EVANS (Warren—Minister for Agriculture) [4.41 p.m.]: The amendment is not acceptable and I shall give the reasons. The House should be made aware of several matters. This is an industry measure and it was brought here at the request of the industry to enable the branding programme to proceed. The member for Katanning-Roe introduced the legislation—

Mr Old: I said so. Did your industry members on the authority ever get a copy of that Bill? I can answer that for you. They did, because I sent them one three weeks later. That indicates how much they know about it.

Mr EVANS: This matter was discussed by the Meat Industry Authority. The measure came from the authority, because it was unable to implement the branding programme as intended initially. The problem could relate to the competence of the previous Minister whose legislation it was.

Mr Old: You had better check with your industry members.

Mr EVANS: If legislation does not work, it is the responsibility of the Minister who introduced it. That is the primary reason the matter is back here now. We have taken the opportunity at the same time to seek to make the first amendment which regulates abattoirs. The MIA is anxious about that matter, for good reasons.

At present, half the abattoirs in this State are operating at less than 50 per cent capacity. I can illustrate that by looking at the figures in respect of the smaller country abattoirs. It is surprising to note that, for the 30 smaller country abattoirs, the figures in respect of capacity used range from 2.9 per cent to 41.2 per cent. That indicates one of the problems which exist.

The member for Katanning-Roe, who has had experience in this area, would be aware that meat from small country abattoirs has come into the metropolitan area to be sold when it has not been

examined properly by inspectors from the Department of Public Health. I can illustrate that by referring to what has transpired at some of those abattoirs.

An in-house, departmental inquiry was carried out recently. Of the nine country abattoirs involved, one operated at 50 per cent capacity; one at 40 per cent, killing two or three days a week; another at 11 per cent; another at 10 per cent, killing four days a week; and the figures for the balance were 31 per cent, 36 per cent, 30 per cent, and four per cent. However, the meat inspection services were not adequate. In one case, the health inspector worked at four abattoirs in the course of a day, and all those abattoirs killed in the morning. That indicates the sort of inspection which occurs in some of the small country abattoirs. It also indicates that the MIA is not able to obtain accurate statistics and, as a result, confusion occurs.

The DEPUTY SPEAKER: Order! Could I endeavour to assist the debate by pointing out that, although the Minister's remarks so far have been tremendously illuminating, they should really be related to whether the word "now" should or should not be deleted?

Mr EVANS: Certainly, and I shall explain why the word should not be deleted.

Several times the member for Katanning-Roe made the point that the authority was needed when there was inadequate slaughtering capacity, and that it is probably required now. However, the reverse situation applies. At the time to which the member referred, which was when this measure was introduced in 1976, adequate abattoir capacity existed. Indeed, it is possible the measure was not necessary, because there was nothing a commission could do, but it could do something now when we have excess capacity. We must examine the problem of how that excess capacity can be used and manipulated; therefore, the authority is required to bring about regulation of the industry. That is the point the member for Katanning-Roe conveniently overlooked.

The reason I object to the amendment is that it will be at least another month before the report of the inquiry set up by the Government towards the end of last year is available. That report will be discussed by members of the Government and sections of the industry concerned.

If it is found that a need exists for legislation, that legislation will have to be prepared, considered, and introduced. Therefore, I feel the measure should proceed for two reasons: Firstly, the MIA requires legislation to enable it to proceed with its branding programme, and, secondly,

to ensure the authority is able to regulate country abattoirs as it sees fit.

For those reasons, I oppose the amendment.

MR BLAIKIE (Vasse) [4.44 p.m.]: I support the amendment moved by the member for Katanning-Roe. It seeks to delay the passage of the Bill, and it is important that the Minister understand that the legislation will not do anything for the meat industry. The Government appears to be recklessly failing to take any notice of the comments which have been made already by members from this side of the House. Indeed, apart from not doing anything for the meat industry, the legislation will be an impediment.

It would be difficult for the Opposition to amend the Bill in a way which would result in meaningful legislation. It has been pointed out that a Government-appointed inquiry into the meat industry exists already. That committee will inquire into, among other things, the reasons the Minister has a Bill before the House. Therefore, the Government is ignoring an inquiry which it established for good reasons. It is proceeding in its own reckless way and, notwithstanding any recommendations the inquiry may bring down in due course, the Government has made up its mind in this respect. On one hand, we have an absolute waste of money in the establishment of the inquiry—

Mr Old: Hear, hear!

Mr BLAIKIE: —and, on the other hand, if the inquiry was necessary and the Government believed it was necessary, we have a very high-handed attitude by the Government of ignoring whatever the decisions were going to be.

Mr Evans: If it was not for your incompetence, it would not need to be here.

Mr BLAIKIE: The Minister is showing a complete lack of any grasp of the subject.

Mr Bryce: That is not true. The Minister is well-informed.

Mr BLAIKIE: I really believe he has lost his mettle, because he cannot have it both ways. He cannot say an inquiry is needed and ignore that inquiry or, on the other hand, bring in a Bill to legislate for the very things that this inquiry will bring out into the public arena so that we would be looking at further legislation down the track.

The other factor is that this legislation will regulate abattoirs and will further restrict the slaughtering that can be conducted in abattoirs. It will be an impediment to the growth of abattoirs throughout the State.

Mr Evans: We need that like a hole in the head at the moment, as you know.

Mr BLAIKIE: Need what?

Mr Evans: An increase in abattoirs at this present time.

Mr Old: There is not likely to be an increase in abattoirs.

Mr BLAIKIE: There will not be an increase in abattoirs throughout the State, but proprietors of existing abattoirs need this legislation like the Minister needs a hole in his head.

Mr Peter Jones: Another one!

Mr Crane: Like we need more Government advisers.

Mr BLAIKIE: Like we need more Government control and regulations. I make this point: These questions in this industry or in any industry happen to be resolved by commercial decisions and whether an abattoir proprietor in Manjimup can slaughter 2 000 head of cattle a week, or whether the authority determines he is permitted to do only 10 a day, I ask members why should the Government regulate to ensure that these people are permitted to slaughter only the number of cattle that the Government or the Meat Industry Authority determines. This is heavy-handed government and it is quite wrong; it is commercially and practically wrong, and it will provide a complete disincentive to those people in the slaughtering industry of this State. I ask the Minister to indicate by way of interjection which abattoirs support the Minister's proposal.

Mr Evans: Certainly your friends in the MAFTA don't.

Mr BLAIKIE: My friends in the what?

Mr Evans: The meat industry.

Mr BLAIKIE: I challenge the Minister to indicate any abattoir proprietor who supports the Government's endeavours. I also challenge him to indicate whether the MIA supports what is being proposed here, because I believe the MIA does not even know anything about the legislation.

Mr Peter Jones: It does not know about it.

Mr BLAIKIE: This legislation was brought in by the Minister and the Department of Agriculture without regard for the Meat Industry Authority or its members who do not know a thing about it.

Mr Evans: That is a load of rubbish. It came from the Meat Industry Authority at the authority's request. It was prepared by the authority.

Mr BLAIKIE: Let me tell the Minister that in that statement he is either deceiving the House or he has been wrongly advised. I hope the latter is the case.

Mr Peter Jones: You had better check on it.

Mr Evans: I repeat that it was brought in by the Meat Industry Authority.

Mr BLAIKIE: I again repeat that the Minister is either deceiving the House or he has been wrongly advised, and that I hope the latter is the case. I again challenge the Minister: My understanding is that the Meat Industry Authority does not support the legislation he is putting forward. It is supported by Dr Gaverty who does not happen to be the Meat Industry Authority. Go back and talk to the producer and other members of the authority. I believe the Minister will find that he has made a classic error.

The DEPUTY SPEAKER: Order! The member for Vasse is tending to drift more into a second reading debate.

Mr BLAIKIE: Thank you, Mr Deputy Speaker. This is a matter which, as I have indicated, is of very grave concern to people in the meat industry and to those who have abattoirs across the State.

I make a final appeal to the Minister to check this out with his department. I certainly hope that the Minister has been wrongly advised, but if the Minister finds that the advice has been of that nature, the Government will be quite embarrassed. He has indicated to me that the MIA knows very little about this legislation and certainly the producer members know very little about it. It will cause throughputs to be placed on abattoirs which will dramatically reduce the current level of throughputs.

In some cases, I can see abattoirs being unable to continue to operate if the levels of throughput are reduced to such a state that they are no longer a viable operation.

I again appeal to the Minister; surely this is not the sort of legislation that the Government supports. This Bill may well have been put forward by the chairman of the authority, but surely the Government does not support this sort of legislation.

The amendment moved by the member for Katanning-Roe is certainly well based. I support it, and I trust that other members of the House will have regard to the fact that the Government in this instance may have been wrongly advised. I support the amendment.

MR STEPHENS (Stirling) [4.48 p.m.]: I indicate that the National Party is opposed to this amendment. I realise that there is a committee of inquiry into the meat industry and perhaps it could be argued that it could be valid to hold off until that inquiry brings down its reports and recommendations. However, the member for Moore has already pointed out that he was chairman of a parliamentary Select Committee which

was turned into an Honorary Royal Commission in 1976, and he read to the House one of the recommendations of the committee relating to dual charges. It still has not been put into effect; that was in 1976, and it is now 1984. If we were to wait the same period for the recommendations of this committee of inquiry to be put into effect, I do not think it could be argued that the Bill would be rushed through the House.

The member for Vasse indicated that we were perhaps pre-empting a decision of a committee of inquiry. That may be so, but at the same time, the committee of inquiry could well come down with recommendations which are in line with this Bill. We do not know, but in any case I accept the Minister's statement in his second reading speech that this legislation has the support of the Meat Industry Authority and I know from my own inquiries that it has the support of the Primary Industry Association. Bear in mind that we may have to wait at least 12 months for the result of the committee of inquiry; then, if a change is required, this House, of course, has the capacity to make it. It is desirable that in the meantime the public and the farming community have the protection that will be afforded by this Bill. For those reasons, we oppose the amendment.

Amendment put and a division taken with the following result—

Ayes 18

Mr Blaikie	Mr McNee
Mr Bradshaw	Mr Mensaros
Mr Clarko	Mr Old
Mr Court	Mr Rushton
Mr Crane	Mr Spriggs
Mr Grayden	Mr Thompson
Mr Hassell	Mr Trethowan
Mr Peter Jones	Mr Watt
Mr MacKinnon	Mr Williams

Noes 29

Mr Barnett	Mr Jamieson
Mr Bateman	Mr Parker
Mr Bertram	Mr Pearce
Mr Bridge	Mr Read
Mr Bryce	Mr D. L. Smith
Mrs Buchanan	Mr P. J. Smith
Mr Brian Burke	Mr Stephens
Mr Burkett	Mr A. D. Taylor
Mr Carr	Mr I. F. Taylor
Mr Cowan	Mr Tonkin
Mr Davies	Mr Troy
Mr Evans	Mrs Watkins
Mr Grill	Mr Wilson
Mrs Henderson	Mr Gordon Hill
Mr Hodge	

Pairs

Ayes	Noes
Mr Tubby	Mr Beggs
Mr Laurance	Mr McIver
Mr O'Connor	Mr Terry Burke
Mr Coyne	Mr Tom Jones

Amendment thus negatived.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Leave granted to proceed forthwith to the third reading.

MR EVANS (Warren—Minister for Agriculture) [5.08 p.m.]: I move—

That the Bill be now read a third time.

MR OLD (Katanning-Roe) [5.09 p.m.]: I am quite amazed that the Minister did not answer any of the questions posed to him during the debate. He spoke on the amendment to the motion that the Bill be read a second time and lightly touched on a couple of points of debate until he was pulled up by the Deputy Speaker. It shows the contempt in which the Minister holds the meat industry when he does not bother to reply. He had plenty of notes supplied to him. Whether he has lost his ability or desire to read, I do not know. I express my displeasure and that of the Opposition about the fact that he saw fit to ignore the matters that were raised.

Question put and passed.

Bill read a third time and transmitted to the Council.

VETERINARY SURGEONS AMENDMENT BILL 1984

Second Reading

Debate resumed from 22 March 1984.

MR OLD (Katanning-Roe) [5.10 p.m.]: The Opposition has no quarrel with this Bill; it is fairly simple and it gives a group of veterinarians the right to become incorporated as a body. Similarly, one veterinarian and an approved person may seek incorporation. This allows these people the same privileges accorded to most of the professions and the Opposition can see no difficulty there. Having made incorporation possible the necessity is created for inspectors to ensure that the intent of the Act is, in fact, followed by the people who take advantage of this clause.

The other part of the Bill refers to veterinary nurses having the right of appeal. When they were included in the Veterinary Surgeons Act as registered persons within the Act there was no right of appeal against refusal of registration, or dismissal from service. Some apprehensions were

Teller

Teller

transmitted to me regarding the apparent lack of the right to appeal of veterinary surgeons who had applied for incorporation and been refused. However, I am assured that there are provisions under proposed section 22 for appeal by a body corporate which has been refused registration. I am convinced that that is correct. Where the board has not given reasons for declining an application there is no right of appeal or any mechanism in the Act for the people concerned to be acquainted with the reasons for refusal. However, taking it to the extreme, they do have the right to appeal through the civil courts. I believe this is a shortcoming within the Bill and one to which the Minister may give attention when the opportunity next arises to bring this Act back to the House.

I have made inquiries within the pig industry from where concern had been expressed when the people involved realised that inspectors were to be appointed under this Bill. They seek an assurance that the inspectors are not to be employed for the purpose of the campaign which has recently been waged through the Press to stop pig producers, and animal producers generally, from having access to ethical drugs. Such a campaign is being waged and it is only in its infancy at present. When the Minister is replying I seek an assurance from him to allay the fears of the industry. Having gone through the Bill I am quite sure that at this stage the inspectors have been appointed to police the activities of the profession and the people are granted, incorporation.

The full liability on the profession still lies with the veterinary surgeon concerned as to whether he is a member of a body corporate. The advantages he receives are that he is part of a company and receives a salary, and is then the participant in the distribution of profits at the end of the year and in the utilisation of the profits of the corporate body whether they are placed into capital or treated as drawing.

With those very few reservations, the Opposition supports the Bill.

MR STEPHENS (Stirling) [5.15 p.m.]: The National Party has looked into this matter and also supports the Bill.

MR EVANS (Warren—Minister for Agriculture) [5.16 p.m.]: The member for Katanning-Roe firstly explored the rights of appeal and I am impressed by the way he approached that subject. He referred to the powers of inspectors with regard to people seeking incorporation. I received a letter from the Primary Industry Association in which I was asked whether the Veterinary Surgeons Amendment Bill seeks to allow the Veterinary Surgeons Board to appoint inspectors and carry out investigations to ensure

compliance with the Act. The executive of the PIA sought confirmation that the amendment will not disadvantage livestock producers by preventing them from conducting routine animal husbandry procedures. I am able to give them the following response which will also cover the point raised by the member for Katanning-Roe. The inclusion of the amendment is at the request of the industry. The assurance can be given, as the amendment will make no difference in this matter.

It is not illegal under the present Act or the amending Bill for an owner to carry out any procedure on his own animals. He commits an offence only if he charges or receives remuneration from any person for services which are classified under the Act as being acts of veterinary science. The matter should give no real cause for concern and I am happy to give the member for Katanning-Roe that assurance.

Question put and passed.

Bill read a second time.

QUESTIONS

Questions were taken at this stage.

Sitting suspended from 6.00 to 7.15 p.m.

VETERINARY SURGEONS AMENDMENT BILL 1984

In Committee, etc.

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

Third Reading

Leave granted to proceed forthwith to the third reading.

Bill read a third time, on motion by Mr Evans (Minister for Agriculture), and transmitted to the Council.

FINANCIAL INSTITUTIONS DUTY AMENDMENT BILL (No. 2) 1984

Declaration as Urgent

MR TONKIN (Morley-Swan—Leader of the House) [7.20 p.m.]: I move—

That the Bill be considered an urgent Bill.

Question put and passed.

MR TONKIN (Morley-Swan—Leader of the House) [7.21 p.m.]: This is just a procedural motion. The Leader of the Opposition's speech is not subject to this motion. After discussions with the Deputy Leader of the Opposition, the following has been agreed. I move—

That following the completion of the speech of the first member responding to the

introduction of this Bill, a total of not more than two hours thirty minutes shall be spent in considering all stages up to and including the putting of the question for adoption of the Committee's report and not more than thirty minutes shall be spent in considering the question for the third reading of the Bill.

I have had discussions with the Deputy Leader of the Opposition on this subject and we agree that it is better for the Parliament to complete the stages of this Bill tonight.

This is the first time I have had an opportunity to refer to the question of sitting times for the remainder of the session. It is hoped that the House will rise at the end of next week and we are holding discussions with the Opposition. The Government will not proceed with some Bills listed on the Notice Paper and with the co-operation we have received so far business should be completed by the end of next week. Members have already been informally notified, and I now remind them that this week we shall be sitting on Thursday evening after dinner and on Friday. We may be sitting Wednesday morning next week, but that is still under discussion. Certainly we will be sitting on Thursday next week, but not on Friday. Hopefully that will end the session.

The agreement with the Deputy Leader of the Opposition was for three hours on this Bill. I have broken that into two hours 30 minutes for the second reading, and 30 minutes for the third reading, because I hope that will solve the problem which might arise if there was no agreement to proceed to the third reading forthwith. Those are the sorts of technicalities of which we must be aware.

MR MacKINNON (Murdoch—Deputy Leader of the Opposition) [7.23 p.m.]: The Opposition, of course, does not oppose this motion, having agreed previously with the Leader of the House. However, I would like to make two or three points in relation to this proposal. We arrived at the agreement previously without any great trauma, but we are now getting towards the end of the session, where traditionally tempers become frayed. I would like the Leader of the House to give an indication of the measures he would like to deal with in relation to the time management of the business of the House. We have discussed some of the major issues. If there are others he would like us to consider, the sooner he can let us know the better as far as the management of the House is concerned.

Secondly, I have expressed the concern of the Opposition at the long list of Bills presented. I consider the Leader of the House is most optimistic if he thinks we will clear them by the

end of next week. This morning we looked through the list and estimated the times. I would not like members on the other side of the House to plan to do anything the week after next Friday, because I for one think we may well be back in that week. I hope the Government can let us know as soon as possible whether we should come back that week or subsequently. We do not want to be put into a position where, for example, we have a major local government amending Bill being presented. It gives us very little time to respond in any meaningful manner to such a detailed Bill. We do not want to be pressured into passing particularly detailed legislation.

There is one other matter which escapes me. If it comes to me later, I will take an opportunity to speak at another time.

Question put and passed.

Second Reading

Debate resumed from 3 April.

MR HASSELL (Cottesloe—Leader of the Opposition) [7.25 p.m.]: The Opposition is in favour of the Government's decision to seek to exempt charities from the operation of the financial institutions duty. It also notes that it is the intention of the Government to exempt from FID all the accounts operated by local government authorities. The Opposition will also support that measure, although I point out to the Government that a new FID anomaly will be created.

In exempting all local government accounts, the consequence is that where local government is involved in trading activities in competition with private enterprise activities of a similar nature, the local government body will be gaining an advantage at the expense of the taxpayer in respect of that operation.

Perhaps one of the most dramatic highlights of that is where there are caravan parks operated both by the local authorities and privately. Under this amendment—which, as I say, we will support because it will be welcomed by local government—the local government caravan park will be exempted from FID, but the private enterprise caravan park will still have to pay the FID, even though both are in exactly the same business and are in competition with one another.

However, I suppose that is the inevitable consequence of a Government which has found itself in a major mess over a piece of legislation, and which is trying to get itself out of that mess by making adjustments which are inadequate and incomplete.

The Opposition, of course, warned the Government of the stupidity of its approach to charities in

bringing forward faulty FID legislation. In fact, armed with information from South Australia, I advised the Government at the time of this legislation that some of the churches and charities in that State had estimated that under the original proposals in South Australia they would have been subjected to massive payments of FID which would have cost them a considerable amount in terms of staffing and interest. The Government would not heed that warning, even though it was very clear that it would apply also in Western Australia.

Indeed, that is precisely what occurred. FID was introduced. The Treasurer assured the House over and over again during a very long debate that the only charge to charities and the churches in this State from FID would be \$20 per annum. But when it came to applying FID under the legislation, it was found that the real cost was very much greater. That arose from the cost of collection and of administration and the cost of interest.

It can best be described in this way: A major church has parishes in all the towns and villages of Western Australia. Each parish of each church has a degree of independence and autonomy. Each parish has at least one bank account, but most have several. They have a general account; in many cases, they have a building fund account to cover the maintenance and extension of the church; they often have an account for a mothers' union or similar associated bodies; and they sometimes have special project or charitable accounts.

One can well imagine how the costs escalated when the practicality of applying financial institutions duty to that situation were brought into account. There was a requirement on the part of churches—of course, that requirement continues, because this legislation has not yet been adopted or put into operation—for a considerable administrative mechanism to identify all the accounts, to handle the applications for exemption, and to make the payments of FID in the meantime.

Of course, that in turn led to the other substantial cost incurred by those bodies, because, as they made their payments of FID, although they were entitled to a refund in the fullness of time, during the period in which the moneys were held, there was a considerable interest component which came into play. That interest component was represented either by the amount of money which the church or charity was not receiving as interest on its investments—and that became very significant in the case of some major charities holding funds for appeals pending disbursement to the beneficiaries of the charities—or by direct overdraft costs incurred with the banks and other financial institutions as they awaited repayment.

It was immediately apparent in the cold light of experience, to which the Government was not prepared to listen in advance, that the amount of money paid by the churches and charities would forever be at the disposal and availability of the Treasury, because, as fast as they made the payments and applied for refunds, they would be paying in similar amounts in the periods leading up to the actual refund, so by the time the refund was received, they would have paid another substantial sum.

Therefore, it would seem to be what the businessman so clearly understands as a cash flow problem—the cash was there, but somebody else had it, and the churches and charities could not get the cash which belonged to them and which they were entitled to use in their own way, because it was held by the State Treasury and was being used by it, and no doubt was earning income for the State Government.

Therefore, the situation we had warned against became increasingly apparent, and the churches and charities began to make their representations to the Opposition. This they did in significant numbers in January as the implementation of FID began to bite. They came to us with their problems, which I have explained, and we began to see very clearly how it was necessary to amend the legislation to provide a complete exemption which was what we had advocated from the beginning.

We indicated publicly that that exemption would be moved by us in the Parliament and on the day that we did it, the report of our decision to move amendments to provide that exemption appeared in the *Daily News*. However, in the meantime the Government, very anxious to be seen to be responding to the concerns which had become widespread, rushed in with a hurried Cabinet decision and managed to snatch for itself a headline in *The West Australian* next morning stating that the Government itself would move to amend the legislation.

Immediately there was speculation as to whether the Opposition had been given some leak or prior knowledge as to the Government's intentions, but that was not the case. I did not mind if the Treasurer thought that we had had a leak from his departments or from his Ministry. We have had them on other issues, but not on this occasion.

Unfortunately, we had more cause to question whether the Government had had a leak as to what we were about, because it rushed in so quickly with its own decision. In fact, as I said, we had been working on this matter for months. We had been receiving representations from the very day on which the legislation began to be ap-

plied—1 January this year—and we had determined that, although we generally opposed the financial institutions duty and would like to see the whole of the legislation removed from the Statute book, we would move to do what we could legitimately as an Opposition in relation to a financial measure, which was to carry out the Government's own intention to exempt the charities. Therefore, we proceeded to prepare our amendments in that respect, only to be overtaken by the amendments that are now before the Parliament on behalf of the Government.

However, in fact, even now the amendments which have been put forward by the Government are not as complete as is necessary to carry out the stated intention of the Government in a couple of areas. The first of those is in relation to charities and churches themselves, because, according to our advice, the Government's legislation will not work effectively to exempt the churches and charities from the impact of FID on their short-term money market dealings. Therefore, in the Committee stage, we will move a further amendment to ensure that the Government's stated intention to exempt the churches and charities from FID is carried through.

It is not an idle or minor matter, because the substantial churches and charities have significant financial dealings and just as the State Government seeks to maximise the benefit of its cash flow through the investment on the short-term money market of its surplus cash on a daily basis, and the State Treasury has a well developed and sophisticated mechanism for making those investments, so too do the major churches and charities seek to maximise the benefits of their cash flows through similar types of investments.

One can well imagine how, over the course of a year, a charitable institution of some kind or other which has a major appeal at a particular time of the year, will receive income from that appeal which is to be used by the charitable institution over the whole course of the balance of the year. In other words, at the beginning of the year, immediately after the appeal has been made and completed, the charity has in hand a significant sum of money which is surplus to its immediate requirements, although by the end of the year of the activities of the charity it will have used all that money. In the meantime, the charity, being prudent of its donors' funds and being anxious to maximise its opportunity to carry out those purposes which it has, seeks to make short-term investments of varying amounts and durations of its cash surplus. That is what we understand from our advice. It is not effectively exempted by the amendments which have been brought forward by

the Government. Accordingly, we propose in the Committee stage to move a further amendment to ensure that is given effect to.

I trust that on this occasion the Treasurer will not take such a bull-headed and dogged approach to this matter as he did when we originally warned him of the consequences of his actions in introducing the financial institutions duty and seeking to apply it to charities in the way he did. I trust that, on this occasion, he will be prepared to consider the point we have raised and to seek competent advice on it, because even if our drafting or advice is not perfect—the House well knows that we do not have available to us the extent of expertise available to the Government—the point has been made with us, it has been considered, and it is our belief that the amendments will not work effectively to exempt all the financial operations of churches and charities and that, therefore, a further amendment is requisite. We will move that amendment for consideration in the Committee stage.

Looking at the matter on a slightly broader base, we repeat our very firm opposition to the existence of the financial institutions duty. We believe that the tax was introduced last year unnecessarily and that the Government could have avoided the introduction of the tax by the exercise of appropriate financial restraint and discipline. The Government itself may have come to regret that it fell into the FID trap, because it certainly did so. The Government definitely succumbed to the temptation in its first year in office, in its first Budget, to impose a new tax to make its expenditure programmes easier. Unfortunately the effect of doing so has been the creation of a series of economic and financial anomalies, only some of which are addressed—although not effectively—in this Bill.

Again we have seen a very pig-headed approach from the Treasurer on this matter. A great deal of information was given to us in January and February, and again in March, by companies, institutions, bankers, and advisers around the town as to the flow of money out of the State as a result of the existence of a financial institutions duty in Western Australia at a higher rate than that of any other State in Australia. We obtained information that at least as much as \$100 million had left Western Australia and that more money would leave the State.

Information was given to us also that a number of major companies had moved their financial accounting and charging to Queensland. That was borne out by the existence in the commercial community of invoices directed to the purchasers of goods in Western Australia, where those invoices

emanated from Queensland, in the name of the company from which local purchases had been made.

Of course, we have been unwilling to disclose the name of any company or person involved in transferring its financial transactions to Queensland. Although the move is totally lawful and legitimate and one which any group of shareholders would be entitled to expect would be taken by a prudent management, the fact of the matter is that these financial organisations and trading corporations would fear reprisals from the State Government if their names were made public. Of course, we were not prepared to do that.

The member for Nedlands who has done a great deal of work on this matter and has compiled a report for the Opposition, will refer to some of these issues in subsequent stages of debate, but I return to the point I made. Just as the Treasurer would not listen to us when we told him when the Bill came here that the imposition of FID under his arrangements on charities and churches would cause significant cost and inconvenience to those bodies, neither would he listen when we told him over and over again that money was leaving Western Australia, business operations were leaving the State, and FID was providing a significant investment disincentive in this State.

He would not listen and he denied it publicly on a number of occasions; in fact, on one occasion on 1 January this year, he said that he had to introduce FID so that he could pay for the \$30 million deficit which he had been left by the previous Government. That is just another one of those examples—I have referred to them before in the Supply debate—where the Treasurer has repeated over and over again an incorrect statement, presumably deliberately. In fact, one could only reach that conclusion because the Treasurer's own Budget discloses the true position; he has tried to turn into a truth that which manifestly is not a truth in terms of the allegation that the Government was left with a \$30 million deficit.

I hope that the Treasurer who was so anxious tonight in question time to make great play of an incorrect statement in the *Daily News* about what I was supposed to have said in Albany—even though I had not seen the report and did not make the statement attributed to me by the report—will also be anxious tonight when given the opportunity to respond to this debate to make some apologies himself. Firstly, an apology for having been so wrong as to deny constantly, as he did, that FID was driving money out of Western Australia, and secondly, to apologise for having so often incorrectly said that the State was left with a deficit of \$30 million when he took over office.

I refer to an article which appeared in *The West Australian* on 17 January this year under the heading "FID claims absurd, says Premier". The article reads as follows—

THE PREMIER, Mr Burke, launched a counter-attack to the Opposition's campaign against WA's new financial institutions duty.

On Radio 6PR—

That is his favourite radio station. The article continues—

—he said FID was part of his Government's commitment to balance the State's finances after taking over a \$30 million deficit.

Opposition allegations that millions of dollars were leaving the State within days of the implementation of the duty were absurd.

"No one had any evidence that this was the case after the tax had been in operation for only one day," Mr Burke said.

"The Opposition says it will not release details on companies or individuals because they are sensitive commercial details."

And so on. Of course we had evidence of those things happening because the companies did not wait around until after the legislation was passed into law and when they would start incurring the tax before they moved their operations out of Western Australia. They moved beforehand. They moved in anticipation of FID coming into operation on 1 January and they moved to get out of Western Australia so they would avoid it.

In *The West Australian* of the next day, 18 January 1984, under the heading "Real Estate Salesmen's Association" the following appeared—

F.I.D.S. IS COSTING MILLIONS

IT IS likely millions of dollars will be transferred out of WA because of the State Government Financial Institution's duty. Commercial bodies stand to lose clients to Brisbane where transactions are cheaper. The likelihood is increased that mining and exploration companies would also move their treasury operations to Queensland. The F.I.D. tax is iniquitous, and the rate of 5c a \$100 is severe compared with 3c a \$100 in other States. There are possibly other and better, less complex ways of raising tax.

There was evidence; there were facts. The Treasurer tried to wipe them off. He tried to bluff it out, as he tries with so many things. He was clearly and distinctly wrong and that inaccuracy was proved not only by the Opposition's own survey and report, but also very clearly by the latest report issued out of industry in this State which revealed just how much had been lost on a disclosed and conservative basis. On a disclosed

and conservative basis, the figure was very close to \$100 million, but it will be noted from the report of that survey that quite a number of companies were not prepared to answer questions even in a general way because of their concern about confidentiality and the sensitivity of what was going on.

It is clear that FID has operated against the interests of Western Australia in three distinct ways: Firstly, it has driven money out of the State. This money was on the short-term money market and was in circulation in the business community.

Mr Clarko: Did the Deputy Premier deny that in the last two weeks?

Mr HASSELL: I am sure he did, and the Premier has denied it over and over again. The Treasurer has tried to wipe off what the Opposition has said. Remember the headline, "FID claim absurd, says the Premier". On so many other occasions he has been extremely rude, to put it at that level, in his approach to what we have said about what is going on. He has tried consistently since 1 January to deny that our statements about FID were correct, yet those statements have been proved not only to be correct but also to be very accurate in terms of the actual figures that we have used and also to be totally consistent all the way through.

The Treasurer owes the Opposition an apology for his approach in this matter. He needs to say that he was proved clearly to be wrong, not only by the Opposition but also by the latest report of industry which shows what has happened and what is continuing to happen.

The second area in which FID has been a distinct disadvantage to Western Australia is in the area of commercial trading operations because every company which has moved its charging, invoicing and accounting supply operations from Western Australia to Queensland takes away from Western Australia business activity, banking activity, and of course, employment. The simple fact of the matter is that FID is exporting jobs from Western Australia, and that is not an exaggerated claim; that is a claim based on the established, factual record as to what FID is doing to this State.

The third area in which FID is operating to the disadvantage of Western Australia is the disincentive it provides to further investment in this State, to the establishment of financial and money markets and to the development of those which presently exist. It is a very serious matter because plans were afoot for public advances in this area in this State. The Perth Chamber of Commerce has been promoting such proposals for some years; that organisation sought from the pre-

vious Government and from this Government a reduction in certain stamp duties to facilitate the expansion of money markets and money market operations. There was indeed a real opportunity for Western Australia to take advantage of its geographic position, its proximity to Asia and the fact of its being on a similar time zone to South-East Asia and Japan to move in on this area, but that required the Government to forgo a certain amount of its revenue in terms of stamp duty. On the other hand, what has occurred is that the Government of this State has maintained to the full extent the stamp duties which previously applied, and in addition has imposed the financial institutions duty.

FID works to the disadvantage of business in two ways: Firstly, it works to its disadvantage because of the funds required to be paid and, secondly, because of the compliance costs. Once again I can say that the work done by the member for Nedlands, which has been sustained and outstanding, will demonstrate to members, as it is developed in later stages of the debate, just how much damage is being done by this duty.

Difficulties relating to compliance have arisen not only in terms of the computer programmes and the manual programmes which have to be laboriously carried out to collect the FID, but also in relation to interpretation, where considerable problems have been experienced. I invite the Treasurer to stand in response to this debate and to say that his Treasury has not been advising business in a number of areas to do things which are very questionable in terms of the legislation.

Mr Peter Jones: That is right.

Mr HASSELL: We know that Treasury in this State has in fact been advising people—because it is the only thing that Treasury can do—

Mr Peter Jones: That is right.

Mr HASSELL: —to do things which are technically illegal. That is the Treasurer's own department. During the past several months Treasury has been advising people to do things, which are technically very questionable and in some cases illegal, by reason of its being in a situation where the Act is so unclear that no-one, not even the best legal brain, could work out what is required to be done.

FID has been very thoroughly condemned in many quarters, not only in its application to charities and churches, but also in the way it is applied generally and the way it operates.

The question arises as to what FID is costing people who hold money in trust. That is another area where the Opposition will seek to amend the legislation during the Committee stage. I am sorry

the Treasurer is not in the House, and I hope he is listening to the debate.

Mr Barnett: He is, I can assure you of that. I have just this moment spoken to him and he has been following the debate intently.

Mr HASSELL: I accept the assurance of the member for Rockingham—

Mr Thompson: By telephone.

Mr HASSELL: —that the Treasurer is listening to the debate; I hope he will give our amendments due consideration.

Mr Brian Burke: I will give all your amendments due consideration—probably more consideration than they are due.

Mr HASSELL: That is the approach the Treasurer is taking and that is what I am really asking him not to do because he would not listen to us last time. There are problems with this Bill; even he has acknowledged some of them. He should be prepared to listen because we have done a great deal of work on this subject and we are not coming here beating a drum based on speculation about the problems this legislation is causing. We are talking about the facts as presented to us by people in the community who are being adversely affected.

One of those areas in which we will move further amendments in the Committee stage relates to the application of FID to people who hold money in trust. The intention of the FID Act and of the Government when it introduced the tax was that people who hold money in trust would be able to apply FID to the beneficiaries of the trust. In other words, the Government and the legislation itself intended that a solicitor, an accountant, a finance broker, a settlement agent, or a real estate agent, all of whom are required by law to maintain trust accounts—I am not sure that accountants have a legal obligation to do so, but many do—would be able to apportion the FID charged to their trust accounts among the beneficiaries of those trusts, so that if one went to a solicitor acting on a settlement, one's money would be put into his trust account and that deposit would be charged FID. The intention expressed by the Government and which the legislation purports to express is that the FID charged on that deposit would be on-charged to the person for whom the money is held.

However, that has not proved to be the case. Events have shown that solicitors are not able to on-charge FID to their clients where they hold money in trust; real estate agents have been prohibited from doing so by their controlling body; and in a number of other cases which have been drawn to our attention it has not been legally

acceptable for FID to be on-charged. That does not apply to all cases and I understand settlement agents are charging FID to their customers.

So two situations have arisen: Firstly, the legislation is not working as the Government intended or as the legislation itself expressed an intention, and secondly, an anomaly exists in that some people involved in trust account operations are able to on-charge FID and others are not. That creates an unfair situation.

So that nobody thinks that this is just a minor matter, or that an insignificant sum of money is involved, I refer the Treasurer to a specific example I have from a licensed finance broker. I was speaking to this gentleman—and I am prepared to give his name privately to the Treasurer if he is interested—and I asked him what FID was costing his operation. He promised he would give me the figures when the end of March came around. On 5 April, he wrote to me and gave me the cost of FID on his operation. His letter states—

Further to our recent conversation we have pleasure in submitting hereunder details of F.I.D. AND Federal Taxes paid by this company for the period of 1st January to 31st March, 1984.

Mr Barnett: What do you think he meant by saying he had pleasure in submitting it?

Mr HASSELL: He had pleasure in submitting the information, but not in paying the tax.

Mr Brian Burke: Can I interrupt? Do you have those amendments? I would appreciate a chance to look at them.

Mr HASSELL: Certainly. I have a copy here.

The amount of tax paid by this small licensed finance broking company and property settlement agent was nil in January, \$1 154 in February, and \$797 in March. For the two months in which the company paid FID, the total cost was \$1 951. I point out to the Treasurer that that is a pretty significant overhead charged on a small business operation. I know these people and have known them for some years. There are two men who though technically not in partnership because it is a company, are partners; they have a few employees and they operate a small business. They have carved out a business from their own efforts. They are committed to the business; they are not investors; they are working for a living.

As a result of the imposition of FID, they have had to find on average an extra \$950 a month in overheads. That is the figure for only two months so it is not a long spectrum and the figures may well vary. They also provided me with details of the amount of Federal tax they had to pay.

Although they have referred to it as Federal stamp duty, I assume they are in fact referring to the BAD tax—the bank accounts debit tax. In January, they paid \$262, in February, \$249, and in March, \$233—a total of \$744. So for the first three months of the year, they have had to pay a total of \$2 700 in round figures in FID and BAD taxes, bearing in mind that FID did not apply in January because it did not come into effect until the following month.

That illustrates in a very dramatic way the impact of this and other new taxes. I know the Treasurer is not responsible for the BAD tax; I know it was introduced by the Fraser Government and in speaking to the general subject of taxation, I have referred to it on a number of occasions, just as I know the withholding tax was introduced by the Hawke Government. The point is not which Government introduced the taxes, but the impact they are having.

That leads me back to the subject on which I was concentrating and which is the essence of the amendment we will seek to move; that is need to allow people who are affected by FID on trust accounts—not on their own accounts—to pass that tax on to the people whose money they are handling. It really is not in accordance with the Government's intention that they cannot pass it on, and it is not fair that anomalies exist between people in similar industries.

Let us look at three groups—real estate agents, settlement agents, and finance brokers. My understanding is that real estate agents are not permitted by their board to hand on FID. Finance brokers are not permitted to hand it on, but settlement agents are permitted to do so. Solicitors are not permitted to hand it on, but accountants are.

An anomalous situation exists between small businesses of one kind or another which I hope the Government will see fit to clean up when dealing with this legislation.

I have indicated that the Bill, according to the advice we have received, does not exempt from FID the short-term dealings entered into by charitable institutions. I am also advised that the Bill does not automatically exempt a charity or a charitable institution's account from FID because under the proposed section 19A(2), the commissioner still has the discretion to issue a certificate. That is a technical point and may not represent a problem in practice, but I ask the Treasurer to respond to the debate and say whether he expects the commissioner will be exercising anything other than a nominal discretion in granting exemptions. If more than nominal discretion is to be exercised, what criteria will be used to decide whether an applicant is

eligible, and which organisations will qualify under the definition for exemption from FID?

I raise this specific list with the Treasurer and ask him to tell me in response to the debate whether any of these groups will be exempted from FID: child care centres, senior citizens' centres, service clubs, the Country Women's Association of WA (Inc.), the Slow Learning Children's Group of WA (Inc.), the Whitford Sea Rescue Group, sheltered workshops, sporting bodies, and P & C associations?

That summarises what I wanted to say without by any means completely covering the question of FID which we will continue to pursue in other ways and at other times. The essence of the matter is that we see FID as an undesirable tax and one which has done no good to Western Australia for a variety of reasons. We have been presented with an amendment which the Government has proposed as a means of correcting anomalies that the Government has acknowledged. The Government has acknowledged that an anomaly exists in requiring charities and churches to pay FID and it seeks to exempt them.

Our advice is that the exemption is not complete because it does not cover short-term money market dealings. Secondly, the Government has said local government should be completely exempted from paying FID. We accept that proposition although we point out that it will create a new anomaly because certain trading concerns of local government will be put in an advantageous competitive position relative to private trading concerns in similar business.

The Government sought in its statements and by its legislation to allow people who hold money in trust for other people in the course of business to on-charge FID incurred on the trust accounts to the beneficiaries of the trust. That has not happened in practice and the Opposition will move an amendment which it believes will allow that to be done in accordance with the Government's original intention.

Mr Brian Burke: Is that amendment among the ones you have given me?

Mr HASSELL: I believe it is; it is the first amendment, which is to section 15A.

Under the Government's Act the person who holds the money can apply to be exempted. No exemptions have been granted. The structure of this amendment is to provide that where a person has applied, but has not been given a certificate of exemption—this is not the charity situation but the trust account situation—he is not personally liable to pay FID and can charge it on to the people who are beneficiaries. I did not explain the

amendment earlier but this is the intention of the Opposition.

Subject to these remarks, as I have indicated, the Opposition will support the Bill.

MR COURT (Nedlands) [8.16 p.m.]: The Government introduced this major new tax on 1 January and after we had a lengthy debate in Parliament the tax was rushed in. At the time the Opposition said it was quite unusual because when the Government first came into office it said that it would not bring in such a tax. During the debate the Premier was dogmatic in opposing amendments suggested by the Opposition members who foresaw many of the problems with this legislation. After studying the legislation we would all agree that it was complex and it took some time to understand the different sections involved. However, we were able to predict many of the things which have occurred.

Briefly, the Opposition predicted that it would be a difficult tax for financial institutions to collect, particularly the smaller organisations which did not have the computer and accounting facilities to collect this complicated tax. The Opposition said it would be a difficult Act for Treasury officials and the business community to interpret. We said that churches, charitable, and sporting bodies would encounter heavy costs in applying for refunds of the tax; double taxing would occur; many money market activities would decline dramatically; and trust funds used by accounting, legal, and real estate professions would be penalised. That is what the Opposition predicted and that is what has happened.

What has the Government done? Very little. The Government has belatedly introduced these amendments after considerable pressure from the Opposition and church and charitable groups. During the debate we spent some time on this section outlining the problems the churches and charities would have in applying for refunds. At times during the debate the Treasurer got hot under the collar and ridiculed many suggestions from Opposition members. I refer to *Hansard* when Opposition members were explaining that it would be an administrative nightmare for the churches to claim their refund and the Treasurer said as follows—

I am reliably informed that it will simply be a matter of forwarding a bank statement in respect of their application to the Commissioner for Taxation. I do not understand that to be a fantastically difficult job especially for major organisations such as the Catholic Church which is the one mentioned by the Deputy Leader of the Opposition in his example.

As the Treasurer knows, it was only a matter of weeks into this year when the churches realised just how difficult, expensive, complicated and time-consuming an exercise it was. In fact, they all worked out that it would cost more to try to apply for the refund than to pay the tax itself. It is as a result of pressure from these groups, and the Opposition making the situation clear to the Premier, that we have these amendments in front of us.

This question of churches, charities, and local authorities, which are also covered in this Bill, represents only the surface of the problems arising with this new form of taxation. The Opposition has gone to a great deal of trouble—as it should because it has a responsibility to make sure the Government is accountable for its actions—to continually monitor this new tax since its introduction on 1 January. It is unlike the Government—it does not have a huge bank of advisers and consultants, besides the officials of the Treasury department, who appear to have ignored the problems associated with this tax. After the first three months of operation at the end of March, we prepared a report and gave it to the Government to assist it in highlighting some of the problems which had arisen. That report has been made public and I have discussed it in detail before in this House. I will briefly summarise some of the conclusions we reached.

With regard to loss of business in the State, we estimated in the short-term money market operations of the larger depositors—those depositing \$1 million or more—losses of some \$100-150 million immediately and perhaps the same amount within the first year. This was not a stab in the dark but as a result of talking to as many short-term money market operators as we could. They have prepared a detailed report which I believe will be released this week. In the weekend Press the estimates made by the people who have submitted returns—that is certainly not all the people involved—have reached something like \$90 million. I am sure the figures we have quoted will be shown to be correct. It should be remembered that the figures mentioned refer only to money market operators and do not include financial institutions such as building societies.

I now refer to the business community. The Western Australian business March quarter survey included a question relating specifically to the financial institutions duty. The results published last week showed that 90 per cent of firms surveyed wanted FID abolished; 60 per cent stated that the impact on their operations was either great or significant; and 80 per cent of the firms surveyed, including small, medium, and large businesses, said that they had reluctantly built the

cost of FID into their overheads. In other words, it would require them to put up prices to cover the cost they were absorbing. They estimated that \$16 million of the money being used by the businesses surveyed had been transferred from Western Australia to other parts of Australia. To continue with the report that we put together, we predicted—we could only predict because the Government did not have monthly figures available—from the questions asked of the different financial institutions, that there would be a decline in the initial months in the Government's collection of this tax. That proved to be the case; I understand collections amounted to \$3.5 million in the first month, dropping to \$3 million. This is due to businesses making sure that they eliminate any unnecessary movement of cash. They have reduced movement between accounts because every time funds are transferred the tax must be paid. Finally, the big crunch is that they have transferred financial transactions to other States.

The Leader of the Opposition mentioned that the Act, which was very complicated, was causing problems of interpretation by the Treasury and it was, and still is, being asked to interpret some of the more difficult and grey areas. The sections specifically mentioned in our report refer to problems which arise when term investments mature and instructions are not given to reinvest or withdraw funds. The problem arises as to how much FID is to be paid. We also highlighted a difficulty with short-term dealings when there is a \$50 000 threshold and money in the account is moving above and below that threshold. That creates problems in calculating the tax. A further difficulty arises with interest credits where double taxation occurs. Also building societies providing cheque account facilities do not know whether they have to pay FID. The armoured car companies have problems with the duty payments on their payroll operations. The list goes on. We outlined the costs involved and incurred by the different sections of the community. At the end of the report we made recommendations on how we believe the Act should be amended. Rather, our main recommendation was that FID be abolished.

That is what the Opposition has done. The members have not sat here and prattled away doing nothing. We have spoken to the people who have problems with this form of taxation. The Government members have bitten back every time we have spoken on this subject and when we have made predictions about money leaving the State the Minister for Budget Management has asked us to prove it. Now it has been proved. These surveys show how much activity is leaving the State. We believe we have a good basis for what we are saying and the Government can not say otherwise

because it has not gone out to find out the facts of this new form of taxation. The telling point is that although the Government promised a review of FID after its first month of operation it has done nothing about it. If it intends to review the duty before the Budget, the members had better get off their backsides and start doing something. It will take some time to collect the information and the Government must carry out surveys of individual groups to ascertain the effects of the tax. It cannot criticise Opposition members when it has not carried out any investigations of its own.

As the Leader of the Opposition said, we support the moves in this Bill to assist charities and local authorities and reduce the burden on them.

However, I repeat that the changes listed in this legislation will create further anomalies in connection with local government matters. I refer to the example of caravan parks. Many country towns have two caravan parks, one run by the local authority and one run as a private enterprise. Under this amendment one caravan park will have an advantage over the other and that will not go down well with the man who is working hard to run his business. That anomaly is typical of those contained in the legislation.

I briefly mention the question of the penal provisions in the Financial Institutions Duty Act. When we were debating the original Act, the Treasurer gave us an assurance that, in the first year, because of the complexity of the legislation and the problems which some of the smaller financial institutions would experience in putting in systems to collect the tax, the Taxation Department would not come down heavily until the institutions had had a chance to have their systems established. As members would be aware, the computing systems, which many of them are being forced to install to administer this tax, are very expensive. Many organisations will not have the systems in place until the end of this year; and, as we have said in our report, some institutions will not introduce the systems at all.

Members should recall the problems we highlighted in interpreting the Act. The Treasury is having difficulty in telling the business community how much tax it should be paying. Let members recall the assurance that we were given by the Treasurer, that the Government would be a little lenient in policing the Act. It is interesting that on 17 April, just over three months after the tax was introduced, the State Taxation Department sent its first letter to the financial institutions. That letter read as follows—

Financial Institutions Duty—Penal Duty

Under the provisions of the above Financial Institutions Duty Act, returns must be sub-

mitted and duty paid no later than the twenty-first day of the month following the month to which the return relates. Where the circumstances warrant approval may be given to an extension of time for the payment of duty.

Section 45 provides that penal duty equal to the amount of the unpaid duty, shall be imposed where duty is not paid within time. Provision is also made for remission of this penal duty.

The purpose of this letter is to advise that, now that the initial months of operation have passed, penal duty will automatically be imposed as provided for in the Act.

Here we are less than three months after the tax was introduced; the Government still must go out and consult with the business community as to the problems it is having with the tax; but before it has done that, it has sent the first letter warning people that the Government will start introducing the penal duty if they do not pay the correct amount of tax.

What is the correct amount of tax? The financial institutions are going to the Treasury asking for advice. From what we can gather, some of the smaller institutions are just making a stab in the dark at the end of the month and paying a certain amount of duty. However, the people have been given a warning that the State Taxation Department will make sure that they pay the right amount, and pay it on time. It is not very good public relations when so many of the institutions—and I mention the smaller ones particularly—are having difficulties with this new form of taxation.

The Opposition receives letters daily outlining the anomalies which have arisen with this tax. For example, the housing industry sees an inconsistency. On the one hand, the Government is trying to stimulate the industry and, on the other hand, it imposes the FID tax on the monthly mortgage repayments made by householders.

Simply an amendment to the Financial Institutions Duty Act to assist the churches, charities, and local government is not enough. The Government must look at the broader problems which this tax has caused. The simple solution to the problem is to abolish the tax.

The Government has had some wins this year. The increased tax it is receiving on cigarettes has been quite a windfall for the Government. The Government had other means in the financial area to avoid bringing in this tax.

With those comments, I support the legislation, with the proviso that we intend to move amendments.

MR LAURANCE (Gascoyne) [8.35 p.m.]: The points made by the Leader of the Opposition and the member for Nedlands about the effect of these amendments to the FID are acceptable, but they do not go anywhere near far enough. The amendments cover churches, charities, and local authorities; and it was the matter of churches and charities that prompted me to enter the debate, because one of the "ch's" has been left out. The Bill should have covered churches, charities, and children.

It has been brought to my attention on a number of occasions in recent weeks that children are also being forced to pay the financial institutions duty. This is absolutely terrible. A number of children in the State—probably a very large number—have their own bank accounts through their schools, for instance, or saving accounts with building societies. Every child with such an account in this State finds an entry on the account for the financial institutions duty. Many of them have gone to their parents and said, "What is this entry that has been taken out from my savings, Mum", or "Dad?" They have been told, "Oh, that's Mr Burke's financial institutions duty".

The Government should have considered extending the exemptions to churches, charities, and children, because children have not been subject to this sort of tax before. However, here we are, with the young people of this State trying to put away a few dollars for their future, only to find that the Government wants to take its slice as well.

Many of the young girls sitting up in the gallery attend a very fine school—St. Mary's School—and I am sure that many of them have their own savings accounts in banks or building societies. They will notice a little sliver going off to the Treasurer. They are contributing to the Treasurer and his Australian Labor Party Government in this State. That applies, not only to the children in the gallery, but also to all the other children in the State.

Mr Peter Jones: He is robbing them.

Mr LAURANCE: Pinching it out of their piggy banks, almost. What a despicable Government it is that would stoop so low!

Mr Brian Burke: Under the Act, a piggy bank is not a financial institution.

Mr LAURANCE: I have no doubt that the Treasurer will cover that matter later.

A former Prime Minister said that if the ALP won office, people would find that their savings were not safe even under the bed. Now the children are finding that their savings are not safe at

all. They are being asked to pay the financial institutions duty.

I wanted to highlight that this is happening. It has been brought to my attention, and I am sure many of my colleagues have had the same sort of thing drawn to their attention. The children are asking us why they are losing a proportion of their savings in this way.

The concept of the financial institutions duty is wrong as it applies to businesses and adults; but it hits home even harder when one realises that it applies to the savings of children.

MR BRIAN BURKE (Balga—Treasurer) [8.38 p.m.]: I will start with the contribution made by the member for Gascoyne, the last speaker to address the legislation before the Chair. I should say that I suspect that the member does not expect that the Parliament will take seriously the point that he has made.

Mr Laurance: Ask the kids!

Mr BRIAN BURKE: I do not know that he was serious in his suggestion, to the exclusion of the other categories of people—pensioners, I presume—

Mr Laurance: You can exclude them as well, if you like.

Mr BRIAN BURKE: —and poor people; there might be others. I suggest there are stronger and more compelling cases for whom to consider exemptions than the categories to which the member referred—the children who are putting a few dollars away for their future.

Mr Laurance: Don't you care for kids?

Mr BRIAN BURKE: Yes, I care for kids. I have rather a lot of them myself. However, I do not think the member expects to have his point taken seriously, because it was not developed in a cogent way.

Mr Laurance: If you are not serious about it, that is a good point to be made to the public in this State.

Mr BRIAN BURKE: I am trying to answer the member seriously; but I suspect that what he raised was simply a debating point. The member might have thought it interesting, but it was not supported by a cogent argument going to other classes of people who may be more disadvantaged by the FID than children, so I am not persuaded by the member for Gascoyne.

The comments of the member for Nedlands were largely along the same lines as the points he had made on other occasions. I can only say once again that it is the Government's view that no

evidence exists to support the proposition about the outflow of funds.

It might interest the House to know that, today, my office was telephoned by Mr Munro from BT Australia Limited, who informed my office that he was very disappointed and disturbed that the information the Western Australian Money Market Dealers Forum had passed to the Perth Chamber of Commerce (Inc.) had apparently been leaked in a misleading and inaccurate fashion, and that all the weekend reports dealing with the outflow of funds were apparently unauthorised reports based on the leaking of a document that had been sent to the Perth Chamber of Commerce for an independent assessment of the documents contained, so that the members of the forum would not have their situations compared one with the other by a person involved in the forum. On that basis, the member for Nedlands, with his close connection with the Perth Chamber of Commerce, should probably be aware of that situation.

Mr Court: Are you trying to imply something there?

Mr BRIAN BURKE: No, I am simply saying something. I was not implying anything. I said that the member for Nedlands should know that Mr Munro rang me today. I am not implying; I am telling him that Mr Munro rang my office, passed on this information, and indicated the leaking of that information in a way that was misleading, incomplete, and inaccurate. That is how his message was conveyed to me. Mr Munro indicated that he will forward details of the data collected to the Government. That will form part of the review we are obliged to undertake at the conclusion of the six-month period during which the financial institutions duty will have been operating.

I also make the point that even if it were true that there had been an outflow of \$90 million from the short-term money market, it is my understanding that that is not a very significant part of the market.

Mr Court: We are just saying that is the beginning.

Mr BRIAN BURKE: The member for Nedlands may be saying that, but I am saying that \$90 million does not represent a very significant outflow of funds.

I will also deal with a matter referred to by implication, if not explicitly in the discussions—

Mr Peter Jones: Do you mean that you do not worry that \$90 million is going out, or you do not think that is an amount to worry about, or what?

Mr BRIAN BURKE: If the member for Narrogin had been listening, he would not have

asked that question. I said that even if there had been that outflow of funds—and I cannot demonstrate that it is true, but I will try to demonstrate that it is not true, and I suspect it is not true—it is not a significant proportion of the short-term money market turnover or funding that finds its way into that market. I am not saying it is not a cause for concern; but it is almost as though people think that it was with some alacrity and pleasure that the Government imposed the financial institutions duty. That is not the case.

It is the case that, in the pursuit of financial prudence, we identified the duty as necessary. We continue to think it is necessary.

Mr Hassell: You are not contemplating its repeal?

Mr BRIAN BURKE: We are contemplating its review. I suppose the Leader of the Opposition could say that that review will cover all of the aspects—

Mr Peter Jones: Including repeal?

Mr BRIAN BURKE: That is what I am trying to say to the Leader of the Opposition. My best estimate is that we are in no financial position to repeat the FID.

As far as that is concerned, let me restate that the \$90 million does not comprise a significant proportion of the money market. I am not saying it is not a cause for concern, but other more important aspects have to be taken into account when considering any outflow of funds.

The first is that any outflow of funds that resulted in a scarcity of funds for people who wished to borrow to make certain investments would be of much greater concern than would be an outflow that did not impinge on the capacity to borrow.

The truth is, as illustrated by the call by the President of the Real Estate Institute of Western Australia (Mr Woodmore), plenty of money is available. He said that interest rates should be deregulated at present because so much money was available.

On that basis it seems to me that if there is an outflow—I do not say this is proved—the disadvantage emanating from that outflow does not appear to be present. That is out of context with a Government that says it does not think it is going to win popularity points by introducing a financial institutions duty; but neither do we think that the community is ready for a Government that spends more money than it raises or for a Government that proceeds unrealistically to deficit finance.

On both those grounds, the compulsion to have a financial institutions duty can be justified notwithstanding the fact that it is an unpopular duty

and notwithstanding the fact that any tax has a deleterious effect on economic activity.

Given those situations, I can understand the chagrin of people being forced to pay the tax. At the same time, I can understand those people who would support the Government's view that a broadly based tax of this nature is a desirable way—if a tax has to be implemented—of raising revenue to balance the State Budget.

Mr Court: We are not saying there is a shortage of funds. We are saying that the finance industry, which makes its living out of dealing with finance, says that this is not happening. It is happening in other States. The funds are available there. You can ring and get the funds from another State.

Mr BRIAN BURKE: The fact remains that despite the lack of hard evidence of this outflow of funds, the disadvantage that might be categorised as emanating from an outflow of funds has not been demonstrated. It has not been demonstrated that the outflow is significant in total terms. It has not been demonstrated that the outflow has caused any—I suppose we would have to say—employment problems in activity terms or any other-range-of-services-available-to-business terms, that would cause that outflow to be categorised continually as the member for Nedlands attempts to categorise it.

I am not minimising any outflow of funds; I am simply saying it has not resulted in any shortage of money available for investment in new capital works or other employment-producing or economy-expanding activities. It does not appear to us to be the case that there has been the destruction of the finance industry in those sort of sociologically affronting terms—employment, range of services available, or the destruction of the fabric of the financial system.

One important measuring stick can be used to gauge whether an outflow of funds has occurred, and that measuring stick is this: The original estimation by Treasury of the amount of money to be raised by FID was \$39 million. I guess that credence is added to Mr Munro's position in the newspaper reports that spoke about the massive overcalculation of FID that would result from the miscalculation of the amount of money it would raise, as evidenced by this source which said that the banks had paid \$3 million in the first month, January; and that when we add that \$3 million to the payments made by other financial institutions, the first month would see raised so much more revenue from FID than was estimated; and that for the yearly collection, the increased take would be massively above that estimate.

That report was in Sunday's Press, notwithstanding the fact that two weeks before, in answer

to a question from the Leader of the Opposition, I had given the Parliament actual collections as a result of the introduction of FID—not estimates from some mysterious source, but from actual collections. So, published in the Press on Sunday and I think published the following day in *The West Australian* was this source which spoke about a partial collection from FID during January of \$3 million, notwithstanding the fact that, in respect of January and February at least, I had given Parliament the Treasury figures that indicated collections from FID were not exceeding those estimated by Treasury and that in fact the Treasury estimates were that FID would raise somewhere between \$500 000 less and \$500 000 more than was estimated originally.

The point I am trying to make is this: If there is a massive outflow of funds, it would seem likely to me that the financial institutions duty would raise far less than the estimate made by Treasury. The truth is that it looks as though the financial institutions duty will raise, as I said, \$500 000 less or \$500 000 more than was originally estimated.

I will say one other thing because it does qualify that answer: There are ways in which the estimate might remain accurate despite an outflow of funds, and I suppose there can be an overestimate in one area and an underestimate in another.

At the same time, another of the factors that will affect the situation is the tendency that people have to rearrange their financial affairs so that they do not pay FID, largely as a result of their resort to cash transactions more frequently than was the case before the duty was introduced.

They are the answers to the general points. One or two of the more specific, but not most specific points, I want to answer include, firstly, the conviction of the Government upon the position it took when this Bill was introduced. I have said it publicly and I do not mind repeating it here tonight that the Government was wrong about the effect of the financial institutions duty in those areas which are the subject of this amending legislation and, apart from the Opposition's accepting the Government's assurance that it acknowledged that the difficulties which have come to pass were not foreseen, the Opposition should also acknowledge that the Government has acted fairly rapidly to overcome the problem.

It is also true that the financial institutions duty—as was acknowledged by the Opposition when the duty was introduced—is a very complex piece of legislation. It is not a piece of legislation that one would expect would proceed unamended through its lifetime. Other States have experienced similar difficulties, and I understand that

changes have been made in respect of FID after it was introduced.

If the Government's willingness to amend its own legislation is a mark of the maturity of the Government, I would think the Opposition has an obligation at least to acknowledge that the Government was prepared to amend its legislation when it found that it was wrong about the difficulties that might arise, not so much in the incidence of the tax but in the cost of the compliance by charities and local authorities in respect of their payment of financial institutions duty.

Some of the more specific points include, firstly, the anomaly the Opposition claims is created as a result of these amendments, and the only anomaly referred to was with respect to a caravan park operated by a local authority versus a caravan park operated by a private person. That anomaly—which I do not think is an anomaly, but that is what it was called by the Leader of the Opposition—is one that applied to charities also.

Charities which carry on businesses such as the collection of newspapers, rags, or bottles and which are in competition with private people who carry on those businesses, will have an advantage over those private people; but the point about these amendments is that they go to the nature of the body being exempted. That is why it is completely consistent to say that a charity, because it has a specific character and personality, is entitled to certain treatment, even though that treatment gives it an advantage over some competitor in the same business in some cases, because charities run businesses, too. But because of its personality and character, a charity is religious or otherwise and is acknowledged to be deserving of some exemption. There is no anomaly there.

What this Bill recognises is the different character of the body being exempted from the payment of financial institutions duty. The anomaly to which the Leader of the Opposition refers is really not an anomaly, but a conscious decision that local government is presumably, particularly in its business undertakings—as local government informs the Government—a non-profit-making authority, and that generally, by virtue of its character and personality, local government in its pursuits does not warrant incurring the financial institutions duty in the same way as a private business person might. The same applies to a charity. If the Leader of the Opposition wants to call that an anomaly, then any charity that operates a business in competition with a private person's business operated for profit has a competitive advantage as a result of the financial institutions duty. The justification is the

character of the institution being granted the exemption.

The Leader of the Opposition also mentioned that he had a long list of bodies, institutions, and organisations that he would like me to indicate came within or without this proposed exemption. He is not so silly as to think that it is up to the Treasurer or any other politician to interpret and implement this particular Statute. I can only refer the Leader of the Opposition to the amendment to section 3 of the Act, an amendment which provides among other things that a "charitable institution" means—and it gives five categories—that all those organisations or bodies coming within the definition, not by name but by character, are charitable institutions. It is not for me as Premier or Treasurer, or for the Minister for Budget Management, to say, as the State Commissioner of Taxation will be called upon to say in due course, that someone complies with this particular definition.

The way in which the exemption can be claimed is clearly laid down in proposed new section 19A, which reads—

A charitable institution may apply in the approved form and manner to the Commissioner for approval of an account kept for the charitable institution under an account name listed in the form of application by a registered financial institution as a charitable institution's account for the purposes of this Act.

The State Commissioner of Taxation, upon receipt of the application, will determine whether the application conforms to the requirements of the Act. One of the requirements when referring to charitable institutions is that those subsections are ones that are complied with by the applicant. It is really not up to me as Treasurer to comment upon the likely outcome of applications by that long list of organisations the Leader of the Opposition had.

Mr Hassell: Do you realise I was not asking you to express a legal opinion as to whether each one conformed to the Act as amended by this Bill? I was asking about the policy question, which is your concern as Treasurer, and whether you intend that those categories should be exempted.

Mr BRIAN BURKE: I can answer that question too; that is, no special consideration has been given to those institutions detailed by the Leader of the Opposition.

Mr Hassell: The P & C associations.

Mr BRIAN BURKE: I do not think the Leader of the Opposition would have expected the Government to consider a list of what must be thousands of similar sorts of organisations

Mr Hassell: I gave you only half a dozen.

Mr BRIAN BURKE: I know it was only half a dozen, but for me to be able to consider that list of half a dozen, or nine, would imply that we have given detailed consideration to the bigger list from which that nine might have been drawn. The Government has not done so, and it is not the Government's obligation to do so. The Government's obligation is to express its policy in terms of the amendment to section 3 of the principal Act and to say to the State Commissioner of Taxation, "That is the policy upon application of people who believe they conform with that policy; make your decision as to their exempt status or otherwise". That is the legitimate and proper way to achieve the Government's intention. We are not persuaded by the argument used by the Leader of the Opposition in that respect.

The Leader of the Opposition also gave a small finance broker's example of the payment of the financial institutions duty. I can say about that only that the payment is the duty, and I presume it has been paid correctly, according to the requirements of the Act. As I said previously, the Government knowingly imposed a financial institutions duty, and of course if people did not pay it it would not collect any revenue, and if it did not collect revenue, it would not have gone to the balancing of the Budget. As far as that is concerned, the Government has made its position clear on that matter.

In respect of the other question of substance raised by the Leader of the Opposition, which was the one about trusts unable to pass on to their beneficiaries the financial institutions duty that the principal Act says is capable of being passed on, the Government is not prepared to accept that amendment. It will consider the proposition as put forward by the Leader of the Opposition, but I am sure that he would not expect that I would accept an amendment of that nature on notice of about one hour, as was the notice given to the Government on this occasion. We will consider the point the Leader of the Opposition has raised, and it will be studied as part of the six-monthly review the Government has undertaken to carry out.

In conclusion, I indicate that the Government is aware and conscious of the difficulties that the duty has posed. It is aware and conscious of the similar sorts of problems that were faced in other States. With the exception of Tasmania, which I understand is moving to institute a replacement for the FID or an alternative, all States except Queensland have introduced a financial institutions duty. The introduction of the duty in this State was accompanied by the amendment to stamp duties in certain cases that have provided

substantial improvements in the circumstances relating to hire-purchase contracts as they affect motor cars. So, there has been a substantial benefit in those terms by the accompanying legislation to the financial institutions duty, which was stamp duty legislation.

The Government will stick to its previous undertaking to review this duty after six months. We believe that one of the prime requirements, particularly of a Labor Government, is that it demonstrates its financial responsibility, and that usually involves its not doing rash things in the way of expenditure; things that allow people to transfix it upon their criticism that it is financially reckless. This Government has proved itself to be absolutely prudent in the financial management of this State.

Part of that prudence was the financial institutions duty and I do not agree with what the Leader of the Opposition says. The truth is that when we assumed office we faced a rapidly worsening budgetary situation which was referred to in a memorandum from Treasury which indicated that the deficit was several million dollars.

Mr Rushton: There is nothing abnormal about that statement from Treasury, and you had a few months to go.

Mr BRIAN BURKE: I am just saying that when we assumed office on 25 February we had four months to go, and we found a minute that predated the election which indicated that \$14 million or \$16 million was the likely deficit. Within a couple of weeks, we were informed that the likely deficit was based on calculations and information perhaps received a month previously.

So if we contrast that situation to the one we are in now, where we face a deficit of only \$4 million, and where we have taken action to contain it, we realise we were in a much more serious position last year.

Mr Rushton: You have had some overrun, of course. FID is one, tobacco another.

Mr BRIAN BURKE: We have had some underruns too. Rail freight is one, wheat cartage is another. There were one or two others which were overruns of a negative nature. All I am saying is that the situation is different now, facing a deficit, according to the last advice of about \$4 million, than it was when we faced a deficit on election of \$14 million escalating rapidly to somewhere between \$20 million and \$30 million.

Mr Rushton: With two months to go, you don't have much time to adjust things.

Mr BRIAN BURKE: We have only one-sixth as much to adjust. I am making the point that that was the situation when we were elected, and as far as the Government was concerned, it had an obli-

gation to confront that worsening budgetary situation.

Mr Rushton: How is the short term?

The SPEAKER: Order! We have had question time.

Mr BRIAN BURKE: I have been at pains to point out to the Leader of the Opposition, and now to the member for Dale, that we can use the money once. Had we taken that money into the last year's Budget, to use it we would have had to raise \$39 million extra, or whatever amount it was, to balance the Budget this year, anyway. We would still have to bring it forward and use it once. If we decided to use it to counter the deficit of the year in which it was earned, we could not use it the year after it was earned.

Mr Rushton: You could not blame the previous Government for the deficit.

Mr BRIAN BURKE: That is the argument Sir Charles Court used consistently. If one uses the balance on the short-term money market in the year it is earned, one cannot use it in the Budget succeeding the year in which it is earned.

Mr Hassell: The point I have made to you over and over again is that you used that \$30 million deficit figure in January 1984, some four months after you introduced your own Budget and knew full well the figure was not true. That is the point. You used that figure over and over again as a deficit when you knew it was not true.

Mr BRIAN BURKE: The sum of \$30 million deficit? Referring to when?

Mr Hassell: That is what you referred to in January 1984.

Mr BRIAN BURKE: I have just tried to explain that the pre-election dated minute spoke about a deficit. I am not positive of the amount because I do not have the figures in front of me, but it was a \$14 million to \$18 million deficit. That minute was dated 3 February; the election was 19 February, and we assumed office on 20 February. That is when we received that minute. Presumably, as I explained previously—perhaps the Leader of the Opposition was not listening—the estimates on which were based the 3 February advice were presumably estimates of a previous month or two and within a few weeks of our assuming office we were advised that the amount had increased alarmingly to \$30 million. What the Leader of the Opposition says is that if we were advised one month or two months earlier that the deficit was \$28 million—or whatever figure—we cannot say we inherited it.

Mr Hassell: You cannot justify bringing in FID in October. You cannot justify saying in January

1984 you had inherited something when you did not.

Mr BRIAN BURKE: I just tried to explain that point. The Leader of the Opposition says that because it became obvious in March, we cannot say we inherited it. All I am saying is that—

Mr Hassell: You were still saying that in June last year, when you had that deficit, and when you knew full well your own figures proved that.

Mr BRIAN BURKE: If the Leader of the Opposition is talking about inheriting a deficit, he said I said that in January 1984. I am simply saying, without allowing the Leader of the Opposition to change his ground too much, that a deficit of that magnitude in March was in fact a result of budgetary procedures—expenditures and revenue raising—that were completed well before the election was even held.

We are not prepared to accept the amendment as proposed by the Leader of the Opposition.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Mr I. F. Taylor) in the Chair; Mr Brian Burke (Treasurer) in charge of the Bill.

Clauses 1 to 4 put and passed.

New clause 4A—

Mr HASSELL: I move—

Page 4—Insert after clause 4 the following new clause to stand as clause 4A—

Section amended 15 4A. Section 15 of the principal Act is amended by inserting after subsection (6) the following subsection—

- (7) Where an eligible person has applied, or is entitled to apply, to the Commissioner under subsection (1), but the Commissioner has not seen fit to issue a certificate of approval under subsection (2), the eligible person, notwithstanding any law or Act to the contrary, shall not be personally liable for payment to a financial institution by way of payment of or towards any amount of duty paid or payable by the financial institution in respect of dutiable receipts received by that financial institution for the credit of the eligible person and shall be entitled to apportion the liability for such payment amongst those persons who would have been liable to

make the payment if no trust had been in existence.

The clear-cut purpose of this amendment is to allow people who hold trust moneys on behalf of other people to apportion the FID charges among the beneficiaries of those trust moneys. We have already discussed the matter in the second reading stage and the Premier unfortunately has indicated that he will not accept the amendment, although he has promised to consider it.

I say to the Premier that it is nothing more than what he said he was doing when he introduced the legislation, but this legislation fails to do what it purports to do. This Bill is really to clean up an anomaly which has been demonstrated dramatically. In addition to that, this amendment is directed to resolve an anomaly which has emerged between the different parties on whom the burden of financial institutions duty for trust accounts falls, because as I pointed out to the Treasurer, it is my understanding that the right to apportion the trust account FID amongst the beneficiaries of the trust is being applied in the case of settlement agents, but is not being permitted to be applied by solicitors or real estate agents. It really is an anomaly in the legislation, and it gives rise to an anomalous outcome. The matter was raised when I was in the south-west of the State, specifically in Bunbury, in January. The local real estate people pointed out not only that FID was duplicated in the case of country people even more than city people, because settlements took place in Perth, but also that FID was falling heavily on them in respect of trust accounts for which they were not responsible.

Mr BRIAN BURKE: As I indicated in the second reading reply, it is not the Government's intention to accept the amendment moved by the Leader of the Opposition. On the face of it, I do not believe the Opposition would expect that an amendment—of which the Government had about an hour's notice—to what is a very complex piece of legislation, and a particularly complex part of that legislation, would be acceptable to the Government. However, I have indicated to the Opposition that the Government is prepared to have this matter considered in the six-monthly review to which it is committed in regard to the financial institutions duty.

New clause put and negatived.

Clause 5 put and passed.

Clause 6: Section 19A inserted—

Mr HASSELL: I move an amendment—

Page 6—Insert after subclause (5) the following new subclauses to stand as subclauses (6), (7), and (8)—

- (6) Subject to this section a charitable institution may apply in the approved form and manner to the Commissioner for a refund to the institution equivalent to the amount paid by the charitable institution by way of payment of or towards any amount of duty paid or payable by the financial institution under the provisions of Section 11 of this Act in respect of dutiable receipts received by that financial institution for the credit of the charitable institution.
- (7) The Commissioner shall grant a refund in respect of an application made by a charitable institution in accordance with this section.
- (8) An application under subsection (6) shall relate to a financial year, except that, if the claim is for an amount prescribed for the purposes of this subsection, an application may relate to a quarter of a financial year.

I do not know whether the Treasurer has indicated what the Government will do about this amendment, but once again the Opposition is moving to amend the legislation according to the stated intention of the Government; namely, to make effective the Government's intention to exempt all the income of charitable organisations from the financial institutions duty. The Opposition's advice is that the Government's amendments fall short of exempting the income of charitable organisations, and accordingly this amendment is directed towards that end.

Mr BRIAN BURKE: Once again, I must stress to the Leader of the Opposition that it is not realistic to expect the Government to accept an amendment of this nature on the basis of the curtailed time that the Government has had in which to consider it. As far as the Government is concerned, after asking the draftsman to exempt charities from FID, it was satisfied that he had acted efficiently and accurately and had framed an amendment to the Bill that would achieve the announced intention of the Government.

Nevertheless, I am not saying, of my own knowledge, that the Leader of the Opposition is wrong. I am saying that the Parliamentary Draftsman's advice, together with the advice we have received from other parts of the Government, is sufficient to allow us to say we believe that the ends that we set out to achieve under the Bill, are being achieved. In any case, the Government has not had sufficient time to consider the nature of the amendment proposed. Once again, I am happy to have this matter considered in the six-monthly review to which I have already referred.

Mr HASSELL: I do not think it is adequate for the Treasurer to say that he cannot consider the amendment because he has not had it for sufficient time. It is not a complicated amendment and the Treasurer could have summoned one of his numerous advisers, who have time to come to the gallery or onto the floor of the Chamber at any time of the day or night, to deal with this matter.

It was the Government which wanted to exempt charities and in doing so it had to do a back flip at a Cabinet meeting to try to beat the Opposition to the draw. The Government said it would not consider any amendments until the six-monthly review.

The Treasurer is saying that the Opposition is putting this amendment forward and it may not be adequate, but that the Government will look at it in its six-monthly review.

I cannot say that the Government's amendment is inadequate, but I have been advised by people whom I believe to be competent, that it is inadequate. The Parliamentary Draftsman has drafted the amendment before the Chamber as a further amendment because the Government's amendment is inadequate. Surely to goodness the Government can take this matter seriously. It is not one which can be put aside and looked at in three months' time. It is similar to the performance the Opposition went through when the parent Act was before the Chamber. The Opposition said it would move a private member's Bill to amend the Government's legislation. However, the Government said that the Opposition's information was wrong, and that the Government would not do anything until the six-monthly review. It suddenly got into the act and did something because the Opposition threatened to introduce a private member's Bill. Does the Opposition have to move another private member's Bill to have the Bill before the Chamber amended?

I do not think that the Treasurer can crave leave simply by saying he has not had the amendments long enough. He has all the advisers in the world, and surely one of them could be summoned to this Chamber to advise the Treasurer on the amendment before it.

Mr BRIAN BURKE: I do not intend to be bogged down in the argument to which the Leader of the Opposition has now diverted himself.

Firstly, in something less than two hours the Leader of the Opposition expects me to have summoned someone to the Chamber to comment on the amendment. I would remind the Leader of the Opposition that the amending Bill has been on the Notice Paper for two weeks, and if the Leader of the Opposition were dinkum, he had ample time to draw an amendment to the attention of the

Government. It was not until I asked him tonight for a copy of his amendment that he passed it across the Chamber to me.

Mr Hassell: There is nothing unusual about amendments being moved in the Committee stage.

Mr BRIAN BURKE: Of course there is not, but if the Opposition expects the Government to take its amendment seriously, it should not provide the amendment an hour or so before the Committee stage and then try to transfix the Government by saying it is not dealing with the matter properly.

Mr Hassell: Why don't you report progress?

Mr BRIAN BURKE: The Opposition has had about two weeks in which to indicate to the Government that it had an amendment that would overcome an anomaly which it says is created by the amending Bill. Why did not the Opposition give some additional notice if it were dinkum?

Mr Hassell: You know how limited the Opposition's resources are compared with those of the Government.

Mr BRIAN BURKE: At least the Opposition could have sent a copy of the amendment to my office this morning or caused it to be published in the Notice Paper a day or two ago. This Government has accepted more amendments in one year than its predecessor did in 6½ years.

Mr Clarko: I have seen you write out amendments when someone has been speaking.

Mr BRIAN BURKE: The member for Karrinyup has also done that, but in this particular case ample time was not given to the Government to consider the amendments.

Mr Hassell: Would you like them brought into the upper House?

Mr BRIAN BURKE: No I would not.

Several members interjected.

Mr BRIAN BURKE: It is abroad that the Leader of the Opposition has been attempting to instruct the upper House to reject every important piece of legislation it can. It is up to the Opposition. It is abroad, too, that the Leader of the Opposition would prefer an early election so that if he loses he has another chance in three years. However, if there is not an early election, this Government runs its full course, and the Leader of the Opposition loses the next election, the member for Nedlands may supplant him.

Reverting to the Bill, I point out that the Leader of the Opposition is not dinkum in handing over an amendment that he could have provided to the Government a week or two ago.

The last point I want to make is in respect of the Leader of the Opposition's statement that com-

petent people have advised him that this amendment is necessary to achieve a stated aim. I inform him that competent people have advised the Government that the amending legislation before the Chamber is capable and proper to achieve the same aim. In that situation, the Government maintains its previous decision to refer the matter to a six-monthly review to which it is committed.

Mr HASSELL: In order to give the Treasurer an opportunity to deal properly with the amendment which is before the Chamber, I suggest that he adjourn consideration of this Bill so that he can obtain the necessary advice. There is no great urgency about this Bill, because it will not affect revenue overnight. It has waited several months to come before the Chamber and it was not until the Opposition proposed to amend the Act by private member's legislation that the Government was prepared to move at all. I think the Government's sincerity in this matter would be best served by the Treasurer's moving to report progress.

Progress

Mr SPRIGGS: I move—

That the Deputy Chairman (Mr I. F. Taylor) do now report progress and ask leave to sit again.

Motion put and a division taken with the following result—

Ayes 17

Mr Blaikie	Mr MacKinnon
Mr Bradshaw	Mr McNee
Mr Clarko	Mr Old
Mr Court	Mr Rushton
Mr Coyne	Mr Thompson
Mr Grayden	Mr Trethowan
Mr Hassell	Mr Watt
Mr Peter Jones	Mr Spriggs
Mr Laurance	

Teller

Noes 26

Mr Bateman	Mr Jamieson
Mr Bridge	Mr Tom Jones
Mr Bryce	Mr Parker
Mrs Buchanan	Mr Pearce
Mr Brian Burke	Mr Read
Mr Terry Burke	Mr D.L. Smith
Mr Burkett	Mr P.J. Smith
Mr Carr	Mr A.D. Taylor
Mr Davies	Mr Tonkin
Mr Evans	Mr Troy
Mr Grill	Mrs Watkins
Mrs Henderson	Mr Wilson
Mr Hodge	Mr Gordon Hill

Teller

Pairs

Ayes	Noes
Mr Tubby	Mr McIver
Mr Mensaros	Mr Bertram
Mr Crane	Mrs Beggs
Mr Williams	Mr Barnett

Motion thus negatived.

Committee Resumed

Amendment put and negatived.

Clause put and passed.

Clauses 7 to 9 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

As to Third Reading

Leave denied to proceed forthwith to the third reading.

**PAY-ROLL TAX ASSESSMENT
AMENDMENT BILL 1984**

In Committee

The Deputy Chairman of Committees (Mr I. F. Taylor) in the Chair; Mr Brian Burke (Treasurer) in charge of the Bill.

Clauses 1 to 3 put and passed.

Clause 4: Section 5 amended—

Mr MacKINNON: I rise to indicate that the Opposition opposes the clause. During the second reading debate, the Treasurer indicated that the Opposition should consider amending this clause. We would like to put it to you, Mr Deputy Chairman, and to the Treasurer, that an amendment to the proposal is certainly not to be considered, and that the clause as it stands should be deleted. In other words, section 5 of the current Act should stand as printed.

I say that because during the Treasurer's second reading speech, he gave us no reason for a change to the clause. He gave no indication why, less than 12 months ago—probably less than six months ago, if my memory serves me correctly—the Financial Institutions Duty Bill was introduced, and what was indicated by him as Treasurer then is contrary to what he is now proposing. In other words, officers of the Treasury would be penalised if they made a record or published any information in connection with the administration or execution of the Financial Institutions Duty Act. I am sure that you, Mr Deputy Chairman, as a previous officer of the Treasury, would agree with me that that is a change in principle. It is fundamental. For that to have happened without one word of consultation with any of the professions is amazing, to say the least. We are opposed to the current amendment to the Pay-roll Tax Assessment Act because it is an attack on the individual rights of taxpayers.

Mr Brian Burke: I will accept that.

Mr MacKINNON: The Treasurer will accept what?

Mr Brian Burke: I will accept what you are saying.

Mr MacKINNON: That we retain the status quo?

Mr Brian Burke: Yes.

Mr MacKINNON: I will not speak any further. I am sure the Leader of the Opposition would like to make some comments. I understand what the Treasurer indicates is that he will join with us in opposing this clause so that the status quo in the current Pay-roll Tax Assessment Act stays. If that is the case, I thank the Treasurer for his agreement. I thank him on behalf of the profession of which I am a member and on behalf of the community and taxpayers in general.

I hasten to add that what is still of some concern to us is the manner in which that fundamental change to legislation was accepted by the Government in the first place. It should not have got this far. We would ask that in future Bills of this type which impact on taxpayers' rights serious consideration be given by the treasurer before they are introduced into the Parliament and before we have to draw this matter to Ministers' attention.

Mr HASSELL: I do not want to prolong the debate. I would just like to confirm what the Treasurer meant by his interjection. Does he mean that he will not proceed with clause 4?

Mr Brian Burke: What I am saying is that the proposed amendment to section 5 after the words "Penalty: One thousand dollars" at the end of section 5(1), will not be replaced by "(2) The Commissioner," etc., down to the words, "by the Minister" in the clause.

Mr HASSELL: I thank the Treasurer.

Mr Brian Burke: What I am saying is that the Government will retain the status quo in the current Act.

Mr HASSELL: I think I should express our thanks to the Government for accepting that most important point. It is one which has concerned us a great deal, and I think it is wise for the Treasurer not to proceed with the clause.

If the Treasurer has some arrangement with other States, it could no doubt be fulfilled in another way.

Mr BRIAN BURKE: The Leader of the Opposition has alluded to the reason for the change that was proposed. The change reflected agreements between the States and the Commonwealth in the pursuit of tax avoiders or evaders. As far as the Government is concerned, it was a matter that

taxed its consideration for a considerable time. I am happy to repeat the advice from the Under Treasurer as of today's date when he commented on the amendment that is being considered. Summing up, he said, "In the circumstances you may consider that the Government should recognise that problems could arise . . ."—the problems he is talking about are possible abuse and the availability of information which should remain privy to the State Taxation Department; that is, the abuse of the caution that it should remain privy to the State Taxation Department— "... and accede to an appropriate amendment".

Although it is done very quickly, the Opposition has proposed that we retain the present section 5(2), and I have indicated the Government will vote against proposed new section 5(2) so that the status quo remains.

Clause put and negatived.

Clause 5: Section 10 amended—

Mr COWAN: The purpose of the amendment in my name on the Notice Paper is to include, in those authorities or bodies which are exempt from the tax, hostels which are defined under section 3 of the Country High School Hostels Authority Act 1960. I do this, because it is a matter which has been asked for by both the authority and the separate boards of management of country high school hostels which have to pay payroll tax. Not all country high school hostels are required to pay the tax, because they do not have sufficient employees to attract it; but, nevertheless, some do. As I have stated previously, there is a rather loose arrangement with the Country High School Hostels Authority where the local boards of management are required to charge fees to the hostel students, or to the parents of hostel students, to cover operating costs. Of course, payroll tax is listed as part of the operating costs.

As members would be aware, despite the fact that an isolated children's allowance is paid by the Federal Government and, indeed, a small amount is paid by the State Government for students attending hostels, a difference exists between the allowance and the actual sum paid, and parents are required to meet this amount. Anything which would contribute to the lessening of the cost of educating children in rural areas would be a good thing.

I know in his reply to the second reading debate, the Treasurer said a review was being undertaken of those provisions of the Pay-roll Tax Assessment Act which perhaps needed to be granted exemptions, and the Government was not prepared to accept this amendment, because it would create a precedent. I accept the comments of the Treasurer and his goodwill, but it has been my experience in

the past that Governments have taken on board particular issues and said they are quite good, but have not supported them. I am not referring to this particular Government, but in the past a member of the National Party introduced legislation which would bring insurance companies under the scrutiny of the Commissioner of Corporate Affairs and the Minister handling the Bill at the time said that it was very good legislation, but he could not support it. Twelve months later he introduced legislation which was identical. What actually happened was that for one year people were unnecessarily denied access to the provisions contained in the legislation.

We accept that the Government intends to conduct a review of these bodies which perhaps should be exempt and which I feel should be exempt from payroll tax, but, nevertheless I shall move my amendment now and, because of my opposition to payroll tax anyway, I believe it would be a very good thing to create a precedent. I accept that the Government has the numbers to oppose the amendment, but nevertheless, I shall move it. My amendment should be supported now. I intend to proceed with this amendment to make clear and have placed on record the feelings of members of this Chamber on this matter.

I seek to exempt country high school hostels which come under the auspices of the Country High Schools Hostels Authority from the payment of this tax. It is not a very large sum. It would amount to less than \$100 000, but it amounts to a great deal for those boards of management which are required to set a fee for students who attend these hostels. The parents who choose to send their children to them have no other choice; they either do that or they tell their children that they can no longer continue with their education. I know this Government is concerned about the hidden or extra costs of education, because it has established a committee of inquiry to investigate the costs of educating children in secondary schools. That committee may consider the cost of students living away from home. A portion of those extra costs can be removed by accepting this amendment.

Although my amendment will create a precedent, it is also quite specific. It is not something which can be extended to any other institution or body unless the Government chooses to amend it further.

All it deals with is country high school hostels. It is very clear, because the definition of a country high school hostel is contained within the Country High School Hostels Authority Act 1960 and it cannot possibly include anything else.

It is my personal view that this is a common-sense amendment. It would give an indication that the Government is prepared to deal with these issues and if a precedent is being created, so what? It is a step in the right direction.

I move an amendment—

Page 4, lines 1 to 4—Delete the proposed subparagraph (ii).

The purpose of doing that is to allow me to substitute the subparagraph which is in my name on the Notice Paper.

Mr BRIAN BURKE: As I indicated during the second reading debate, the Government is not prepared to accept the amendment. I am advised that at present a number of organisations which provide student accommodation, not just country high school hostels, are paying payroll tax, and the Commissioner of State Taxation is currently investigating their liability to pay it.

In those circumstances I am advised that, because it is not the case that just the country hostels are paying the payroll tax and providing the student accommodation, but other organisations are so doing, we would not want to set a precedent in respect of one and not the others.

The Government is taking the matter seriously. It does not involve a great deal of money as far as the country hostels are concerned. However, we do not believe that we should extract the country hostels from the category of payroll tax-paying institutions. All I can say to the member for Merredin is that we will make sure that his point is taken seriously and that the investigations are carried out by the commissioner and, as quickly as possible, an answer will be provided to him as to our capacity to change the payroll tax obligations of those country hostels.

Mr COWAN: I appreciate the genuineness of the comments made by the Treasurer. However, I would have liked him to expand a little on the number of bodies or hostels which at the moment are not exempt from this tax.

My reason for introducing this amendment was that other bodies provide hostel or boarding accommodation for students and they are exempt from the tax. Private schools are exempt from the payment of payroll tax, and consequently all the costs associated with their boarding houses are exempt. Swanleigh Hostel, a private hostel which does not come under the authority of the Country High School Hostels Authority, is not liable for the payment of payroll tax. Somewhere in the State of Western Australia there may be hostels

which provide accommodation for technical college students. I do not know where they are, but there may be some which are liable for the payment of payroll tax. However, to my knowledge, the only hostels or boarding houses which pay payroll tax are in fact hostels which come under the auspices of the Country High School Hostels Authority and those hostels, boarding houses, or live-in wings—whatever one might call them—attached to the four agricultural colleges in Cunderdin, Narrogin, Denmark, and Morawa. There are no others.

I would think the precedent set by my amendment would be a very good one to follow. While I accept that the Treasurer has said he will investigate the matter, something will be done, and we can look forward with great expectation to something being achieved in the future, I ask: Why cannot we do it now? Why cannot this Parliament make a decision now rather than have some Treasury adviser make the decision? I ask the Treasurer: Who is running this State? Is it the Treasurer; is it the Government; or is it one of the Treasurer's advisers?

This is a trifling sum, but the people who are required to pay fees to the country high school hostels would regard this as a very generous act by the Government of the day.

We all know that Governments are not known to make generous offers to people very frequently, and this would be one instance where it would not cost the Government a great deal of money and it would be seen that it was doing something.

We have had inquiries into education. There is one examining the cost of secondary education school fees. This is one matter which will affect the pockets of people whose children attend schools in the country. It would not be a bad idea for the amendment to be acted upon now, not at some future stage.

I remind the Treasurer there are very few other hostels which are not covered by the Country High School Hostels Authority. Agricultural wings are the ones which come to mind, but all other boarding houses and private hostels, by virtue of the fact that they are private, are not required to pay payroll tax, so really the precedent has been created already.

I urge members of this Parliament to make a decision rather than rely upon the advice of some obscure Treasury official, who seems to have this Government by the short and curlies, and tells it what to do.

Amendment put and a division taken with the following result—

	Ayes 18
Mr Blaikie	Mr Laurance
Mr Bradshaw	Mr MacKinnon
Mr Clarko	Mr McNee
Mr Court	Mr Old
Mr Cowan	Mr Rushton
Mr Coyne	Mr Stephens
Mr Grayden	Mr Trethowan
Mr Hassell	Mr Watt
Mr Peter Jones	Mr Spriggs

Teller

	Noes 24
Mr Bateman	Mr Jamieson
Mr Bryce	Mr Tom Jones
Mrs Buchanan	Mr Parker
Mr Brian Burke	Mr Pearce
Mr Terry Burke	Mr D. L. Smith
Mr Burkett	Mr P. J. Smith
Mr Carr	Mr A. D. Taylor
Mr Davies	Mr Tonkin
Mr Evans	Mr Troy
Mr Grill	Mrs Watkins
Mrs Henderson	Mr Wilson
Mr Hodge	Mr Gordon Hill

Teller

	Pairs	Noes
Mr Tubby	Mr McIver	
Mr Mensaros	Mr Bertram	
Mr Crane	Mrs Beggs	
Mr Williams	Mr Barnett	
Mr Thompson	Mr Read	
Dr Dadour	Mr Bridge	

Amendment thus negatived.

Mr HASSELL: I refer the Treasurer to proposed subsection (3) which extends the exemptions beyond those specified in the Act to any that the Minister may decide to declare to have charitable objects. As I said during the second reading debate, the Opposition, of course, does not wish to deny a charity the benefit of any exemption that it can obtain, but we are concerned about discretionary exemptions in the taxation Act and as a general proposition. I raise with the Treasurer specific questions. Which organisation is this provision intended to benefit? What does the Government have in mind in relation to this matter? What is it for? Why has it appeared?

Mr Brian Burke: Are you talking about clause 5(c) which contains proposed new subsection (3)?

Mr HASSELL: Yes.

Mr Tonkin: Silence is golden.

Mr HASSELL: I was waiting for the Treasurer to reply.

Mr Davies: We realised that. That is why we appreciate it all the more.

Mr HASSELL: Secondly, I wanted to ask the Treasurer how the term "charitable object" is defined. What is meant by those words in this subsection?

Mr BRIAN BURKE: The Leader of the Opposition is referring to the proposed amendment which provides—

The Minister may, on the application of a body or organisation which has any charitable object or objects, declare, by notice published in the *Gazette* that body or organization to be exempt for the purposes of subsection (1)(k) of this section in relation to its charitable objects or any specified charitable object, and may impose any condition subject to which the exemption shall have effect.

My advice is simply that subsection (3) to which the Leader of the Opposition refers simply provides a power that will, in cases where the Minister believes there is a bona fide or public interest reason for doing so, exempt a body or an organisation from the payment of payroll tax. That exemption must be advised in the *Gazette*. I do not understand that to be anything more than what it says on its face. If the Minister considers that it is capable of exemptions in the way I indicated during the second reading debate, I am sure during the period of the last Government, as has been the case, I think, during the life of this Government, exemptions were granted to certain applicants, or at least remittances were made to certain applicants.

I do not know whether the Leader of the Opposition has reason to believe that favourites will be played, or that the Minister should not have the ability by notice published in the *Gazette* to exempt a particular body or organisation. I cannot really see what the Leader of the Opposition is getting at. I was originally confused by what I thought was his reference to that part of section 5(2)(b) that we did not pursue, but I think this proposed amendment stands on its face. It simply says that the Minister shall have the power—the flexibility, if we like—to exempt a charitable body or organisation, or a body or organisation that has charitable objects or a charitable object.

I would think that is a desirable power to give the Minister and I cannot see—apart from the general laxness that the Leader of the Opposition might see that that amendment involves—that that flexibility should be denied the Government. There is ample protection, I suggest, against the wrong thing being done under the requirement that the Government is to put a notice in the *Government Gazette*.

Mr HASSELL: I do not think the Treasurer has demonstrated much knowledge of the purpose he has in bringing forward this amendment; and I would try to explain it to him this way. As I understand it, the Act exempts charitable bodies.

We now see brought forth an amendment which allows a discretionary further exemption of particular bodies. I know enough about government, and I am sure that the Treasurer does too, to know that these sorts of provisions do not just come out of the blue; they come up for a purpose; they have been requested—an anomaly has arisen in the administration of the Act or some difficulty has arisen which has caused this amendment to be brought forward.

We are just trying to explore in the Committee stage—it is a very appropriate place to do so—what the Government is doing here and why it is doing it. The questions which I ask the Treasurer are: Which organisations will this provision benefit? What are the reasons for bringing this amendment forward? How is “charitable object” defined? It has a very technical legal definition. I am not sure whether this is the context in which it is being used here. I can understand if the Treasurer does not know, but what I am really asking him, I suppose, is what has given rise to this amendment coming forward?

Mr BRIAN BURKE: If the Leader of the Opposition is looking for a particular organisation that does not have an exemption but which in the Government's view should have an exemption, I cannot give him that name because, as he would understand, we are amending the legislation. If he takes into account subsection (1)(k) of this section which says, “by a body or organization exempted under subsection (3) of this section”, he would know that were we aware of a particular organisation or body it would be included within the general exemption of subsection (3), but, presumably, because I do not have the advice as to the name of a particular organisation—if I had that advice, it would be included in the exemptions provided—subsection (3) goes to the multiple case that then goes to the notice of the Government once legislation is enacted where a power that we might all agree should be exempted does not comply with the exemption.

In this case, that is referred to in subsection (3) as being in subsection (1)(k) which deals with exemptions in subsection (3) of this section; so what I am trying to say is that as far as the Government and I are concerned, I do not have the name of a specific organisation or institution; but I presume, and it would be logical to do so, that subsection (3) talks about multiple cases in which the flexibility is required; that is, the case that perhaps falls outside subsection (1)(k) to which I have previously referred.

Clause put and passed.

Clause 6 put and passed.

Clause 7: Section 16H amended—

Mr HASSELL: This is the clause which places the onus on the employer to have a member of his group excluded from the grouping provisions of the Act; in other words, it reverses the onus of proof and places the obligation on the taxpayer to prove that he is to be exempted from the tax rather than requiring the commissioner to establish that he is liable for the application of the law. I know these provisions are not uncommon. I know that they are in a number of places and that they are considered desirable on occasions by all Governments, but the grouping provisions of the Pay-roll Tax Assessment Act have been very considerably widened in recent years, not just by the present Government, of course. They take in a tremendous number of groups of organisations that are not directly related, and that has been causing some difficulty. They were resisted when they came in and I just wonder what it is that induces the Treasurer to bring forward a further amendment to impose this further burden on the taxpayer.

Mr BRIAN BURKE: As the Leader of the Opposition rightly indicated, provisions of this sort are not unusual. The Government sees no reason for the change not being included in this legislation. According to the State Commissioner of Taxation there has been an increase in the avoidance of payroll tax through the exploitation of the grouping provisions of the Act. Although the only case that comes to mind—and I will stand corrected—is that involving Value Engineering, the commissioner has evinced concern, probably from the time that the previous Government was in office, about the way in which the grouping provisions in the Act provide a loophole through which those who might legitimately be thought liable to pay this tax were able to avoid it. That is the advice we have received from the commissioner, and on that basis the Government proposed the change.

Mr HASSELL: I believe the Treasurer should consider this matter, because the State Commissioner of Taxation has a most extraordinary view on these matters. He is quite prepared to catch anybody in his quest to recover payroll tax, and many of the grouping provisions have the effect of including people in groups which are barely connected, much less commercially commonly owned. I was interested to hear the Treasurer mention the case of Value Engineering.

Mr Brian Burke: I said I would stand corrected. It is Value something.

Mr HASSELL: I have heard of that company and, as I understand it, it is in the course of challenging certain provisions. I have raised this matter with the Treasurer previously and I have

tried to discover from him in question time whether this amendment is to thwart a challenge while it is in progress. I ask the Treasurer to expand on that. Is it being brought forward to try to make it more difficult for Value Engineering to proceed with its case?

Mr BRIAN BURKE: As I said, I will stand corrected on the specific case to which I referred. I am not sure whether that went to the grouping concern of the State Commissioner of Taxation. In answer to the question by the Leader of the Opposition, I indicated—and the indication would have been on the advice of the State Commissioner of Taxation—that the amendments proposed were not designed to thwart an application or a case presently before the courts.

I must disagree with the Leader of the Opposition's assessment of the commissioner. It has not been our view that the commissioner has been unreasonably assiduous in pursuing people or in widening the grouping provisions in the way related by the Leader of the Opposition. On that basis, the Government urges the Committee to support the amendment.

Mr LAURANCE: I would like to take this matter further. At the time of the last Budget, I raised the matter of the grouping provisions and the way they had been interpreted in recent times by the commissioner. I was very concerned, and I mentioned the case of a constituent at Carnarvon. In my study of the matter, I found a previous challenge had been brought, which the commissioner had lost. I cannot recall the names of the people involved; it was a firm of three consultants, one of whom was named Scotford.

That firm brought an action against the commissioner and was successful. As a result, the previous Government introduced amendments to the Act to tighten the grouping provisions so that a similar future challenge would not be successful. I believe that as a result of that legislation, the grouping provisions have been invoked in a way that was not intended by the Cabinet of the day when it approved the amendments which were subsequently brought to the Parliament and passed.

I instance the case of two Carnarvon companies which have been caught under these provisions. I went to see the commissioner on their behalf to plead their case. They sought legal advice and it was shown that under the situation that applied at the time that Scotford and the others took their case to court, the Carnarvon companies also would have been successful, but subsequent amendments prevented their taking action.

A hardware store that had been operating for a considerable number of years decided to branch

out into other business activities, one being to form an air charter company. The two operations had similar ownership and directors, but were entirely different operations which were started several years apart. Some of the directors of the air charter company were different from those of the hardware store. The company not only got caught under the grouping provisions, but also got a back assessment which was a considerable penalty. The company took legal advice and made representations to the commissioner who decided, in his words, "to be lenient" by not taking the matter back as far as he could. He went back about 18 months or two years to the time the previous amendments were passed, which indicated to me that if they had not been passed, the legal action by the company would have been successful. While the back tax assessment was alleviated to some extent, it was still a considerable penalty.

When I went to see the commissioner about it—that commissioner has since retired, and I am not denigrating him in any way; I had tremendous respect for him—he explained that his first duty was to protect the revenue. He was doing his job as he saw it, but I believe he was far too assiduous in the application of the grouping provisions of the Act. He said the new air charter company should not have been set up in that way. He said the man's accountants surely would have been aware of the grouping provisions and the latest amendments to the Act, and should have advised their client accordingly.

When I took that information to my constituent, he said it proved his point. Which accountant should have told him he would be in breach of the provisions, because the hardware company and the air charter operation had different accountants and different banks?

Mr Brian Burke: This amendment will clear that up because it will allow him to make application to the commissioner who will tell him.

Mr LAURANCE: Do you mean it will absolve him from responsibility? I do not believe the grouping provisions should apply in that case.

Mr Brian Burke: It will depend on whether it conforms to the Act. Someone will be able to say at the outset whether a person is exempt.

Mr LAURANCE: I hope the Treasurer is right. If it is interpreted in that way, it will be to the benefit of the people in the case I raised.

Mr Brian Burke: The Leader of the Opposition's point was—and it is a valid one although we do not accept it—that we are reversing the onus of proof and causing people to make application at the start to demonstrate they should be exempted.

Mr LAURANCE: In this case, a considerable back assessment was made, and I believe the commissioner used his powers in a fashion wider than that which was intended by the former Government or the Parliament when it passed the amendments.

It will be interesting to see the impact of what the Government has in mind in this amendment. I trust the Treasurer is right and that firms will be able to get a clear indication of whether they are liable under the grouping provisions. I will be surprised if he is right, because I cannot imagine the commissioner would in any way lessen his power. The Treasurer has indicated that firms which were liable in recent times may not be liable under the grouping provisions. In the instance I mentioned, I felt the companies were not connected sufficiently to make them a group for the purposes of payroll tax. They were commenced separately and years apart, and had totally different employees and some different directors.

Although it has been put to Parliament on this and previous occasions that people have been avoiding payment of payroll tax and utilising the loopholes in the grouping provisions, I believe it is also true that the provisions have been used in a very wide fashion to bring people who should not strictly have been paying payroll tax within the purview of the amendments.

Mr BRIAN BURKE: I refer the member to section 16H (1) of the Pay-roll Tax Assessment Act. The member made two points. One was that the grouping provisions were unreasonably interpreted and there was some confusion about which accountant could tell his constituent whether he came within the provisions of the Act. The Leader of the Opposition is correct in saying that the onus is reversed in this case. The second point made by the member for Gascoyne will be cleared up and the man will know whether he is exempt. I cannot say he will be happy with the commissioner's decision. The commissioner may say, "Yes, I accept and acknowledge your application". On the other hand, he may say, "No", in which case the member will no doubt say the grouping provisions are being interpreted too widely.

Mr LAURANCE: I accept what the Treasurer said. I want to clarify for him and the commissioner the point I made about the accountants used by the firms involved. When I went to the commissioner and he said that the firms should not have been set up in that way if they did not want to attract payroll tax, and that their accountant should have advised them correctly, I reported that to my constituent who said that the two companies did not have the same accountant. That

indicated to me they should not have been regarded as a group. I mention that by way of explanation.

Mr Brian Burke: The fact that they have the same accountant does not determine whether they are part of a group.

Mr LAURANCE: The commissioner said they were started by largely the same people. They had been running a hardware store and years later decided to branch out into an air charter company. He said it was part of a group, but the companies had different directors, different employees, different banks and accountants, and were on different sites.

Mr Brian Burke: All those other things may be reasons for the grouping provisions not applying. I do not know. Having a different accountant does not seem to me to be a valid reason.

Mr LAURANCE: It does not. The commissioner made the point that one accountant was advising the man about the operations and, therefore, they were part of the group. However, that was not the case; they were totally different and run separately; yet the commissioner grouped them. I make the point that an accountant should be a person who is legally responsible. These companies operated as separate entities with different banks and different accountants so it was not in the realm of the accountant for the hardware store to advise about the air charter business. Likewise, it was not in the realm of the accountant for the air charter operation to advise on the hardware store.

Mr Brian Burke: Perhaps he should have put the two accountants in touch.

Mr LAURANCE: Yes, but they were not in touch because they were not part of a group. If this is looked at by such people as the commissioner, I would not want what I have said earlier to be misunderstood. I believe there are enough factors to indicate the firms were operating separately and yet they were taken by the commissioner to be a group, and payroll tax was not only applied accordingly, but also a back assessment was made.

Clause put and passed.

Clauses 8 and 9 put and passed.

Clause 10: Section 21 amended—

Mr MacKINNON: The Opposition has some real concerns with the amendments proposed in clause 10. These are amendments to section 21 of the Act which states that the commissioner may in such cases as he thinks fit extend the time for payment of any tax by such period as he considers the circumstances warrant, or permit the payment of tax to be made on instalment within such time

as he considers circumstances warrant. That seems fair enough but, of course, one has situations where a taxpayer might be swinging the lead and trying to avoid paying taxation. This puts the commissioner at a disadvantage. He has no way to encourage the taxpayer to pay his tax earlier other than by taking legal action. The Government has proposed an amendment to this section which reads as follows—

Interest at the rate of 20% per annum shall be paid on any tax which is not paid before the expiration of the time specified in section 17 or 18 of this Act from that time until the tax is paid, but the Commissioner may, in any particular case, for reasons which in his discretion he thinks sufficient, remit such interest or any part thereof.

He only "may", and the rate charged is at his discretion. In his comments in the second reading speech, the Treasurer gave an undertaking that that would only be used in the case of a delinquent taxpayer or where a taxpayer had made an arrangement for time payment of taxes. However, I have three concerns about that proposal even though it sounds most reasonable. Firstly, the rate of tax is still as specified in the Act, 20 per cent, and that is punitive. It is punitive because the rate of interest is extremely high. I indicated in my earlier comments that 20 per cent is normally applied in the administration of the Commonwealth Income Tax Assessment Act because the commissioner believes he must charge a penalty rate to encourage taxpayers to pay tax. Also it is more punitive than at first might appear because that penalty rate is not tax deductible.

In a normal company situation, if money is borrowed at 20 per cent interest rate, the effective rate is approximately 10 per cent because there is a 46c in the dollar tax deduction. However, if it is paid to the taxation commissioner the effective rate is 20 per cent, and he cannot write it off against his taxation. In these circumstances the taxpayer, by definition, is necessarily in dire straits in his business; he must have cash flow problems or he would not be trying to extend the time for payment of taxes.

Mr Brian Burke: That is not always true. Some people will take advantage of the situation if they can.

Mr MacKINNON: I agree with that. I believe I have a better amendment which should be considered. If that 20 per cent is to apply, obviously it would encourage anyone with the money to pay it quickly. The incentives are there because of the rate and because it is not a tax deduction.

Secondly, the amendment will encourage tax dodgers. I respect what the Treasurer said in re-

lation to administration of this provision. I put the case of one of the few people who wants to delay the payment of his tax. If he is in any doubt about the assessment or wishes to fabricate a doubt in relation to the assessment and then lodge an objection, under the proposal that taxpayer will not be levied the 20 per cent by the commissioner. He can delay payment, no interest will be paid, and he will receive a substantial benefit to which he is not entitled. He could well be swinging the lead and it will be difficult to act against him.

Mr Brian Burke: That often happens, but in the same way the Commonwealth deputy commissioner can impose a penalty in respect of some delinquency, and the penalty varies according to an assessment of the "badness" by the department or the officers. We are only giving the commissioner the ability to vary the penalty if he thinks the case is genuine.

Mr MacKINNON: I think the key is, "if the case is genuine". It is difficult for the commissioner to determine that. Many taxpayers believe they are in the right. How can it be determined whether they are until the end of the day?

Mr Brian Burke: The Commonwealth has to determine that also.

Mr MacKINNON: I am not being negative, and I want to make some suggestions which I think will solve both the Government's and the Opposition's problems. I think the administration in the manner suggested will be discriminatory and favour those taxpayers who want to use the Act to their advantage.

Thirdly, and most importantly in my view as one involved in the administration and handling of the affairs of people who act under taxation legislation, it is very unsatisfactory for taxation legislation to be administered on the undertaking of the Premier, the Treasurer, or a Minister. If a taxpayer doubts that he has been dealt with properly or that the commissioner has carried out the instructions either of the Act or the undertaking given by the Premier and Treasurer, that dispute is determined in the courts. The courts will not look at the Treasurer's undertaking in the Parliament; they will look at the Act as it is written to determine their attitude in relation to that dispute. The Treasurer's undertaking will be of slight comfort to the taxpayer in dispute. As with partnership agreements, one never legislates for the times when things go right but for when they go wrong. I believe a couple of minor changes should be considered, and all of the objections of the Government and the Opposition can be covered.

The first suggestion is, under proposed subsection (2), all that needs to be done is to amend the rate to be no greater than the prevail-

ing bank rate. There could be doubt as to which bank rate should be used but this could be defined.

Mr Brian Burke: You will have a taxpayer who believes the prevailing bank rate is a rate at which he would like to borrow money and he will take advantage.

Mr MacKINNON: The Treasurer did not listen to my earlier comments. The rate levied by the commissioner is 50 per cent higher than the bank rate because the taxpayer cannot get a tax-ation deduction for the interest charged.

Mr Brian Burke: For someone unable to obtain finance it may well be the case that they are happy to pay 50 per cent above the current bank rate.

Mr MacKINNON: If they cannot obtain finance elsewhere there is little doubt that the commissioner will not get his money anyway. The taxpayer is likely to be on the skids. In any event the commissioner has other means available to him under the Act.

Mr Brian Burke: You are talking about a rate of 18 per cent.

Mr MacKINNON: That would be the effective rate if the current rate is 12 per cent.

Mr Brian Burke: The overdraft rate is now 16 per cent.

Mr MacKINNON: I think it is slightly lower. If we take a figure of 14 per cent, that would be closer.

Mr Brian Burke: In which case you are talking about 21 per cent.

Mr MacKINNON: If the rate applied is 20 per cent, that effectively is a 30 per cent rate. It would be fair and equitable in my view and it is not as though there are many such cases. The commissioner has many ways to pursue delinquent taxpayers. If a change is made along the lines suggested, it would be fair and equitable.

My second suggestion is that a new section 22 be inserted in the Act along the lines of the comments I made in the second reading speech relating to the refund of moneys paid to taxpayers should their appeal be successful. I suggest that section 58 of the Financial Institutions Duty Act be inserted as new section 22. It is fair and reasonable in that Act and consistency should prevail. The section reads as follows—

The fact that an objection, appeal or case stated is pending with respect to any liability or assessment shall not in the meantime interfere with or affect the liability or assessment the subject of that objection, appeal or case stated and the duty may be recovered as if no objection, appeal or case stated were pending.

Subsection (2) provides—

(2) If the liability or assessment is altered on appeal or in consequence of a case stated, a due adjustment shall be made, for which purpose amounts paid in excess shall be refunded together with interest paid at the rate prescribed for the purposes of this subsection, and amounts short paid shall be recoverable.

That is quite reasonable. On the one hand, the commissioner has the ability to recover outstanding tax and interest from the taxpayer. Should the dispute then be determined through the proper processes and the taxpayer be found to be right, equity demands that the taxpayer should receive equal treatment. The funds which he has had to borrow or divert from alternative uses to pay the tax should be treated fairly by the commissioner, and the taxpayer should receive interest thereon. As I say, that is consistent with the Financial Institutions Duty Act and with the Commonwealth Acts which have been implemented along those lines already.

There are not a large number of cases, and it would be fair and equitable to all taxpayers concerned. I do not dispute the validity of the undertaking given by the Treasurer; I am just looking for good administration of taxation law.

I make two suggestions: Firstly, the rate of tax should be no greater than the prevailing bank interest rate; and, secondly, a new section 22 or 23 should be inserted wherever appropriate in terms similar to or the same as section 58 of the Financial Institutions Duty Act.

Mr BRIAN BURKE: The Government will not accept the proposed changes. It becomes quite a difficult matter to try to speculate about the financial well-being or otherwise of someone who might be in a position to be affected by these parts of the amending Bill. While it is true that there may not be any deductibility attaching to the penalty paid or the interest charged on the outstanding amount, in the words of the Deputy Leader of the Opposition the taxpayer may not be in a position to claim any deduction on the basis that he might have no income because, as the Deputy Leader of the Opposition said at one stage, the Taxation Commissioner might not receive any money if the person involved cannot afford to borrow any money except at the prevailing bank rate, or if the man could not borrow any money at any rate whatsoever. There are a lot of permutations with this part of the amending Bill. We have set the rate at 20 per cent and given the commissioner the power or the discretion to vary the penalty. That is similar, in some circumstances, to the pro-

cedure open to the Commonwealth Commissioner of Taxation.

We do not believe that the State Commissioner of Taxation is likely to use his discretion unwisely. It seems to us that the discretion should be in the Act. I would not expect that, in every case, the penalty would be 20 per cent. In some clear cases where people are trying to distort the system, the commissioner may see fit to impose a 20 per cent interest rate. In other cases, he may choose to impose no penalty whatsoever.

In respect of the second matter, the assurance I gave in the second reading debate, which was based on my reference to the Treasury of the point raised by the Leader of the Opposition, was that the charging of interest would not be the case in situations involving objections to assessments issued by the State Commissioner of Taxation. Simply, that is the Government's understanding of the amendment. It will not apply to those cases where the objections have been lodged by the commissioner.

Mr MacKinnon: What you are saying is that if an objection is lodged, the taxpayer will not have to pay his tax until such time as the case is determined?

Mr BRIAN BURKE: The proposed charging of interest is in recognition of the absence of such a provision currently, which absence places persons who are able to delay payment of the tax in an advantageous position when compared with other taxpayers. It is not intended to be charged in situations involving objections to assessments issued by the State Commissioner of Taxation.

Mr MacKinnon: That does not really answer what I asked.

Mr BRIAN BURKE: It indicates what is the case.

Mr MacKinnon: If I am a taxpayer and lodge an objection, but the commissioner says, "You still must pay", I pay that penalty, but then the court, or whatever is the adjudication process, determines that I am right. I have then gone without the money for six, 12, or 18 months, or two years, and I do not receive any interest on that money. However, the contrary is the case if the commissioner wins.

Mr BRIAN BURKE: That is true. If the taxpayer pays the money, no interest is recoverable on that money. If he does not pay the money and an objection is lodged, the interest rate does not apply. He would be well advised not to pay the money, if there is an objection.

Mr MacKinnon: Under the Act, the commissioner may well demand that the taxpayer pay

the money, because the system will be abused if he does not.

Mr BRIAN BURKE: The system will be abused if there is no provision for the imposition of an interest rate penalty.

Mr MacKinnon: I understand that. This is separate argument.

Mr BRIAN BURKE: We are proposing to impose that penalty at the rate of 20 per cent, and the discretion rests with the commissioner. In the event that the commissioner is reckless in the use of his discretion, and we receive many complaints about the way in which he is imposing interest rate penalties, the matter will be reviewed. However, we will not review it before we have evidence that, in some way or other, the commissioner is not using his discretion properly within the terms of the Act.

Mr MacKinnon: I will not pursue any further the rate of interest argument, but my leader may wish to do so. I do not agree with the Treasurer's viewpoint, but I am prepared to accept his explanation in the interests of getting on with the debate.

However, I wish to pursue the question of payment by the taxpayer if he is found to be right in due course. I remind the Treasurer that last year he chose to insert a subsection in the Financial Institutions Duty Act to do exactly what I am requesting now. That subsection reads—

(2) If the liability or assessment is altered on appeal or in consequence of a case stated, a due adjustment shall be made, for which purpose amounts paid in excess shall be refunded together with interest paid at the rate prescribed for the purposes of this subsection, and amounts short paid shall be recoverable.

If that is good for the FID Act, why is it not good for the Pay-roll Tax Assessment Act? It would seem that consistency should prevail. Otherwise, are we to see an amendment to the Financial Institutions Duty Act to remove that subsection? I hope that equity prevails; and if the taxpayer is proved to be right and the commissioner is wrong, the taxpayer should be recompensed for the error made by the commissioner in collecting the funds from him and denying him the use of that money in his business for the time concerned.

I urge the Treasurer to reconsider our second request for an insertion in the Act in line with the Financial Institutions Duty Act, to give this Act consistency with the FID Act. Secondly, and most importantly, that would allow equity to the taxpayer who, wrongfully, would have been pursued by the commissioner in such a case.

Mr BRIAN BURKE: Perhaps the Deputy Leader of the Opposition is overlooking the fundamental difference between the Financial Institutions Duty Act and the Pay-roll Tax Assessment Act. Perhaps he is privy to something of which I am not aware; but my understanding is that the FID is paid and is required to be paid, whereas an objection under the Pay-roll Tax Assessment Act forestalls the payment. That leaves the situation in which the tax is unpaid, but perhaps subject to some penalty pending the settlement of the objection.

In any case, the Government is not prepared to accept the proposed amendment, and it will not insert in this legislation the clause spoken of by the Deputy Leader of the Opposition.

Mr HASSELL: The Opposition continues to oppose this clause. I make it quite clear that no explanation given by the Treasurer satisfies me as to the need for the clause in this Bill. If there is a need for a clause imposing interest in the event of default, it ought to be a proper clause, and the clause as it is written is not a proper one. It is not balanced in its application to taxpayers in all situations. If the taxpayer is the winner, he does not receive interest; if he is the loser, he can be made to pay interest. The taxpayer is put in the position where he must apply to the commissioner to be exempted from payment of the interest. He has no right to be exempted, no matter what the bona fides of his case may be.

The clause is badly drafted and lopsided. There is no fundamental difference between this Act and the Financial Institutions Duty Act in terms of these matters. The Treasurer's explanation rings hollow. This is a bad provision; it is unfair; it is unbalanced; it is badly drafted; and we oppose it.

Mr MacKINNON: I am not aware of any section of the Pay-roll Tax Assessment Act which provides that if a taxpayer lodges an objection to his assessment, he need not pay that assessment.

I join with my leader in saying that we oppose the clause. It is disappointing that the Treasurer does not see his way clear to being consistent in the application of laws in the taxation area.

Clause put and a division taken with the following result—

Mr Bateman
Mr Bridge
Mr Bryce
Mrs Buchanan
Mr Brian Burke
Mr Terry Burke
Mr Burkett
Mr Carr
Mr Davies
Mr Evans
Mr Grill
Mr Hodge
Mr Jamieson

Mr Blaikie
Mr Bradshaw
Mr Clarke
Mr Court
Mr Cowan
Mr Coyne
Mr Grayden
Mr Hassell
Mr Peter Jones

Ayes
Mr McIver
Mr Bertram
Mrs Beggs
Mr Barnett
Mr Read

Clause thus passed.

Clauses 11 and 12 put and passed.

Title put and passed.

Bill reported with an amendment.

Ayes 25

Mr Tom Jones
Mr Parker
Mr Pearce
Mr D. L. Smith
Mr P. J. Smith
Mr A. D. Taylor
Mr I. F. Taylor
Mr Tonkin
Mr Troy
Mrs Watkins
Mr Wilson
Mr Gordon Hill

Teller

Noes 18

Mr Laurance
Mr MacKinnon
Mr McNee
Mr Old
Mr Rushton
Mr Stephens
Mr Trethowan
Mr Watt
Mr Spriggs

Teller

Pairs

Noes

Mr Tubby
Mr Mensaros
Mr Crane
Mr Williams
Mr Thompson

HEALTH LEGISLATION ADMINISTRATION BILL 1984

Message: Appropriations

Message from the Lieutenant-Governor and Administrator received and read recommending appropriations for the purposes of the Bill.

BILLS (4): RETURNED

1. Western Australian Water Resources Council Amendment Bill 1984.
2. Water Authority Bill 1984.
3. Podiatrists Registration Bill 1984.
4. Eastern Goldfields Transport Board Bill 1984.

Bills returned from the Council without amendment.

House adjourned at 11.03. p.m.

QUESTIONS ON NOTICE

2928. *This question was further postponed.*

STATE FINANCE: TREASURY

Revenue: Collections

3006. Mr HASSELL, to the Treasurer:

- (1) How much Treasury revenue due at 30 June 1983 remained uncollected at that date?
- (2) How much has been collected since?
- (3) How much of the sum due at 30 June 1983 has little prospect of recovery, and why?

Mr BRIAN BURKE replied:

- (1) and (2) All Treasury revenue which was taken into consideration in framing the 1982-83 Consolidated Revenue Fund Estimates was received by 30 June 1983. However, as the member would be aware, some authorities have accrued interest liabilities over a period of time on capital advanced from the General Loan Fund and through the provision of Treasurers' advances. These interest liabilities amounted to \$12 134 119 at 30 June 1983, and since that date \$937 079 has been paid by the Albany, Esperance, and Geraldton Port Authorities.
- (3) Apart from \$29 745 all other amounts are expected to be recovered. This amount was the interest liability incurred by the Artificial Breeding Board, whose operations have recently been restructured.

HEALTH: DRUG

Marijuana: Penalties

3027. Mr MacKINNON, to the Premier:

- (1) Has he received any approaches requesting that the Government ease penalties for the possession of marijuana?
- (2) If so, what has been his response to these approaches?

Mr BRIAN BURKE replied:

- (1) Yes, several approaches have been directed towards that end.
- (2) The Government's responses have been made on the basis of the view that there is a distinction to be made between maximum penalties provided for possession of marijuana and actual penalties imposed, and that, generally, rela-

tively light fines are imposed in the case of persons of favourable antecedents having small quantities of marijuana for personal use. This judicial response appears appropriate in the context of the present state of the marijuana debate.

The policy of firm opposition to illicit drug dealing and use of hard drugs is affirmed.

3044 and 3050. *These questions were further postponed.*

STATE FINANCE: BUDGET

1983-84: Outcome

3072. Mr HASSELL, to the Treasurer:

What is the latest advice received by him as to the likely 1983-84 Budget outcome?

Mr BRIAN BURKE replied:

On the most recent analysis of expenditure and revenue trends a potential deficit of \$4 million was forecast. However, Treasury is currently reviewing the position and the Government is taking measures to contain expenditures in line with our commitment to balance the accounts.

PAY-ROLL TAX ASSESSMENT AMENDMENT BILL

Consultations

3073. Mr HASSELL, to the Premier:

What consultations were undertaken by him with the insurance industry in relation to relevant parts of the Pay-roll Tax Assessment Amendment Bill?

Mr BRIAN BURKE replied:

No consultations were undertaken with the insurance industry. The clause in the Bill which refers to insurance agents is designed to overcome the effects of a court decision in New South Wales which had the effect of exempting from the tax amounts paid to insurance agents which had previously been taxable.

EDUCATION

Teachers: Compulsory Unionism

3075. Mr CLARKO, to the Minister for Education:

- (1) Did he direct the editor of the *Education Circular* to insert in the April 1984 edition a politically partisan message setting out the Government's policy on unionism, viz., that all teachers be members of the Teachers' Union?
- (2) If "No", what method did he use to arrange for this message to appear in the circular?
- (3) Does the *Education Circular* not usually, if ever, include partisan pro-Government items of this type?
- (4) Would some teachers who are non-unionists feel intimidated and threatened by this message concerning both their job security and opportunity for promotion?

Mr PEARCE replied:

- (1) and (2) The following item of Government policy was appended in the edition of the *Education Circular*—

SPECIAL NOTICE MESSAGE FROM THE HON. MINISTER FOR EDUCATION

UNION MEMBERSHIP

The Minister has asked that all members of the Education Department be advised of the Government's attitude towards union membership of employees. The Minister has advised that the Government is resolved to work in a mature and co-operative way with all responsible organizations, be they employer or employee groups, and to avoid unnecessary confrontation. The Government considers that unions fulfil a vital role in representing the interests of members in improving conditions of employment and in protecting the legitimate rights of individuals. The Minister has indicated his Government's continuing support for the trade union movement and the Government's support of full union membership of all employees so that all who benefit from the work of a union also contribute to it.

- (3) The *Education Circular* normally carries items of policy and administration. It is

published under the authority of the Minister for Education.

(4) No.

3076. *This question was further postponed.*

FUEL AND ENERGY: STATE ENERGY COMMISSION

Staff: Replacement Policy

3077. Mr PETER JONES, to the Premier:

In view of his reply to question 545 given on 16 August 1983, in which he indicates that he has exempted "only the Rural and Industries Bank from the 50 per cent replacement rule", how does he justify the reply given to question 2813 on Thursday, 5 April 1984, in which it is indicated by the Minister for Minerals and Energy that "it would have been impossible in the overall context to make the State Energy Commission subject to the Government's 50 per cent staffing replacement policy"?

Mr BRIAN BURKE replied:

The Minister's answer makes it clear that—

- (1) No general exemption is granted to the State Energy Commission.
- (2) The policy has been administered flexibly to take account of factors of efficiency and practicality.

MINING: URANIUM

Yeelirrie: Government Attitude

3079. Mr PETER JONES, to the Premier:

Adverting to his reply to question 2920 given on Wednesday, 11 April 1984, in which he advises there is no State Government impediment or opposition to the development of the Yeelirrie uranium deposits, will he say what efforts he or members of his Government are making to ensure that any future Federal Government policy will allow Yeelirrie development?

Mr BRIAN BURKE replied:

Contact is being maintained with the Prime Minister and Commonwealth Minister for Resources and Energy regarding the Yeelirrie uranium project to ensure that the State Government is fully informed on the implications of any Commonwealth Government policy changes for the Yeelirrie project.

3080 and 3081. *These questions were further postponed.*

FUEL AND ENERGY: GAS

Sales: Contracts

3082. Mr PETER JONES, to the Premier:

In view of the concern expressed by some potential customers for natural gas at the way in which gas purchase contracts are tending to be negotiated by the State Energy Commission, will he undertake a review of the natural gas marketing efforts being undertaken by the State Energy Commission?

Mr BRIAN BURKE replied:

Any potential customer who is concerned over gas marketing issues is welcome to approach the Government directly. Several have done so.

In all cases, the commission's marketing aims have been clearly shown to be within the established Government policy. This policy is identical with that established by the commission and approved by the former Government.

The Minister for Minerals and Energy has advised me that he is looking at several aspects of the operations of the State Energy Commission including particularly, its contract negotiating capabilities.

FUEL AND ENERGY: ELECTRICITY

Power Station: Bunbury

3083. Mr PETER JONES, to the Premier:

Adverting to his reply to question 2836 given on Tuesday, 10 April 1984, is he suggesting that the Korean interests with which the Government has been having discussions and negotiations over a considerable period have not made any requests of the Government or the State Energy Commission for support and assistance in the establishment and operations of a proposed aluminium smelter in Western Australia?

Mr BRIAN BURKE replied:

The Government and the State Energy Commission are endeavouring to secure the commitment of Korean and other interests to the major development of an aluminium smelter and power station complex. There have been technical and

commercial discussions and negotiations on power supply arrangements and other matters for a considerable period. I am not aware of any requests along the lines suggested in the question by the member for Narrogin.

FUEL AND ENERGY: GAS

Sales: Preferential Treatment

3084. Mr PETER JONES, to the Premier:

- (1) Adverting to his reply to question 160 given on Wednesday, 27 July 1983, does he still maintain that no one potential gas customer of the State Energy Commission is being given preferential treatment over another?
- (2) Is it the intention of the State Energy Commission to amend or renegotiate any of the contractual obligations to its various suppliers of primary energy referred to in part (5) of the reply?

Mr BRIAN BURKE replied:

- (1) I am assured that no potential gas customer is being given preferential treatment. However, if the member has any specific details on this matter he could let me know.
- (2) The commission, as part of its normal commercial activities, reviews its contractual obligations to primary energy suppliers to ensure they reflect the intent of the various agreements.

3085. *This question was further postponed.*

TOURISM: COMMISSION

Advertising: Radio Station 6PR

3088. Mr MacKINNON, to the Minister for Tourism:

What are the "identified market segments" that the Tourism Commission is appealing to through its Radio 6PR promotion?

Mr BRIAN BURKE replied:

The primary market is the 25-year-plus audience.

TOURISM: COMMISSION

Advertising: Radio Station 6PR

3089. Mr MacKINNON, to the Minister for Tourism:

- (1) In the answer to question 2976 of 17 April 1984, what are the "associated merchandising activities" to which he refers?
- (2) How will the \$55 175 be recoverable from the merchandising commitment?
- (3) Does that mean that the total radio package will cost \$149 104?
- (4) If not, to what item will the \$55 175 recoverable be applied?

Mr BRIAN BURKE replied:

- (1) Special promotions associated with—
 - (a) "Win West" holiday card;
 - (b) Western Australian "travellers cheques" to commence in June 1984.
- (2) The sale of co-operative advertising and the consumer sale of (1)(b) above.
- (3) Yes.
- (4) Not applicable.

TOURISM: COMMISSION

Advertising: Radio Station 6PR

3091. Mr MacKINNON, to the Minister for Tourism:

What is the break-up in dollar terms of the expenditure on promotion for the items outlined in his answer to question 3001 of 17 April 1984?

Mr BRIAN BURKE replied:

There is no precise State dollar break-up of expenditure for the items outlined in the answer to question 3001 of 17 April, 1984.

The total Budget allocation for these items is as follows:—

- (1) \$57 000
- (2) \$82 000
- (3) \$20 000
- (4) \$254 000
- (5) \$15 000
- (6) \$25 000
- (7) \$617 000
- (8) \$2 000
- (9) \$25 000

(10) \$10 000

(11) \$60 000

(12) \$68 000

(13) \$85 000

(14) \$68 000

The estimated proportion of Western Australian expenditure is as indicated in response to question 2902 of 11 April, 1984.

TOURISM: COMMISSION

Advertising: Radio Station 6PR

3092. Mr MacKINNON, to the Minister for Tourism:

How does he reconcile his answer to question 2902 of 11 April 1984, which indicated that 13 per cent of the Tourism Commission's 1983-84 budget allocated to Western Australia would be spent on radio—ie., \$100 347—and his answer to question 2976 which indicated that the commission's allocation to radio advertising was \$209 279?

Mr BRIAN BURKE replied:

The Tourism Commission's previous advice to me has been adjusted so that the percentages stated in 5(c) and 5(d) of question 2902 read 11 per cent and 51 per cent respectively. This adjustment is necessary due to a previous miscalculation.

The 11 per cent relates to the actual amount spent on commercial radio advertising.

The amount of \$209 279 is the overall expenditure for the total radio package, which includes the cost of associated merchandising activities as previously stated in answer to the question from the Leader of the Opposition on 11 April, 1984.

TOURISM: COMMISSION

Advertising: Radio Station 6PR

3093. Mr MacKINNON, to the Minister for Tourism:

Why is Western Australia the only State where radio is to be used for promotion by the Western Australian Tourism Commission in 1983-84?

Mr BRIAN BURKE replied:

Because the total radio package is part of an overall marketing strategy aimed at further developing the intrastate travel market which continues to represent the largest—91 per cent—segment of travellers within Western Australia.

STATE FINANCE

Financial Institutions Duty: Payments by Cheque

3095. Mr BATEMAN, to the Treasurer:

- (1) Is it a fact that business firms such as newsagents, etc., are charging people who pay their accounts by cheque 15c to cover the cost of financial institutions duty?
- (2) If "Yes", do they have Government authority to carry out this practice?
- (3) If not, what action can be taken by those so affected to recover their loss?

Mr BRIAN BURKE replied:

- (1) to (3) I am not aware of the practices referred to by the member. However, I would point out that under the Act the Government has regulatory power to control the amount of FID which can be "passed on" should that prove necessary.

HOMOSEXUAL ACTIVITIES

Prosecutions and Convictions

3101. Mr MENSAROS, to the Minister representing the Attorney General:

How many cases of:

- (a) prosecutions;
- (b) convictions;

were based on section 184 of the Criminal Code where the offence or alleged offence has been committed in private, during the last ten years?

Mr GRILL replied:

- (a) and (b) Information is not maintained in a form which could provide an answer to this question without an unreasonable allocation of resources.

INDUSTRIAL DEVELOPMENT

Western Australian Development Corporation: Overseas Trip

3102. Mr MENSAROS, to the Premier:

Considering that the appointments to the board of management of the West-

ern Australian Development Corporation were not made in the first part of January 1984, who were the people reportedly accompanying the Deputy Premier and his party as representatives of the Western Australian Development Corporation to China?

Mr BRIAN BURKE replied:

There were no representatives of the Western Australian Development Corporation in the party accompanying the Deputy Premier's trade mission to China.

Included in the Deputy Premier's party was, however, the Manager of the Western Australian Overseas Projects Authority.

3104 to 3109. *These questions were further postponed.*

COMMUNITY WELFARE

Women's Refuges: Funding

3112. Mr THOMPSON, to the Minister for Health:

What action has he taken to obtain funds committed in the last Federal Budget to assist the running of women's refuges?

Mr HODGE replied:

Agreement has been reached with the Commonwealth, and Western Australia's allocation of \$466 000 will be distributed as follows—

\$206 800—Additional salaries subsidy
\$23 300—Multicultural needs
\$235 900—One-off special needs.

POLICE

Stations: Telephone Answering Device

3113. Mr STEPHENS, to the Minister for Police and Emergency Services:

Will he make provision for the installation of a telephone answering device at police stations which from time to time are left unattended?

Mr CARR replied:

No. The Police Department has tested a number of telephone answering machines in various situations. However, for police station purposes, these devices

are not sufficiently decisive or reliable in emergency situations.

In the metropolitan area, the public may contact the police communications centre by telephone at any time.

In country areas when the local station is unattended and the matter is urgent, a neighbouring station or the regional head station can be contacted.

The "000" emergency number is also available in the metropolitan area and at most country regional centres.

RECREATION: CYCLES

Cyclists: Helmets

3114. Mr STEPHENS, to the Minister for Police and Emergency Services:

- (1) Will he give consideration to a regulation which will make compulsory the wearing of head protection for bicyclists?
- (2) If "No", why not?

Mr CARR replied:

- (1) and (2) The bicycle policy committee has considered this subject on many occasions, as have its counterparts in other States. Unfortunately helmets are not produced in sufficient numbers, at a low enough cost, or to a satisfactory universal safety standard, to enable compulsory legislation to be considered at this stage, though the merit of such is clear. Another constraint on introducing such a measure would be difficulty of enforcement and the reluctance, particularly of child cyclists, to wear helmets voluntarily. Another constraint for school children is the security angle of highly portable and comparatively costly items such as helmets, the average cost of which can range between \$40 and \$50.

At this stage advisory public awareness programmes appear to be the only practical solution.

EDUCATION

Living-away-from-home Allowance

3115. Mr STEPHENS, to the Minister for Education:

- (1) Is the Government giving consideration to withdrawing the State living away from home allowance which can amount

to \$250 per annum to those who qualify?

- (2) If "Yes", what is the basis for taking this action and is consideration being given to alternative forms of assistance?

Mr PEARCE replied:

- (1) No.
- (2) Answered by (1).

LAND

Helena Valley

3116. Mr GRAYDEN, to the Minister for Transport:

- (1) Is it the intention of the Department of Main Roads to dispose of the disused gravel pit adjoining Ridge Hill Road, Helena Valley?
- (2) If so,
 - (a) how and when is the sale to be effected;
 - (b) will the position of landowners who have had traditional rights of access and egress from their properties to Ridge Hill Road via the old Perth-Lesmurdie railway line be preserved?

Mr GRILL replied:

- (1) No final decision has been made.
- (2) (a) Answered by (1);
- (b) the position of nearby landowners will be taken into consideration should a decision be made to dispose of the land.

EDUCATION: HIGH SCHOOL

Como: Fume Cupboard

3117. Mr GRAYDEN, to the Minister for Education:

- (1) (a) Has a fume cupboard for chemicals been installed yet at Como High School?
- (b) when is it expected one will be installed?
- (2) If not, why not?

Mr PEARCE replied:

- (1) (a) and (b) Fume extraction systems in science centres may be by downdraught extractors fitted to the teacher demonstration bench, or by a wall mounted cupboard. Prop-

erly maintained and used, they can be equally effective.

Rooms A2, A3, and A4 at Como Senior High School have had downdraught extractors on the teacher's demonstration bench for more than 10 years.

A programme for upgrading science facilities at Como is listed for completion by the end of 1984, and includes fitting of a two-way fume cabinet between A1 and the adjacent preparation room.

- (2) Not applicable.

EDUCATION: HIGH SCHOOLS

Chemicals: Safety Precautions

3118. Mr GRAYDEN, to the Minister for Education:

- (1) What efforts are made to ensure that teachers, technicians, and laboratory assistants have adequate knowledge of the safety or otherwise of chemicals that are being used in high schools?
- (2) Are carcinogenic and other equally dangerous chemicals in use at schools and endangering the health of teachers, technicians, and laboratory assistants?
- (3) Are charts made available to schools explaining which are dangerous chemicals, and if not, why not?

Mr PEARCE replied:

- (1) Every effort is made by way of pre-service training, in-service training and revision of the secondary science teachers' handbook, to ensure that teachers, technicians, and laboratory assistants have adequate chemical safety knowledge.
- (2) Upon official advice from the Public Health Department of substances being suspected carcinogens, steps are taken to ensure such substances are not on supply to schools, and schools have been advised through the *Education Circular* to ensure none of the suspect chemicals are in any school.
- (3) Charts of a general nature are available from various sources including chemical supply companies.

The labelling on all chemical containers supplied to schools is required to conform to the Poisons Act of Western Australia, and this requires mention of hazards, warnings, and first aid measures.

POLICE

Crime: Convictions

3119. Mr CLARKO, to the Minister for Police and Emergency Services:

- (1) Would he list, on an annual basis, for each year from 1963 to 1983, the statistical incidence of convictions for murder, manslaughter, and attempted murder in Western Australia?
- (2) What is the statistical situation in Western Australia, over the past 20 years, regarding the incidence of all crimes of violence?

Mr CARR replied:

- (1) and (2) The information requested requires a lot of research and I will advise the member in writing as soon as possible.

LOTTERIES

Instant and Lotto: Distributions

3120. Mr WILLIAMS, to the Minister representing the Minister for Administrative Services:

- (1) Would the Minister please advise the average amount of money received weekly by the Lotteries Commission of Western Australia from sales of—
 - (a) Lotto;
 - (b) instant lotteries?
- (2) What was the total amount received by the Lotteries Commission of Western Australia from each of these two forms of lotteries during the past 12 months?
- (3) How much of that total money received has been allocated to sporting and other organisations?
- (4) What sporting and other organisations have received allocations, and how much has each received?

Mr PARKER replied:

- (1) During past 12 months, 1/4/83-31/3/84—
 - (a) \$860 826;
 - (b) \$852 865.
- (2) During past 12 months, 1/4/83-31/3/84—
 - (a) \$44 763;
 - (b) \$44 349.

- (3) During past 12 months, 1/4/83-31/3/84—

	(a) Lotto \$	(b) Instant Lotteries \$
Sport	Nil	4 150 000
Culture	Nil	4 150 000
Hospitals	8 952 600	3 230 740
Charitable organizations	2 685 780	Nil

- (4) (a) Lotto—Grants to charitable organizations—\$2 234 220;

- (b) instant lotteries—\$8 100 000 paid to date to the sports culture instant lottery account at the Treasury for allocation to sport and culture.

3121 to 3124. *These questions were postponed.*

LOCAL GOVERNMENT

Albany: Complaint

3125. Mr STEPHENS, to the Minister for Local Government:

- (1) When Inspector Anstey, Chief Inspector, Local Government Department, visited Albany on 4 January, what complaint or complaints did he investigate?

- (2) (a) Will he table Chief Inspector Anstey's report;

- (b) if not, why not?

Mr CARR replied:

- (1) The Chief Government Inspector of Municipalities investigated complaints lodged against four Albany Town councillors, involving a total of 10 alleged breaches of section 174 of the Local Government Act. Two of the 10 alleged breaches related to debate on the Middleton Beach Caravan Park; three related to applications for itinerant food vendor licences and the establishment and extension of food warehouses; four related to the question of extended trading hours; and one to an application for the development of a residential subdivision.

- (2) (a) No;

- (b) it is not policy or practice to make available confidential investigative reports made to me by the inspectors of municipalities.

LOCAL GOVERNMENT

Uniform Building Regulations Council

3126. Mr MacKINNON, to the Minister for Local Government:

- (1) When did the State Government agree to join the Australian Uniform Building Regulations Co-ordinating Council?

- (2) How much will the State subscribe to the running of the council?

- (3) What is the aim of the council?

- (4) Who from Western Australia is represented on the council?

Mr CARR replied:

- (1) The State Government agreed to join the council on 9 April, 1980, and has participated fully since that time in the various working groups and research projects, including the formulation of the formal constitutional agreement signed by me at Rotorua in New Zealand on 18 April, 1984.

- (2) The Commonwealth meets the operating costs of the Australian Uniform Building Regulations Co-ordinating Council. The States and the Northern Territory contribute to a research fund on the basis of their proportion of the total value of building approvals. Western Australia's contribution for 1984-85 will be \$6 443.

- (3) The AUBRCC has been established by inter-government arrangement as a co-operative effort to seek through the further development of the Australian model uniform building code a uniform technical basis for cost-effective and efficient building regulations throughout Australia.

- (4) The Secretary for Local Government.

3127. *This question was postponed.*

INSURANCE

State Government Insurance Office:

Annual Report

3128. Mr MacKINNON, to the Treasurer:

- (1) When was the last annual report of the State Government Insurance Office tabled in the State Parliament?

- (2) For which year did the report apply?

- (3) When is it anticipated that the 1983-84 report will be available for tabling in the Parliament?

Mr BRIAN BURKE replied:

- (1) (a) The 1983 annual financial accounts of the SGIO are tabled in the Auditor General's report as provided in section 22 of the State Trading Concerns Act 1916;
- (b) the SGIO produces an annual report, but this is not required to be tabled in State Parliament.
- (2) 1982-83.
- (3) Annual financial accounts will be presented in the Auditor General's report in September 1984.

RAILWAYS: FREMANTLE-PERTH

Patronage: Statistics

3129. Mr LAURANCE, to the Minister for Transport:

- (1) How many times this year have statistics been collected on the number of passengers using the Perth to Fremantle rail service?
- (2) What has been the result of these surveys?
- (3) How do the results compare with the figures collected during 1983?
- (4) How do the latest results compare with the projected figures for this period?

Mr GRILL replied:

- (1) Three surveys have been conducted during weeks ended 17 February and 24 March 1984, and a one-day survey on Wednesday, 11 April 1984.
- (2) Average weekday patronage—
Week ended 17 February 1984—7 959 passengers
Week ended 24 March 1984—8 374 passengers
Wednesday 11 April 1984—9 086 passengers
- (3) Average weekday patronage for surveys conducted September and November 1983 were—
Week ended 16 September 1983—8 592 passengers
Week ended 23 September 1983—8 245 passengers
Week ended 18 November 1983—8 056 passengers
A one-day survey also conducted on Wednesday, 2 November 1983 which showed that a total of 8 249 passengers travelled on Perth-Fremantle suburban

passenger trains on that day, excluding 341 US marines and people using trains departing after 6.00 p.m. at night. The comparable number of passengers using the Fremantle train services for the same period on Wednesday, 11 April 1984 was 8 584.

- (4) Based on survey trends since September 1983, and allowing for seasonal conditions, the 11 April 1984 result is slightly higher than estimated.

PUBLIC WORKS: DEPARTMENT

Mr John Valentine Fagan: Workers' Compensation Payments

3130. Mr LAURANCE, to the Minister for Works:

- (1) Was Mr John Fagan actually in receipt of workers' compensation payments when he was employed by the Public Works Department on 17 May 1983?
- (2) Was this fact made known to the department at the time?
- (3) When did the department become aware of this fact?
- (4) Did the department subsequently advise him that Mr Fagan's employment should be terminated?
- (5) Did he agree with his department that Mr Fagan's employment should be terminated?
- (6) Did he discuss the matter of Mr Fagan's employment at or around this time with the Premier?
- (7) Did the Premier in any way indicate or direct that Mr Fagan's employment was not to be terminated?

Mr McIVER replied:

- (1) No.
- (2) and (3) Not applicable.
- (4) to (7) Matters associated with departmental recommendations, and discussions between departmental officers, the Minister and other Ministers, on the subject of employees are always taken as being strictly confidential.

ROAD

Eyre Highway

3131. Mr LAURANCE, to the Minister for Transport:

- (1) What expenditure has been allocated to the Western Australian section of the Eyre Highway during 1983-84?
- (2) What plans does the Government have to bring the section of the highway up to a satisfactory standard?

Mr GRILL replied:

- (1) \$7 131 071 is currently allocated for works on Eyre Highway in 1983-84. However, as it is now apparent that this cannot all be spent this financial year on Eyre Highway, it is expected some of the surplus funds will be allocated to other sections of the national highway.
- (2) A proposal has been submitted to the Commonwealth Minister for Transport seeking approval to widen the whole section of 724 km of Eyre Highway in Western Australia. To date approval has been received to widen the 111.5 km section between Cocklebidy and Madura. Investigation and design work prior to calling of tenders for this section is well advanced.

WATER RESOURCES

Metropolitan Water Authority: Computerised Facility Information System

3132. Mr MENSAROS, to the Minister for Water Resources:

- (1) (a) Is the Metropolitan Water Authority using a computerised facility information system, as does the State Energy Commission;
- (b) if so, to what extent?
- (2) Is this system based on in-house computer facility or is it connected to some outside computer system?

Mr TONKIN replied:

- (1) (a) The Metropolitan Water Authority is using a computerised facility information system;
- (b) a system for arterial drainage information is under active evaluation; this area is one where maximum co-operation with local authorities is necessary and ready access to, and interchange of, mutual interest data is of great benefit.

The authority has also placed maps showing its five year development plan on computer for ease of distribution to local authorities and other interested bodies. These maps assist in co-ordinating works and minimising excavation and road reinstatement costs and community inconvenience.

- (2) The MWA is using the computer graphics resources of Systems Research Institute of Australia.

WATER RESOURCES

Desalination: Solar

3133. Mr MENSAROS, to the Minister for Water Resources:

Is there any prospect shown in the solar desalinator (reverse osmosis process) used at Billabong Roadhouse for usage in public water supplies in Western Australia?

Mr TONKIN replied:

The trial solar desalinator at Billabong Roadhouse is a reverse osmosis unit driven by DC motors and powered by photovoltaic cells. It is a joint project of the Solar Energy Research Unit of WA, the Commonwealth Department of Resources and Energy, and Mobil Oil.

Future progress of this research project is being followed with interest. However, at this stage, photovoltaic cells are still very expensive power sources on the scale required for public water supply purposes compared with conventional sources of power. Consequently, from the public water supply viewpoint, the joint use of solar power and desalting technologies results in a very expensive method of water treatment.

The future prospects for use of this technology will firstly be dependent on substantial lowering of the costs of photovoltaic cells. There is some possibility of this occurring in future years and this technology may then have prospects for use in small remote area supplies. However, until photovoltaic cells become competitive with conventional sources of energy for towns, this particular desalting process is not likely to be superior to more conventional desalting plants.

SEWERAGE

Backlog: Community Employment Programme Funds

3134. Mr MENSAROS, to the Minister for Water Resources:

Considering his reply to question 2960 of 1984, would he please say whether either of the water supply departments-authorities will apply for community employment programme funds for backlog sewerage construction purposes for the next financial year as a non-current programme and allow for the applicants contribution in that next financial year?

Mr TONKIN replied:

The Metropolitan Water Authority's provisional capital works programme for 1984-85 includes backlog sewerage construction employing the authority's day labour force. The programme has already been submitted. As the member is aware, backlog sewerage work is financed from authority borrowings, which are severely restricted.

Consideration of an application for community employment programme funds which include a 30 per cent contribution for the construction of further backlog sewerage outside of the immediate works programme will be dependent on the availability of finance within the authority's revenue budget, which is currently being considered by the board in connection with 1984-85 rates and charges.

The Public Works Department already has submitted a number of backlog sewerage proposals to the community employment programme which have not yet been approved. These were based on accelerating into 1983-84 works programmed for 1984-85. Submission of applications in 1984-85 will be dependent on the funds provided to the department in the 1984-85 Budget.

GOVERNMENT DEPARTMENTS AND INSTRUMENTALITIES

Review of Functions

3135. Mr MENSAROS, to the Premier:

- (1) Has the recommendation in the paper entitled "Suggested Approach to the Western Australian Government Review

of Functions" been accepted by the Government?

- (2) If so, which Minister is responsible for the review activities and committees described in this paper?

Mr BRIAN BURKE replied:

- (1) A document of that title has been supplied to me and is a working guide for the information of Government organizations. It was prepared by the function review committee to enable reviews to be carried out on a reasonably consistent basis. The document is 20 pages in length, and the member will have to be specific as to what he means by "the recommendation in the paper" if he expects me to comment on it.
- (2) The function review committee reports to the Minister for Budget Management.

SEWERAGE

Septic Systems

3136. Mr MENSAROS, to the Minister for Health:

- (1) Are regulations being prepared for new standards when building domestic and/or commercial industrial septic systems?
- (2) If so, when are they expected to be gazetted?
- (3) Have consultations taken place with local authorities regarding the provisions of such regulations?
- (4) Is there any disageement, and if so to what extent?

Mr HODGE replied:

- (1) Yes.
- (2) Not known.
- (3) No, but I have given assurances that before any regulations are submitted for the consideration of Cabinet, they will be referred to local government organisations for comment.
- (4) Not applicable.

SUPERANNUATION

State Superannuation Fund: Actuary's Report

3137. Mr MENSAROS, to the Premier:

Has it been correctly reported that the actuary's report on the State Superannuation Fund for the period ended 30

June 1983 was sent to the Government and not to the Superannuation Board as requested under the provisions of the Superannuation and Family Benefits Act?

Mr BRIAN BURKE replied:

No. The actuary has not finished his report on the Superannuation Fund for the period ended 30 June 1983. However, he has advised that the report will be shortly sent to the board.

3138 and 3139. *These questions were postponed.*

TAXATION

Payroll: Group Apprentice Schemes

3140. Mr MENSAROS, to the Treasurer:

Is payroll tax still applicable in the case of group apprentice schemes, such as the Master Builders' Association scheme, with the exemption level as for other employers?

Mr BRIAN BURKE replied:

The Government presently reimburses payroll tax paid by employers participating in group apprenticeship schemes in respect of all apprentices.

In addition, as from 1 January 1984, wages paid to all first-year apprentices have been excluded from taxable wages for the purposes of determining an employer's payroll tax liability.

WATER RESOURCES: GROUND WATER

Underground: Research

3141. Mr MENSAROS, to the Minister for Water Resources:

- (1) Could he please say whether there is a Commonwealth policy through the National Water Resources Council or otherwise regarding ground water research throughout Australia and Commonwealth funding of it?

- (2) If so, would he describe this policy?

Mr TONKIN replied:

- (1) Commonwealth policy on water research is currently under review. In November 1983, the Minister for Resources and Energy announced the establishment by the Commonwealth Government of an interim council for an institute of freshwater studies. The interim council is due to report to the Minister at the end of

May advising on the need for and possible role of such an institute.

The Commonwealth Government has a commitment to formulate new water resources policies and programmes on the basis of the findings of the water 2000 study. Such policies would be expected to include research. A report of the water 2000 study was tabled in the national Parliament in November 1983, and it is understood that a paper is in preparation which will lead to a national water policy.

With the decision to inquire into the establishment of an institute of freshwater studies, the national water research council has been held in abeyance. No new Australian water research council research projects have been initiated since the last triennium, and a decision on further funding of water research has yet to be made.

- (2) As indicated in (1), the Commonwealth research policy is in the process of change.

NATIONAL ANTHEM

Change

3142. Mr HASSELL, to the Premier:

- (1) What has been the part played by the State Government in—
 - (a) the decision;
 - (b) its implementation;
 to change the National Anthem and forbid the playing of "God Save the Queen"?
- (2) What advice of or in relation to the change was issued by the Department of the Premier and Cabinet or any Government officer on behalf of the Government?
- (3) Has the Government—
 - (a) sought;
 - (b) received;
 legal advice as to the constitutionality of the unilateral change imposed by the Commonwealth?

Mr BRIAN BURKE replied:

- (1) (a) and (b) None. However, I did correspond with the Prime Minister last year requesting that the existing arrangements for playing the National Anthem and the National Tune be reviewed to

eliminate confusion about which was appropriate on different occasions.

- (2) To the best of my knowledge, no advice or directive was issued on behalf of the Government. However, in answering queries in respect to this matter, any information given has been in line with existing Federal Government policy.

- (3) (a) and (b) No.

3143. *This question was postponed.*

INDUSTRIAL DEVELOPMENT: WESTERN AUSTRALIAN DEVELOPMENT CORPORATION

Board: Advertisements

3144. Mr HASSELL, to the Premier:

- (1) What was the total cost of advertising appointments to the Board of the Western Australian Development Corporation?
- (2) Who paid the cost?
- (3) Who arranged insertion of the advertisements?

Mr BRIAN BURKE replied:

- (1) The total cost is estimated at \$23 100.
- (2) and (3) The Department of the Premier and Cabinet.

3145. *This question was postponed.*

QUESTIONS WITHOUT NOTICE

ACTS AMENDMENT AND REPEAL (INDUSTRIAL RELATIONS) BILL

Building Workers' Industrial Union: Letter

787. Mr HASSELL, to the Minister for Police and Emergency Services:

- (1) Has the Minister referred to the Commissioner of Police or to any other police officer the letter I gave him in the House a couple of weeks ago which was a copy of a letter from the Building Workers' Industrial Union of Australia threatening building companies which did not support the Government's industrial relations legislation?

- (2) If not, why has he not referred it?

- (3) If so, with what result?

Mr CARR replied:

- (1) Yes.
- (2) Not applicable.

- (3) I received advice from the Commissioner of Police that no offence had been committed and no further action would be taken. I had brought to the Parliament a copy of the advice from the commissioner with the expectation that the question would be asked and I intended to give the member a copy of that advice. Unfortunately I do not have it with me at present.

VEGETABLE OILS (WA)

Trading Position

788. Mr P. J. SMITH, to the Minister for Industrial Development:

What is the trading position of the Bunbury based firm, Vegetable Oils (WA), which was opened in December last year?

Mr BRYCE replied:

The question from the member is timely. Not only does it demonstrate his continued interest in the well-being of the Bunbury region, but also it coincides with an important development in the progress of Vegetable Oils (WA).

Since its opening in December last year, Vegetable Oils (WA) has been refining and deodorising tallow obtained from Harvey Meat Exports for the manufacturing of frying medium and shortenings. This product is packaged into 20 kilogram and 25 kilogram cartons, specifically for the hotel and catering industry.

At the same time the firm has been importing crude soya bean and rapeseed oil from overseas which it has then refined, bleached, and deodorised into catering oil.

Mr Blaikie: Why don't they buy Western Australian products?

Mr BRYCE: The product is sold in bulk in 20-litre and 200-litre containers.

What is most heartening is that the firm's employment in Bunbury, which stood at 19 at the end of February with one shift being worked each day, now stands at 26. We have been advised by the company that during the next few weeks, a further nine people will be engaged part-time, mainly in packaging activities, with a view to becoming full-

time when the company's upgrading programme is completed.

This \$500 000 programme involved the purchase and installation of four 40-tonne capacity, stainless steel tanks for the storage and blending of margarine oils. The firm has dispensed with the mild steel storage tanks originally in the plant because they were not conducive to high-standard margarine production. Also included in the programme was the installation of two 20-tonne mild steel tanks for catering oil blending and weighing.

I am pleased to say that the final stage of the programme—the installation of a mechanical bottling plant to facilitate increased production of edible oils—is now imminent with the news that the plant is en route to Bunbury. When this equipment is in operation the company will be in a position to upgrade the nine part-time jobs to full-time positions.

The additional capital investment in upgrading the vegetable oil refinery will allow the firm to produce a full range of blended vegetable oils to complement the activities of Meadow-Lea Margarine (WA) Co. Pty. Ltd. in Palmyra. High quality margarine blend oil will be transported in bulk daily for margarine manufacture at the Palmyra plant. Currently, this oil is imported from the Eastern States.

Negotiations for the supply of soya bean and sunflower seed oil from RefinOil 1976 of Jandakot have not been finalised. Agreement is yet to be reached on price and quality of the crude product.

REA Fabrications (Aust.) of Maylands has manufactured the stainless steel tanks for the firm and the mild steel tanks were made by G. D. Prosser Engineering of Bunbury. Installation work has been undertaken by Bunbury contractors.

The developments are most pleasing for the Government, the company, and the City of Bunbury, and are an example of what can be achieved when the proper approach is adopted.

LAND: ABORIGINES

Rights: Inquiry

789. Mr HASSELL, to the Minister with special responsibility for Aboriginal Affairs:

- (1) Is the Government still fully committed to the conduct and completion of the Seaman inquiry?
- (2) Is the inquiry running behind schedule?

Mr WILSON replied:

- (1) Yes.
- (2) No.

REGIONAL DEVELOPMENT

Meetings: Opposition's Proposal

790. Mr D. L. SMITH, to the Premier:

- (1) Has he seen Press reports of the Opposition's intention to hold meetings of its frontbench members in several of the State's regional centres?
- (2) Since this move by the Opposition has obviously been copied from the Government's regional Cabinet meetings, can he tell the House what is the record in this field over the last few years?

Mr Laurance: This is of urgent public interest!

Mr Thompson: The difference between the two is that the State pays for yours; we pay for ours.

Mr Bryce: The State pays your salary, too. You have been socialised; don't worry about that.

The SPEAKER: We will hear from the Premier.

Mr BRIAN BURKE replied:

- (1) Yes, I have seen the reports and I welcome this belated recognition by members opposite that Western Australia does not begin in Peppermint Grove and end in St. George's Terrace.
- (2) The proposal is a worthwhile one and I hope that as a result the Opposition will get more in touch with what Western Australians are thinking. The record of the last two or three years demonstrates clearly that the Liberal and National Country Parties in this State are sadly out of touch.

Naturally the Government is flattered that the Opposition should have chosen to copy our regional Cabinet meetings, but I am amazed it took it so long.

It was the Tonkin Labor Government that set the precedent for country Cabinet meetings, a precedent promptly abandoned when the Liberal and National Country Parties regained office. It was a precedent that was to remain buried for the nine long years of conservative rule in WA. The meetings were reinstituted when we took office last year. Since then Cabinet meetings have been held in Geraldton, Esperance, Bunbury, Karratha, and Wanneroo. Further meetings will be held later this year in Northam, Broome, and Albany. Other centres will be visited next year.

This rediscovery of regional Western Australia by members opposite is welcomed by the Government because it can only benefit the Parliament and the State.

CONSERVATION AND THE ENVIRONMENT

Whitford Nodes

791. Mr BRADSHAW, to the Premier:

Why is the Government wasting the taxpayers' money on purchasing the area known as the Whitford nodes when it could have obtained most of the land at no cost, as reported in tonight's *Daily News*?

Mr BRIAN BURKE replied:

I am pleased that the question has been asked, although I am not sure whether my staff sent the copy of the question to the member. If they did, it has been received by him by mistake. Nevertheless, if his leader does not mind Dorothy Dix questions being asked by both sides of the House, I am happy to respond.

Mr Bradshaw: Apparently your colleagues feel it is good that you have wasted the money.

Mr BRIAN BURKE: Does the member think we have wasted the money?

Mr Bradshaw: You have. It says so in tonight's newspaper.

Mr Tonkin: You are a statesman.

Mr BRIAN BURKE: Does the member read "Footrot Flats", too?

The price negotiated between the Government and Estates Development Pty. Ltd. for the purchase of the southern area of the Whitford nodes was

based on the valuation placed on the land by the Valuer General. The purchase of the central and northern portions of the nodes will be negotiated with the owners on the same basis.

In relation to the newspaper report referred to by the member for Murray-Wellington, if the Managing Director of Estates Development Pty. Ltd. (Mr Peter Solomon) criticises the deal, he is really saying that he wishes that his company could go ahead with its private development, because he is confident it would have made much more money out of it.

Whatever Mr Solomon says, the fact remains that if private development of the nodes went ahead, the public would have been denied access to the area as a whole. The handing back by the developers of part of the land is no substitute for keeping all of the beachfront for the whole community.

The Government believes that, to the greatest possible extent, the coastal strip should be kept free of private development and not handed over to people who are able to purchase it. We gave an undertaking before the last State election that we would purchase the nodes for the community, and we are now honouring that commitment.

It is terribly difficult to keep the Opposition happy, because I am sure if we had not fulfilled our commitment, we would have been accused of breaking our word; as we are fulfilling our commitment, we are accused of wasting money. It is extremely difficult to know what members of the Opposition want us to do.

Unquestionably there is widespread public support in the northern suburbs for what we have done. The Wanneroo Shire Council has been seeking the return of the nodes to the community since before 1976.

Mr Bryce: It is surprising that the member for Murray-Wellington was not aware of the view of the people in the Wanneroo Shire Council.

Mr Pearce: He may know more than us about who is making the money there.

Mr BRIAN BURKE: It is a major disgrace that previous State Governments did not move sooner to get the land back. Their

procrastination has made this a more expensive exercise than it should have been. In reserving the nodes for public use, we are not concerned only for the present but also for generations of Western Australians to come. There is no doubt that in decades to come this decision will be just as important for Perth as was the decision many years ago to preserve Kings Park. The detailed planning of recreation facilities for the area will be the subject of discussion between the Government, the council, and other interested groups when the acquisition of the land is completed.

I ask the Leader of the Opposition: Does he oppose the Government's decision to purchase the Whitford nodes?

Several members interjected.

Mr BRIAN BURKE: He need only say what his policy is. The Opposition has very few policies about anything, and when it does, those policies are wrong. I ask the Leader of the Opposition to tell the people of the northern suburbs what his policy is. Here is his chance. I will make sure they know what his policy is.

Mr Clarko: What about your broken promise over Star Swamp?

Mr Laurance: What about Yeelirrie?

Mr BRIAN BURKE: The Leader of the Opposition has policies galore when it suits him, but on matters of public interest I must presume he allows one of his back-benchers to refer implicitly to the waste of money involved in the Government's decision. The implication was that the Opposition would not purchase the Whitford nodes but would allow a private developer to proceed to work on them. If that is the Opposition's policy, it should not hide its light behind a bushel.

Mr Clarko: That is not true. I deny that.

Mr BRIAN BURKE: The new Leader of the Opposition denies it. I want to know what the really truly Leader of the Opposition thinks. It really is an appalling situation when we have a Leader of the Opposition struck dumb by a question from one of his own back-benchers.

TAXATION

Labor Government: Claim by Leader of the Opposition

792. Mr I. F. TAYLOR, to the Premier:

(1) Has he seen the report in yesterday's *Daily News*, which contained allegations by the Leader of the Opposition when in Albany that, "the Burke Administration" had introduced three new taxes recently: Financial institutions duty, bank account debit tax, and withholding tax.

(2) Is the Leader of the Opposition correct?

Mr BRIAN BURKE replied:

(1) and (2) I have heard the name "Headline Hassell", but this is ridiculous! I have seen the report, and the Leader of the Opposition is reported—and I have not seen any denial of it—as saying that the Burke Administration had introduced three new taxes recently: The financial institutions duty, the bank account debit tax, and the withholding tax.

Mr Hassell: I do not know where you got it from.

Mr BRIAN BURKE: I am happy to tell the Leader of the Opposition where I got it from. If the Leader of the Opposition, unlike the member for Murray-Wellington, does not read the *Daily News*, I will read it for him.

Mr Bryce: I will bet that the Leader of the Opposition reads *The Sunday Times*.

Mr BRIAN BURKE: Appropriately enough his comments appear next to the comics.

Several members interjected.

Mr BRIAN BURKE: It seems that someone did not say it, that someone did not write it, and that someone did not read it. The only person who has the details is, apparently, me, and I am prepared to give them to the Leader of the Opposition.

Mr Clarko: I have already read it. The person who wrote it was in a restaurant at 11 o'clock at night.

Mr BRIAN BURKE: It appears to be the tactic of the Opposition to use up its question time. The stage has been reached where the Leader of the Opposition opens his mouth only to change his feet. The article reads—

"The Burke administration has introduced three new taxes re-

cently—FID, the bank account debit tax and withholding tax," he said.

To protect his own credibility—remembering that the statement has gone uncorrected to date—the Leader of the Opposition should tell Parliament that he was perfectly aware the State Administration did not introduce two of those three taxes.

Mr Hassell: That is quite true.

Mr BRIAN BURKE: The Leader of the Opposition, by scuttling off to Albany, seems to think that telephones and telexes do not exist and that things he says will not wind up being reported in Perth. If he believes that the BAD tax and the withholding tax were introduced by the State, he has a lot to learn about State finances. If he did make the claim that my Government introduced the three taxes, he was being totally dishonest. If he has been incorrectly reported, the onus has been on him to correct it. I am perfectly happy to accept that the Leader of the Opposition does not believe that we introduced the withholding tax or the bank account debit tax, but I am wondering whether he has sought a correction of his reported comment.

FIRES: BUSH

Firefighting Equipment

793. Mr STEPHENS, to the Minister for Police and Emergency Services:

- (1) Is the Minister aware that last Sunday, eight separate bushfires occurred in the Plantagenet Shire and that those fires were brought under control in difficult circumstances of extremely high winds only by the dedication of farmers in bushfire brigades using trailed firefighting units? This meant that once again the State has benefited because farmers were prepared to risk the problems associated with the illegal use of the trailers.
- (2) As farmers are frequently asking how long the Government is going to fiddle while the country burns, can the Minister inform me of the present position regarding the licensing of these firefighting units, thus bringing to an end this disgraceful procrastination?

Mr CARR replied:

- (1) I was not aware of the bushfires, but I accept the member's account of them.
- (2) It is true that this issue has taken an enormously long time to resolve. It goes back for some years and involves other Administrations, not just the present Government. The Traffic Board had two meetings prior to its last meeting, during which time consideration was given to this matter. Its last meeting was held on, I think, 16 April, and it considered recommendations put to it by the Commissioner of Police. His recommendations were agreed to and were later further agreed to by the acting Minister at the time, the Hon. Des Dans. Since then a Cabinet minute has been prepared and the matter will be going before the Cabinet, I anticipate next Monday, for approval to draft legislation. The proposal agreed to by the Traffic Board and recommended to go to Cabinet involves amendments both to legislation and regulations. It involves a procedure by which a concessional licence will be granted to the fire trailers and a payment not of an actual licence fee but of a very modest sum of money to cover third party insurance requirements. The matter will be brought to the Parliament and resolved in plenty of time in readiness for the next bushfire season.

WOMEN'S INTERESTS

Telephone Information Service

794. Mrs HENDERSON, to the Premier:

Can he confirm the provision of a new Women's Telephone Information Service for Western Australian women?

Mr BRIAN BURKE replied:

I am sure all members will be pleased with the Government's confirmation and announcement that the Women's Telephone Information Service has recently commenced operation.

The service is located in the Women's Interest Unit, Department of Premier and Cabinet. It represents a joint effort by the Western Australian Government, its Women's Interest Unit, and the Commonwealth Office of the Status of Women.

The service helps women obtain information on Government programmes. It can put women in touch with Government and community organisations.

It will deal with inquiries about child-care, family law, discrimination, health, pensions and benefit rights, re-entry to the work force, women at home, and single parent families. The officers at the service will assist women who have complaints or comments about these and other issues that concern women.

The service offers another innovation which I believe encapsulates the new approach to women's issues taken by this Government and the Federal Government. The service invites women's views on Government policies and programmes affecting them and their families. These views will be correlated by the Office of the Status of Women and referred to in the future formulation of Government policies.

The service therefore not only aims to provide to women knowledge of, and, correspondingly, power over decisions, policies and services which affect their lives; it also co-opts women at the grass roots level into the decision making process.

The Women's Telephone Information Service also invites all organisations which provide a service to contact it at 32 St. George's Terrace, Perth. It also hopes these community groups will mention the Telephone Information Service in their journals and newsletters.

The telephone numbers for the Women's Telephone Information Service are 325 8981 and 325 8744. The service will receive reverse-charge calls from country women.

PASTORAL INDUSTRY: LEASES

Elvire and Koongie Park: Representations

795. Mr MacKINNON, to the Minister with special responsibility for Aboriginal Affairs—

In relation to representations made to the Minister for Lands and Surveys by the Aboriginal Development Commission for the purchase of Koongie Park and Elvire Station will he advise—

- (1) Was he aware of those representations?

- (2) If so, what was the nature of these representations?

- (3) Did the ADC indicate the price it was prepared to pay for each station, and if so, how much?

- (4) Was the vendor of the leases party to the representations?

Mr WILSON replied:

- (1) to (4) I doubt that the question is properly asked of me. The Deputy Leader of the Opposition has asked me a question in relation to information available to the Minister for Lands and Surveys and has asked a question referring to the ADC which is a Federal Government instrumentality. I suggest the member should ask the question of the Minister for Lands and Surveys and the ADC. I am sure they will be able to give him the answer he wishes.

Mr Bridge interjected.

HEALTH

Dietary Consultation Services

796. Mrs BUCHANAN, to the Minister for Health:

- (1) Has the Minister been approached by the West Australian Dietetic Association (Inc) requesting support for its campaign to have benefits for dietary consultation services included in the health insurance ancillary funds?
- (2) In view of the importance of diet in promoting and maintaining good health is there any action the Minister can take to encourage health insurance funds to provide benefits for dietary consultation services?

Mr HODGE replied:

- (1) and (2) I am pleased to advise the member that I wrote last year to the Health Insurance Council in support of the West Australian Dietetic Association's campaign to have benefits for dietary consultation provided within the ancillary tables.

I am pleased to advise that Medibank Private has included a benefit for dietary services in the fund's new "Supercover Extras" table that took effect from 1 February.

It is very pleasing to know that one of the health funds has decided to take this initiative.

AGRICULTURE

Projects: Libya

797. Mr OLD, to the Minister for Agriculture:

- (1) Since the break in diplomatic relations between the United Kingdom and Libya has an alternative line of communication been set up with those people involved in the dry land farming project near Tripoli?
- (2) If so, will the Minister please provide the details?

Mr EVANS replied:

- (1) and (2) There has been telephone communication with the group in Libya. The group comprises 15 couples and one single man. It is a fairly extensive dry land farming project.

Communication has been made on several occasions and there has been contact with the Department of Foreign Affairs which is monitoring the situation closely. That department has undertaken to pass on information if there is any change in the situation.

Mr Old: We have no diplomatic representation there.

Mr EVANS: The nearest office would be Rome. It is my understanding that the Rome office would be monitoring that situation as well.

It is my understanding also that the Libyans regard Australia as an entity in its own right and that Australians are not regarded simply as another form of United Kingdom dwellers. For that reason the position appears to be stable at this point.

INDUSTRIAL RELATIONS

Dispute: Truck Drivers

798. Mr TROY, to the Minister for Transport:

- (1) Is the Minister aware that some truck operators have refused to pay a driver for work performed on the grounds that he has worked longer hours than specified in section 48 of the Transport Act, and that the driver has little chance of redress through the courts?
- (2) What steps is the Minister taking to overcome this situation?

Mr GRILL replied:

- (1) Three cases have been brought to my attention wherein the Transport Workers' Union has sought to have the Industrial Court award full wages to drivers who have been required by their employers to work longer hours than those laid down in section 48 of the Transport Act. In none of those cases—two of which were heard in the early 1960s, and the other in February this year—was the union successful in having the wages sought awarded to the driver.

I would point out, *inter alia*, that section 48 required that a driver of a commercial goods vehicle licensed under the Act may not operate the vehicle in excess of 11 hours in a 24 hour period.

- (2) I have discussed the matter with the Commissioner of Transport, with a view to having the Transport Act amended to deny unscrupulous operators this method of refusing to pay drivers wages due to them. In turn, I am aware that the commissioner has sought urgent legal advice from the Crown Solicitor relative to the implications of such an amendment, and the law relative to illegal contracts generally.

Once that advice is to hand, I will then determine the course of action to be taken in this matter.

FISHERIES

Southern Bluefin Tuna

799. Mr WATT, to the Minister for Fisheries and Wildlife:

- (1) Has the Minister seen the draft report of the Industries Assistance Commission on southern bluefin tuna which recommends that the western sector—that is, Western Australia—quota be reduced from 4 500 tonnes a year to 1 000 tonnes a year?
- (2) Is he aware that, if implemented, the proposal would have the likely effect of forcing many fishermen out of business, and several into bankruptcy?
- (3) Is he also aware that it could have a serious effect on the canneries involved in southern bluefin tuna, possibly resulting in a loss of jobs in Albany?
- (4) Does he support the recommendation?

- (5) If not, what action does the Government plan to secure a better deal for Western Australian tuna boat owners?

Mr EVANS replied:

- (1) to (5) The IAC report to which the member refers has been received by Government, and I add that it certainly is not supported. Members had better get that position clear immediately. The problem, as the report indicates, is that the southern bluefin tuna industry has been in operation for a number of years and the world's take has been reduced dramatically. It involves a complex situation that is international in character, because of the Japanese fleets off Australia as well as the Western Australian fishing industry. Of course, discussions between the Australian States and the Japanese have been held.

Mr Watt: Do you know what quota the Japanese have?

Mr EVANS: I could not be precise at the moment. They have reduced their catch under the terms of the international agreement and of course this whole matter has been studied by the tuna fishery task force. The upshot of this report will be that it will be discussed by the fisheries council in Townsville during July.

Mr Watt: The task force is meeting again on 10 May in Canberra.

Mr EVANS: Submissions have been sought by the IAC and are to be made before the final report is brought down. I am sure that report will be the subject of lively debate with the fisheries council members in Townsville in July.

TOURISM

Bungle Bungle: Tours

800. Mr BRIDGE, to the Minister for Tourism:

Is the Minister aware of an article which appeared in *The Australian* newspaper today which indicated that the Western Australian Government had banned tour operators from access to the Bungle Bungle area?

Mr BRIAN BURKE replied:

I am aware of this article and I am aware of an article which appeared previously in *The West Australian* which indicated that the WA Government had

imposed some sort of ban in not quite the same terms as those in the article which appeared in *The Australian*, but still referring to an action which the WA Government has not taken.

I hope members will accept that despite these repeated reports of some sort of ban, a ban has not been imposed. The position is that the Government is not prepared to encourage or endorse the promotion of tourism in the area until the working party set up to prepare a management and control plan for the region has conducted its work in a satisfactory manner.

Mr MacKinnon: Who set up the working party?

Mr BRIAN BURKE: The Government set up the working party.

Mr MacKinnon: The Government?

Mr BRIAN BURKE: Yes, that is right.

Mr Peter Jones: You are not encouraging it or opposing it?

Mr BRIAN BURKE: What is said in the article would demonstrate that fact to the Opposition because the person involved said, "The Government has made no approach to us to keep out of the area. My brother Hans contacted two departments after the announcement and no-one wanted to say we could not go in."

Mr MacKinnon: So the people now come and go.

Mr BRIAN BURKE: We have not imposed any ban whatsoever, but we have said it is in everyone's interest that a management plan is worked out for that delicate area.

Mr Laurance: You have bungled it and you know it.

Mr BRIAN BURKE: The Government thinks it is in everyone's interest that a management plan be drawn up for that area. The other thing that has been said is that no plan will be brought down until after the Seaman inquiry. I do not have any knowledge of that being the case.

No ban has been imposed by the Western Australian Government. The policy is simply that the Government does not endorse or encourage tourism into the area until the management plan is worked out. That seems to be something

which most people accept and out of the mouth of the man who is doing the tours comes the fact that he has not been told by the Government—

Mr MacKinnon: So he can continue to take tourists to Bungle Bungle.

Mr BRIAN BURKE: We would not encourage him and we would not endorse him to do so.

Mr MacKinnon: But he can do so.

Mr BRIAN BURKE: We are not stopping him. In his own words, he said he has not been told by anyone that he cannot.

Mr Clarko: The Press is wrong for the second time tonight.

Mr BRIAN BURKE: Yes, that is why we are correcting it.

RAILWAYS: FREIGHT

Joint Venture: Ownership

801. Mr LAURANCE, to the Minister for Transport:

What is the current position with regard to the ownership of the Total West joint venture transport company?

Mr GRILL replied:

As far as I am aware Mayne Nickless Ltd. is interested in selling its share. It may have a prospective buyer. The Government has made no decision in respect of its share.

MEMBERS OF PARLIAMENT

Press Statements: Assistance

802. Mr HASSELL, to the Premier:

To what extent has the Premier's department, and in particular the Press secretarial core, been assigned to the assistance of Government members who are not Cabinet Ministers in the preparation and release of Press and media statements, and contacts for those members' electorate media?

Mr BRIAN BURKE replied:

I am not aware of any assignment of the sort referred to by the Leader of the Opposition, but if he has any specific instances about which he feels the need to complain and draws the details to my attention, I will have the matter investigated. I cannot answer a general question that—as Sir Charles Court

used to say—"is not supported by anything more than the smell of a fishing expedition".

REGIONAL DEVELOPMENT

South West Development Authority: Staff

803. Mr BLAIKIE, to the Minister for Regional Development and the North West with special responsibility for "Bunbury 2000".

(1) What staff or personnel have been appointed to the body to be known as the South West Development Authority?

(2) To what areas have they been appointed?

Mr GRILL replied:

(1) and (2) I cannot give the member the exact numbers, but two executive officers have been appointed, together with a support staff of, I think, five or six.

Mr Blaikie: Are there any planning officers?

Mr GRILL: There are some seconded officers. A tourism officer has been seconded and is doing some special work. An officer has been seconded from the Education Department to do some work on the proposed tertiary institution in that area, and one or two other officers have been seconded from other departments.

Mr Blaikie: Do you have officers looking into the Army base in the south-west?

Mr GRILL: The staff are looking at a whole range of development options in that area. It is quite probable they are, but I do not have details on that particular matter.

LAND: ABORIGINES

Rights: Legislation

804. Mr HASSELL, to the Minister with special responsibility for Aboriginal Affairs:

Does the State Government remain committed to its platform undertaking that a State Labor Government will introduce legislation containing provisions similar to those in the Northern Territory land rights Bill initiated by the Federal Labor Party?

Mr WILSON replied:

It is amazing how interested the Leader of the Opposition is in the Seaman in-

quiry, particularly in view of the fact that he and the rest of the Opposition have decided not to have anything to do with it. They seem to have a fatal fascination with things they can keep at arm's length—it is, I suppose, something to do with their association with South Africa.

In any case, I can simply say—do not nod your head, Noddy—there is a commitment to the ALP platform. There are a lot of commitments in the ALP platform. It is a matter which is well known to most people who would be concerned about it, but that platform was written prior to the implementation of the Seaman inquiry.

At the time it was written, the Northern Territory recommendations for Woodward were the only ones in existence.

The Leader of the Opposition talks about a Federal Labor Government implementing this legislation. I point out to him that it was a Federal Liberal Government that brought it before the Parliament and passed it!

Several members interjected.

Mr Hassell: I quoted from your document.

Mr WILSON: I know the Leader of the Opposition is quoting from my document and if he will let me continue I am simply saying that this Government, being responsible to all the people of Western Australia, is going about the Seaman inquiry for the very reason that it is concerned to bring down legislation which will be responsive to the situation in this State—not to the Northern Territory, or to Canberra—

Mr Brian Burke: Hear, hear!

Mr WILSON: —or anyone else the Leader of the Opposition would care to name.

Mr Hassell: You are not keeping to your platform. You have changed. Is the heat of public opinion getting too much?

Mr WILSON: I think it is getting too much for the Leader of the Opposition. At least the Government is not resorting to bogus telephone polls to try to put across some policy which it does not have.

Several members interjected.

Mr WILSON: What is the Opposition's policy on Aboriginal affairs? It does not have one. It comes up at the last minute with some piffling little apology for a policy by conducting an inquiry into Aboriginal poverty. Who needs to ask poor people why they are poor? That is the logic of the Opposition. It is making a great show of the fact that it will go around this State, wasting taxpayers' money—wasting money of people of good intent—to find out from poor people why they are poor.

Several members interjected.

Mr WILSON: Is not that a lamentable situation?

Mr Stephens: You have got advisers to tell you why they are poor.

Mr WILSON: I am surprised that the member for Stirling should be taking that line. I thought he would have more sense.

Several members interjected.

Mr WILSON: In conclusion, there is no deviation by this Government. It is committed to the Seaman inquiry. It believes that that inquiry will provide the best solution for the Western Australian situation. If members opposite are frightened that that will be the outcome, it is about time they joined with the Government.

