

edy that situation and make it legal so that the Government takes some responsibility in the matter for the Murray Shire Council. If matters keep on going the way they are it will just about break the Murray Shire Council.

It was announced last week that from 1 September the Dairy Industry Authority will increase the price of milk in Western Australia by 2c a litre. I said earlier this year that if prices to farmers did not increase by 5c a litre shortly, we would need to see what was happening. The 2c price rise means that farmers will get .82c a litre, or 40 per cent, which does not help them much at all. No doubt all industries have been called on to shave their margins, but this industry has had its heart cut out by the Government and unless something is done we will find that Western Australia is no longer able to supply domestic milk products.

In 1983 legislation was passed in this House which amended certain regulations made under the Dairy Industry Act. I said at the time that if that course of action was followed, the dairy industry would be heading for destruction. I am sorry to say that that has begun to happen. The legislation provided an opportunity for two farmers to milk through one premises. That sounded fairly reasonable except that I said we would find it would introduce a type of *corporate farming*. If that was the Government's intent, it should have said so. That situation has already begun and leasing is becoming a common occurrence.

A small group of farmers at Cowaramup recently circularised every dairy farmer in Western Australia to ask his opinion about certain aspects of the industry. Dairy farmers were asked whether they approve of the system of two quotas in one dairy. The result was that 27 answered "Yes", 209 said "No", and three were undecided. The second question asked about new quotas and whether the cows concerned should be milked in separate premises. The answers were: "Yes", 223; "No", 11; and five did not know. Clearly the proposals in the Bill failed to meet the aspirations of the industry.

The third question asked of the farmers was whether they believed that leasing of quotas was a desirable factor in the administration of the dairy industry in Western Australia. The answer was: "Yes", 53; "No", 179; and seven did not know. The final question asked whether they believed quota preferences for small producers in terms of increment was fair. The answer was: "Yes", 199; "No", 37; with

three who did not know. Four questions were asked relating to the main effects of the Government's legislation, and in three out of four cases the Government got it wrong. That illustrates clearly to me that unless something is done shortly we will have an even greater crisis in the dairy industry. It is not as though it was unpredictable; it was clear for anybody who knew the industry. The Minister who introduced this legislation did not know his industry and relied on too narrow a base of advice. He has put in jeopardy the supply of fresh dairy products in Western Australia.

With those few comments I support the motion.

**HON. E. J. CHARLTON** (Central) [5.37 p.m.]: I take this opportunity to congratulate the Governor on the address he gave at the opening of Parliament. It certainly was a very well-organised ceremony and the opening procedure and the way in which the Governor presented himself was something which not only members appreciated, but also all those people who had the opportunity to visit Parliament on that day.

My comments will be in line with a great many which have been made during the Address-in-Reply debate. The great problem we all face as members of this House is that there seems to be a great deal of discussion and debate, as well as rhetoric, about the problems confronting the community, but we all seem to be fairly short on ideas as to what is to be done about them. A problem of any magnitude will not be easily sorted out, and remedies are not easily forthcoming. With that in mind I will address my comments to the rural industry. It is something we talk about over and over again until everybody is sick to death of the situation and wonders what is going to happen.

The people out there are looking to governments. We all have to take it on the chin. The problems of the rural sector and country communities are all caused by Government decisions—decisions of present and past Governments—and by all members of Parliament from all parties, including Independents.

Hon. N. F. Moore: You don't think the international situation has had any effect at all?

Hon. E. J. CHARLTON: Comments like that are typical of the contribution the member makes when he is discussing particular problems and trying to make mileage out of them.

The comment I made earlier was that everybody was at fault. It is about time all members of Parliament realised it is their fault or

the fault of their party, and they should give consideration to what could be done to overcome this problem. I say this with all sincerity because it is something from which members of Parliament should not make political mileage.

It will not be easy to overcome this problem and it will need a few hard decisions that members of Parliament have not been prepared to make in the past.

The fact is that the number of people involved in the rural community and associated industries is minute compared with the total population of this nation, and that community has very little effect on the political consequences of any Government. Members of Parliament talk a lot about the rural situation; they indulge in a lot of rhetoric but make few decisions.

I have based my comments along these lines because one of the things we have taken for granted in the past is that regardless of what happens in the rural industry, production will continue. It does not matter whether we are talking about a farmer and his family, the business sector dependent upon him, or the backup services provided by Government employees and the private sector; it is generally considered that production in the farming areas will continue because if people walk off their farms or are forced to sell them it will make no difference to the rural industry whatsoever.

The rural industry is a different proposition to the motor vehicle and clothing industries. If either of those industries decided to close, thousands of people would be out of work and it would become not only a political problem, but also an economic problem—a problem from which political parties and Governments of the day would not be able to walk away.

The rural industry is a different proposition because there are only 30 000 farmers in this nation and the population in metropolitan areas is obviously greater.

I would like to quote figures to bring home to members and the public at large a few of the problems that confront the rural industry at the present time. I will then make some comments about decisions that should be made by both the Federal and State Governments in order to overcome the problems.

The increase in farm costs over the last five years has been 45 per cent and the increase in the CPI has been 30 per cent. As a comparison I will use the United States because it is Australia's greatest competitor in rural products. The percentage increase in farm costs

in that country over the last five years has been 19 per cent. It is little wonder that our agricultural industry is in such a diabolical situation.

During the same period a farmer has gone from carrying a small debt to a much larger one and the average farm debt is \$170 000. Members would be aware that a number of farming enterprises would not carry any debt at all so obviously some farmers are carrying a debt which is greater than the average debt of \$170 000.

Members will know that some farmers got themselves into trouble because they believed the basic economic situation would continue. However, there is one thing about which we can be sure; that is, things will either get worse or better, but they will certainly change.

A farm debt of \$170 000 involves a high interest rate and a farmer with that debt would be looking at about \$30 000 per annum to service the debt. Of course, many farmers are paying considerably more than \$30 000 per annum to service their debts.

Members may say that they got themselves into trouble so they should get themselves out of it. I remind members that many decisions made by Governments over the last few years have helped to create the problem. Incentives have been given to help the people on the land increase their land-holdings and to help people in farm associated businesses to increase the size of their business or to amalgamate with other businesses. Obviously those people have had to borrow money and they were encouraged to do so. Many different banking systems were established to give people in the farming community the opportunity to borrow sufficient funds in order to expand their businesses. At that time the interest rate was about seven per cent and the money was borrowed over a 15 or 20-year term. From the figures they were presented they believed it was a viable proposition to expand their businesses. However, what has happened since that time is that interest rates have increased to 17 per cent and what was considered a good business proposition a few years ago is no longer viable. As a result, the people involved in the farming community, and the industry as a whole, are suffering. A similar situation would not occur in a secondary or a manufacturing industry, particularly the motor vehicle, clothing, and footwear industries.

The massive tariffs and quotas placed on the rural community have also contributed to its downfall.

I refer now to the Federal Budget which I consider to be a "Claytons Budget" because it is the sort of Budget that we have when we do not really have one. We will see the main thrust of the Budget when the Federal Government releases its taxation package later this year.

At the time the Budget was brought down the headlines in the Press referred to the change to petrol prices. The price of fuel was decreased by 2.4c per litre, but I remind members that during the last 12 months there has been an increase in fuel prices of 8c a litre. Therefore, the decrease of 2.4c per litre represents only one-third of the increase in petrol prices during the last 12 months.

I draw members' attention to the fact that it was not the Labor Government which brought in the policy on fuel pricing. The policies of previous Governments have forced the price of fuel to be as high as it is today. The National Party is as much to blame as any other party for allowing the situation to arise. However, I am pleased it has realised that it can no longer support the world parity pricing and has changed its policy.

Obviously, without crossing the "t's" and dotting the "i's", if or when there is a change of Government Federally, there will be a new pricing policy. I suggest all political parties should have a good look at it and stop putting this matter in the "too hard basket" and saying, "We have the system, we cannot do anything about it."

We have to do something; we have to make changes to on-farm costs because it is unfair to have a policy where one section of the community imposes an excise duty which will dramatically disadvantage another section of the community without affecting other sections very much, although it hurts everyone who has to put his hand in his pocket to buy petrol.

The fact is that the usage of fuel in the metropolitan area and in its close proximity is minimal. I have never taken into account the finance involved in the average weekly spending on fuel by people in the metropolitan area. Obviously it is a small amount compared with the amount spent by people in country areas, where it is one of the three major input costs.

Again, it has had a dramatic effect on transport costs, which are jeopardising those people living the other side of the Darling Range, east of Perth, or north or south.

I would like to make another point regarding the Federal Budget. It is really not associated with the Budget but it is a decision which came

out at about the same time, and that is the dumping duty on DAP. I understand it will cost the farming industry \$26 million to save, or attempt to save, those monopoly companies in the State which produce fertiliser for the agricultural industry.

Hon. J. M. Brown: What about the CSBP?

Hon. E. J. CHARLTON: The CSBP is not owned by farmers, it is a subsidiary co-operative. I have nothing against Wesfarmers, or any other business. Whether they are farmers or anyone else makes no difference to me. I do not support the proposition that we should be a party to dumping duty. As members are probably aware, correspondence has been moving around concerning this decision. If \$26 million is the cost to Western Australia, it will cost the users of DAP \$4 000 or \$5 000 each. On top of that is the fuel increase, which is another \$4 000 or \$5 000. Interest rates have gone up in the last few years by another \$4 000 or \$5 000. Before one knows where one is one has an increase in farming costs of \$20 000 on three different items.

Hon. J. M. Brown interjected.

Hon. E. J. CHARLTON: It is not a fair price.

Hon. J. M. Brown: The existing stocks could be sold at the present rate.

Hon. E. J. CHARLTON: We cannot wait to see it put on and then say it is okay, we can get another year at the old price and see what happens after that. Everyone realises there have been many seminars with many proposals about the problem. What are we to do about it?

As I see it, we have three main areas. First of all there are interest rates. Many members will say we cannot interfere with supply and demand and finance. Governments have interfered with supply and demand on many things over the years. We all have to ask ourselves, "What is the most important thing for this nation to do, considering the number of people involved in the rural industry in particular?" We must make decisions of that sort and have some input on ruling interest rates. I know there will be anomalies, whatever action is taken, but that is no reason to sit back and say, "What should we do about it?"

We must bring forward a proposal with no limits on the amount of money involved in a particular loan or deficit in working capital. It must be assessed, perhaps by our new rural financing organisation which has just been implemented, to assist those people who have high debt levels. Interest rates must be held down, particularly in the short term, to get rid

of some of this debt. It is pointless trying to talk about the problems if one is creating a situation where these people go further and further into debt.

The other alternative is to let them go to the wall. Let us have more mortgage sales such as those which are going on around the country at all times of the year now. Farms are being sold in a period of the year which detracts from the possible return. As soon as it reaches a mortgage situation, everyone knows it does not sell, or it sells for the proverbial song.

There is a lot of debate about whether one can do anything about interest rates. One can go to the Government, which has put a ceiling on home interest loans. Why can that not be done for a short period to help some of these rural businesses and to save them from the problems they obviously have? If we do not, about 3 000 farmers will go out of business year by year, as has happened over the last 10 years. There will be a greater movement of people out of the industry if we let the present situation continue.

As I mentioned before, great numbers of the population live in the metropolitan areas with all the associated problems of drugs and our education system, and the problems which society faces as soon as there is a build-up of people. Governments over the years have put facilities such as hospitals and schools in country areas. They are only half utilised and they are being closed down. School buses run around only half full of children, yet the nation is still dependent on the rural industry for its survival. The great majority of the rural exports are servicing the debt structure of this nation.

We say to ourselves over and over again the problem is too big, we cannot do anything about it. We say we cannot do anything about interest rates yet the nation is still living on them. I know there are limitations on what the State Governments can do; there is certainly a limit on what the Federal Government can do. I congratulate the State Government on trying to bring home to the Federal Government some of those things it should avail itself of to produce something constructive.

I went to a seminar today at which Senator Walsh spoke. There was talk which was critical of privatisation, asking how one could privatise Australia Post or Telecom. I do not think anybody in his right mind would suggest that. I certainly would not.

The point I would like to make is this: Why is it that members of Parliament have to keep implying over and over again "country versus city"? I have always believed this is one nation, not two.

*Sitting suspended from 6.00 to 7.30 p.m.*

Hon. E. J. CHARLTON: It is time we tried to get the message across that this is one State. It is not a matter of seeing it in terms of the Perth metropolitan area versus the country areas. We have a country edition and then a city edition of *The West Australian*. Various other segments of our media tell people in the country what they already know and the same occurs with the people in the metropolitan area.

People must not believe that when goods which we all use on a day-to-day basis and which we purchase from the supermarkets, go up a few cents each week, or certainly each month, the increase can be taken for granted, while as soon as the price of a litre of milk or a loaf of bread goes up by 2c the need exists for the increase to be spread across the front page of the morning newspaper. The message always seems to be that every time there is an increase in the cost of goods, the producer is getting some of it. However, nine times out of 10 the producer is not getting any extra at all because in fact the increase is the result of higher transport charges or extra money wanted by the middle man—perhaps these days I should refer to the middle person.

My last comment reminds me to say something on this aspect of our society because I think we have gone overboard. Certainly we have gone further in this equality debate than the community would like. Throughout the world today it seems the noisy minority get the media attention.

A great many of our rules and regulations have been changed simply to satisfy these minority pressure groups, and in many cases those changes have caused extra costs in many areas.

The people most often hurt are the ones who produce the goods for the nation and of course I refer to country people. It might sound as though I am setting country people against city people, and I would not like to be seen to be giving that impression. We are all dependent on one another.

I hear a great deal of comment made, particularly from members on this side of the House, about the problems we are facing. They have been very critical of the Labor Government, as I am, for some of its decisions. But

they leave a lot to be desired in tackling the problems confronting this nation. I will touch on a number of issues before I conclude. These are matters that particularly affect my electorate.

The first subject concerns the supply of an adequate water scheme to people in the north-eastern wheatbelt. The scheme in question is commonly referred to as the Agaton scheme, and it has been around for as long as I have. As members should all be aware, the scheme has been assessed, using Commonwealth and State funds, and it has been found that we have 660 000 hectares of farm land in this area, in which we have people in communities who last year produced about \$170 million-worth of grain alone. These people therefore contribute a great deal to the national economy, yet we see the major political parties of the State playing politics with these people when it comes to the implementation of the Agaton water scheme.

The people in authority and the members of Parliament involved have continually made decisions to the detriment of the people in the area. They have a lot to answer for. If the will were there, certainly the finance would be there as well.

Before every State election over the last 10 or 15 years, mention has been made of the scheme and the implication has been that the parties would look favourably at the proposition. However, nothing eventuates until we get to the next election when the promises are repeated.

This water supply scheme has been assessed as being double the requirements of the area to be served. Not only would it supply the 660 000 hectares, but also it would hook into the existing comprehensive water scheme and so supply the major water requirements needed to supplement that comprehensive scheme. I refer now to the requirements of the mining industry in the Kalgoorlie and other goldfields areas.

One would think that responsible Governments would have looked favourably at the scheme without playing politics and said, "Here is a requirement. Sure, it will not win us any votes but it is an absolute necessity for these people who have contributed to our economy for so long."

I was in Mukinbudin last week and the people I spoke to were aware that some people say that economically the area is not viable. However, the fact remains that these people are

still out there producing grain and contributing to our economy, and as I said, last year these people contributed \$1.1 million to this State.

What was done with that money? It went into this society in all the ways of which members are aware. Very little of it finished up with the people who produced it. It went to the banks and the finance companies in the form of interest payments. It went in the transport area, to Westrail, to allow that body to continue its good operations. And the people in the country are thankful for the way Westrail moved their produce.

We saw very little of this contribution to the State's economy returned to the people who produced the wealth. The contribution of these country people is not valued greatly enough by the rest of the community.

It is our responsibility to get that message across to the metropolitan people so that they appreciate the value of our export commodities. This nation is still an exporting nation. We have only to cast our minds back to 1982 and the consequences of the drought in the Eastern States. That is the number one reason we saw a change in Government.

As soon as the money dried up from the export industries, bang went the economy! Everybody was in trouble and everybody blamed the Government of the day, and in came a new Government. With a good season afterwards, more money came into the economy and so everybody thought, "That is a great contribution—look what can be done with a change in Government."

Hon. Garry Kelly: It has been a good record up until now, you must admit.

Hon. E. J. CHARLTON: That is for Hon. Garry Kelly to judge. That is politicking and getting away from what we are talking about, the problems this nation is facing.

The National Party is standing by, and if it has a hand in government at any time in the future, its greatest and number one priority will be the implementation of the water scheme to which I referred, even though it will not be worth a great number of votes. The scheme is a must, a necessity. It is about time we stopped playing around and using people up, and implemented a scheme based on Federal and State research.

I will now comment briefly on the Mining Bill. It seems that every time there are going to be some changes made, it is the country people who make a contribution or a concession. Before the Select Committee makes its report it

should bear in mind that changes cannot be made which will force people to make major concessions along the way.

Another point I wish to make relates to taxation. If members are genuine, their respective organisations and political parties should look at single rate taxation. Everybody, including the present Federal Government and the Federal Opposition, believes and accepts that our current taxation system is anything but adequate. I have just spent two or three weeks interstate, during which time I looked at a number of industries; and while I was there I also had the pleasure and privilege to discuss at length with Sir Joh Bjelke-Petersen—

Hon. Kay Hallahan: Heaven help us!

Several members interjected.

Hon. E. J. CHARLTON: Yes, it was a pleasure and a privilege. He is the only person in this nation to stand up against the odds and say what he is going to do, and then do it.

The matter of single rate taxes is probably the basis for any reform to the present taxation system. It has been proved beyond any shadow of doubt that our set-up is totally inadequate. It is penalising the low income people. They are having their taxes ripped from them in higher and higher percentages. People at the other extreme—and Hon. Garry Kelly should be agreeing with what I say if he represents all those low income earners, because they are carrying the nation to a large extent—

Several members interjected.

Hon. E. J. CHARLTON: I did not say a flat tax, I said a single rate tax. The member should talk to Sir Joh if he ever has an opportunity.

At the other end of the taxation scale there are people who do not pay any tax at all. The single rate tax is certainly the basis of reform of the taxation system which the National Party will be promoting.

I wish also to comment on the State's education problem. Education has undergone a dramatic change, and it is getting more expensive and more difficult for people in country areas to give their children an adequate education. If people made a decision to send their children to other than the private schools—boarding schools—which they have to do because they are too far away from an existing junior, district, or senior high school, they used to be able to take advantage of a cheaper way of educating their children, and that was to put them in country hostels. The stage has been reached now where we, the

members representing country areas—and I am sure this would go for other members too—are getting letters asking what can be done because parents have to pay out in excess of \$1 000 a year just for boarding their children in country hostels. It is out of proportion to ask people on low incomes to pay that amount. Sure, they have access to some State and Federal Government help, but it is not always available in the necessary quantity to contribute in a meaningful way to allow them to keep their kids at the hostels.

There is need for many changes in the field of education, but the point I wish to make concerns the actual cost of sending the kids to the Government hostels. I would recommend in the strongest possible terms that the present Government look at the situation and take heed of a suggestion that I think is worth considering; that is, that the salaries of people involved in the hostels should be covered by the education pay packet. I understand that Hon. J. M. Brown is looking into this matter, if I heard correctly. I hope that that is so, and that something will be done.

I would like to comment briefly on a couple of remarks made previously about Press coverage. I do not think that there is any member of Parliament, in all honesty, who is completely happy about what is said by journalists, but I do not agree with what was said earlier about a journalist taking such a biased view that it was necessary to make a comment about it in this place, in this debate. Everyone is dissatisfied at some time or another; I certainly have been unhappy about what has been written about some of my comments since I have been a member in this place. But I would like to put it on record that I do not agree that the journalist in question should have been decried in this place as not being a fair and true reporter of the happenings going on while I have been here.

In closing, I make a call to the Liberal Party in particular, the main party in Opposition, which has, on numerous occasions in this place over the last few months, made statements on what should be done about fuel pricing, about taxation, about wages, and about unions. I place on record that the National Party is taking the role of being closely aligned with the Government of Queensland in what it has done in relation to irresponsible people in the union movement. There are only two or three who really cause the great problems—

Hon. G. E. Masters: A few more than two or three.

Hon. E. J. CHARLTON: —but at least that Government has been prepared to do something about it. I would put it to the Opposition here that we need a little more action and a little less rhetoric.

Hon. N. F. Moore: We are not in Government yet—wait until next year.

Hon. E. J. CHARLTON: To sum up, I feel we need to be a little more constructive and to have a little more dedication and sincerity in making a few changes to the lifestyle of our society. We should put this nation right, and not have an attitude of country versus city or one side of the House versus the other side. We should consider the main issues, which obviously are for the benefit of all of us and the nation as a whole.

HON. S. M. PIANTADOSI (North Central Metropolitan) [7.50 p.m.]: I rise to support the motion. Like other members of this House I wish to convey to His Excellency the Governor (Professor Gordon Reid) and Mrs Reid my best wishes and to congratulate them for their contribution and service to our community.

I take this opportunity to focus a little attention on the issues which affect a number of my constituents, mainly in the job sphere, and including unemployment and industrial relations. A few comments were made by previous speakers about camaraderie, but then the attacks flowed. They say there is a need to get together on these issues, but it is only as long as it is on their terms and conditions. There has been very little suggestion from the Opposition about what can be done to resolve disputes. Opposition members have put forward nothing concrete. All we have had are massive attacks, particularly by the Leader of the Opposition, on the union movement. Remove the unions and the problem is removed according to his argument.

Hon. G. E. Masters: That is not true at all. I have said militant union leaders should be removed.

Hon. S. M. PIANTADOSI: As in all areas of society, there are good and bad employers and good and bad unionists. Unfortunately, the Opposition does not consider that aspect at all. Members opposite just continue—

Hon. G. E. Masters: That is not true.

The DEPUTY PRESIDENT (Hon. P. H. Lockyer): Order! The Leader of the Opposition will come to order.

Hon. S. M. PIANTADOSI:—their attacks on the trade union movement because it is in their interests and those of the people they represent to embark on that course of action.

What frightens me to a degree is that a State election is to be held in the near future and all we have had in this House from the Opposition appears to be an attempt to get back to a bit of union bashing. Members opposite appear to believe that that will see them through at the election. I have yet to hear in this House or see in the media any objectives and proposals from the Opposition being put to the people of Western Australia for the forthcoming election. I must apologise to Mr Masters—the only initiative Opposition members have embarked on is the proposed reduction in wages.

Hon. G. E. Masters: That is not true at all and you know it. That is a gross distortion of the facts.

Hon. S. M. PIANTADOSI: The attacks continue, and rather than improve the lot of most people and help overcome unemployment, the Opposition's attitude will simply make conditions worse in areas where employers might make a little more money and hopefully create a few more jobs.

Hon. G. E. Masters: What about Mudginberri?

Hon. S. M. PIANTADOSI: We are talking about Western Australia and what initiatives the Opposition has put forward, Mr Masters.

During the attacks on the Government and the Minister for Industrial Relations, no mention was made of the initiatives taken by the Burke Government, particularly through the Minister (Hon. Peter Dowding) to alleviate unemployment. In the ethnic community where the unemployment rate is much higher than in the mainstream community, several initiatives have been undertaken by the Minister through the Job Link programme. I would like to mention a few which the Opposition would do well to heed because opinion in the ethnic community about the Opposition's actions in the past and what it has done so far in the run-up to this election—which is nothing—is that it leaves a lot to be desired.

Hon. G. E. Masters: You distort the facts. We have never criticised those programmes. We had our programmes which were very good.

The DEPUTY PRESIDENT: Order!