

DOWDING GOES TO THE POLLS

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The Western Australian election will, in effect, be a referendum on the issue of WA Inc. To restore propriety to government in WA, and demonstrate to other Australian Governments---including non-Labor governments---that cronyism and the misuse of public authority for private ends is unacceptable, the Dowding Government must be given the thumbs down.

Governments should change periodically and in WA it is now time---as it was time in 1983 when the Fraser Government was dismissed, and I with it. The peaceful removal of an unsatisfactory government is the hallmark of democracy.

What, then, led the Burke/Dowding Government astray? In the 5 February 1984 issue of *The Sunday Times*, one year after it was first elected, the Burke Government published a manifesto. These extracts give an inkling of events to come:

"The challenge is to devise and implement policies that protect the State's financial and legal integrity...and seek to expand the level of economic activity by identifying and creating new opportunities.

"... across the breadth of economic opportunity the need is for the Government to provoke, assist and facilitate, not to subordinate."

To create these 'new opportunities', Premier Burke was to ignore time-honoured, but ill-defined, processes which make governments accountable to the public, and which ensure that governments act as trustees for general community interests. These processes would have ruled out the entrepreneurial discretion which was the essence of WA Inc. The attitude was high-handed, to say the least, bringing to mind Louis XIV's motto: 'L'etat c'est moi'.

To 'provoke, assist and facilitate', the Burke Government entered into joint ventures with many of Perth's wealthiest citizens. These joint ventures were intended to avoid the waste and mismanagement which characterised government trading concerns, but in due course they were to damage the financial and legal integrity of the state---that is, of the institution

of government. And, in the event, they proved unusually wasteful.

\\\\\\The more notorious of the government's early ventures included the Northern Mining purchase and WA Diamond Trust, the Fremantle Gas and Coke Sale, the IBJ Bank deal and the establishment of the W. A. Development Corporation and EXIM. In fact, Burke had opted for a form of 'corporatism'---in Professor Ted Wheelwright's words: a state 'in which most of the crucial decisions are taken by bureaucracies of big corporations and big government, who live in symbiosis, if not in sin, with each other'. It was this symbiosis which was to raise questions about the integrity of the state.

Here was the state lending the good financial name that attends the ability to raise taxes to certain favoured enterprises. Here was the state purchasing assets from some entrepreneurs at prices which were said to be overly high. Here was the state giving financial guarantees to some favoured friends. Here was the Labor Party accepting financial contributions from people the Government had apparently helped. Where was the state in its traditional role as independent and impartial keeper of the ring? It was hiding and discredited.

As time went by a bad situation snowballed. As is normal in commerce, some of the businesses and businessmen with whom the government had this special relationship ran into difficulty. In fact, like the companies backed by VEDC, a surprisingly high proportion of them did. Then, to avoid political embarrassment, and possibly also because it was not their own money, the government threw good money after bad.

The Burke/Dowding Governments placed marketable capital in private hands with taxpayer guarantees---the Diamond Trust and the Rothwell's bale out. They purchased assets--- companies, shares, CBD real estate, and goodwill---at times when these would have been difficult to realise. They tended to deal with the same small group of beneficiaries.

In the process of disguising the cost of the Rothwells bale out, the Petro-chemical Industries Corporation Limited (PICL) was left with \$200-300 million, of additional capital to service. The annual cost of this is of the order of \$20-30 million, and the net effect is that future governments will have to tax or charge PICL less for feedstock gas and whatever. It is thus \$20-30 million per year that future Western Australians will have to find.

As the situation got increasingly out of hand, the government became more desperate. The Agriculture Minister, Mr Grill, supported a \$6 million overnight investment by the R & I Bank in Rothwells and the State Government Energy Commission made a \$15 million pre-payment for as-yet-undelivered coal.

None of this could have gone so far if democratic accountability had not been suborned. Parliament's sitting time has been almost halved in the past three years. The

Parliamentary committee investigating one WA Inc. scam, the Midland Abattoir site sale, was deliberately frustrated by Labor. Senior civil service positions have been filled with government cronies. The government tried to hold up the promotions of four senior detectives at the time investigations were being held into certain Government business dealings. The independence of the R & I Bank, State Government Insurance Commission and State Superannuation Board has been brought into question. And worst, from the point of view of democratic accountability, a mighty propaganda machine---at the last count 72 journalists---has been maintained at public expense.

During the current campaign the Labor Party is already outspending an Opposition that has no favours to sell.

Mr Dowding tells us WA Inc. is dead. The standard democratic procedure for burying political scandals is to change the government. The New South Wales electorate pulled the circuit breaker on political impropriety in that state last year; the WA electorate should pull it now; and it should be pulled as soon as possible in Queensland.

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