Legislative Assembly

Wednesday, the 18th October, 1967

The SPEAKER (Mr. Hearman) took the Chair at 4.30 p.m., and read prayers.

QUESTIONS (14): ON NOTICE

CLAVER HOUSE

Tenants, Ownership, and Rent

1. Mr. FLETCHER asked the Premier:
   (1) What Government, semi-Government or instrumentalities are or are intended as tenants in Claver House, Wellington Street, Perth?
   (2) Who owns the property?
   (3) What is the total rent paid or to be paid by tenants mentioned in (1)?

   Mr. BRAND replied:
   (1) (a) Child Welfare Department.
   (b) Education Department—
   Psychology and Counselling Service, Guidance and Special Services Branch.
   (2) Snowden and Willson Pty. Ltd., of 1123 Hay Street, West Perth.
   (3) $7,081.34 per calendar month.

LAND RESUMPTION

Lot 446 Rutland Avenue, Lathlain

2. Mr. EVANS asked the Minister for Works:
   When is the compulsory acquisition of portion of Lot 446 Rutland Avenue, Lathlain, to be effected and when can compensation for same be expected?

   Mr. ROSS HUTCHINSON replied:
   The Perth City Council advises that the part of Lot 446 Rutland Avenue, Lathlain, that is affected by the street alignment by-law 66 of the 29th August, 1960, promulgated in terms of the City of Perth Act, was vested in the Perth City Council upon promulgation of the by-law.
   Compensation will be paid by the Perth City Council when the lot is cleared of works between the old and new street alignments.

MIDLAND ABATTOIR

Withdrawal of Export License

3. Mr. JAMIESON asked the Minister for Agriculture:
   (1) If the recent temporary withdrawal of a license, as an export works, from the Midland Abattoir was not for hygiene reasons, then what was the reason?
   (2) Are the hygiene standards of the Primary Industry Department higher than those required under State Government administration?

   Mr. NALDER replied:
   (1) There was no withdrawal of the license, as an export works, from the Midland Abattoir.
   (2) No.

METROPOLITAN TRANSPORT TRUST

Buses Purchased during the Last Three Years

4. Mr. BRADY asked the Minister for Transport:
   (1) What is the cost of each new bus purchased for the M.T.T. during the past three years?
   (2) What is the life mileage expected of each bus?
   (3) What is the amount written off for depreciation yearly in each case?
   (4) What are the effective paying hours the buses run daily?
   (5) Are private bus organisations in country districts using similar buses to M.T.T.?

   Mr. O'CONNOR replied:
   (1) 1964-65 25 Leyland Worldmaster.
   30 AEC Mark 6.
   Average cost $17,831 each.
   1965-66 25 Leyland Worldmaster.
   25 AEC Mark 6.
   Average Cost $17,797 each.
   8 Albion Viking.
   $10,783 each.
   1966-67 60 Leyland Tiger Cub.
   $16,119 each.

		Miles
(2)	Worldmaster	600,000
	AEC	600,000
	Tiger Cub	450,000
	Albion	450,000
		$
(3)	Worldmaster	880
	AEC	880
	Tiger Cub	1,060
	Albion	710

   (4) Eight hours.
   (5) Few private bus organisations, if any, in country districts would use the type of buses mentioned above. They do, however, purchase from the trust smaller buses which the trust has for sale.

HOUSING

Emergent Accommodation: Use of Prefabricated Structures

5. Mr. BRADY asked the Minister for Housing:
   (1) In view of the grave shortage of housing (both tenancy and pur-

chase) will he give consideration to providing some emergency accommodation through firms prefabricating ready-to-erect homes?

(2) Will he—

(a) Give consideration to taking over an area of land within 15 to 20 miles of Perth to permit of emergency accommodation being built and rented to tenants in urgent need of housing;

(b) give consideration to erecting five to six square home units to tide over the emergency similar to those erected by previous Governments to bridge the shortage of housing gap in the early 1950s;

(c) give consideration to emergency buildings being made available for tourist resorts, etc., when the housing shortage has passed?

Mr. O'CONNOR (for Mr. O'Neil) replied:

(1) and (2) Whilst it is recognised that the present rate of economic and population growth is exercising pressure on the housing situation, it is not considered to be of such a nature as to warrant the measures as advocated. It is of significance to note that during 1967, not less than 15 per cent. of approved applicants for rental accommodation have refused offers made by the commission. This percentage includes those approved for assistance ahead of turn because of accepted emergent circumstances.

6. *This question was postponed.*

STATE ELECTRICITY COMMISSION

Foreman of Construction Section: Appointment

7. Mr. GRAHAM asked the Minister for Electricity:

(1) Were applications called by the State Electricity Commission in March or April last for the position of foreman of the construction section?

(2) If so, how many applications were received?

(3) Has an appointment been made?

(4) If so, who was the successful applicant?

(5) If no-one has been appointed, why not?

(6) In either event, is it customary to notify unsuccessful applicants?

Mr. NALDER replied:

(1) Yes.

(2) 18.

(3) No.

(4) See (3).

(5) It is intended to advertise publicly.

(6) Yes.

BRIDGE OVER FITZROY RIVER

Completion

8. Mr. RHATIGAN asked the Minister for Works:

Will the bridge now in the course of construction over the Fitzroy River be completed this year; if "No," when is completion contemplated?

Mr. ROSS HUTCHINSON replied:

The bridge over the Fitzroy River will not be completed this year. The contract completion date for this structure is the 8th February, 1968.

9. *This question was postponed.*

GROYNE AT ONSLOW

Provision

10. Mr. BICKERTON asked the Minister for Works:

What provision is being made for the construction of a groyne at Onslow; and when is the work expected to be commenced?

Mr. ROSS HUTCHINSON replied:

It is planned that tenders for construction of the groyne will be called early next year, and an amount of $75,000 has been approved in the 1967-68 loan programme.

The Public Works Department's 8-inch mobile dredger is scheduled to commence work on the bar at Beadon Creek about mid-April, 1968.

BOATS

Mooring and Launching Facilities at Port Hedland

11. Mr. BICKERTON asked the Minister for Works:

What provision, if any, has been made at Port Hedland for the mooring and launching of small craft?

Mr. ROSS HUTCHINSON replied:

A possible site for a boat launching ramp at Laurentius Point, immediately upstream of the swimming enclosure, is currently being investigated by the Public Works Department.

Sketch plans have been prepared, but it will be some months before a final decision will be made.

A possible anchorage for small craft in South West Creek is also being investigated.

PERTH DENTAL HOSPITAL

Refusal of Treatment

12. Mr. W. HEGNEY asked the Minister representing the Minister for Health:

(1) Is it a fact that a person is denied further treatment by Perth Dental Hospital regardless of his dental needs if he is unable to pay for treatment already received?

(2) How many persons have been denied further treatment in circumstances outlined in (1) since the 1st January last?

(3) Will he outline concisely the policy of the hospital relating to eligibility for treatment?

Mr. ROSS HUTCHINSON replied:

(1) No person is refused emergency treatment and relief of pain whether he or she is eligible for treatment at the Perth Dental Hospital, or not.

(2) Within the terms of the above question there has been no person refused further treatment.

(3) Patients requiring treatment are assessed according to their financial position and charged accordingly, the main items for consideration being income and number of dependants. Any financial hardship allows for a reduction in assessment.

13. *This question was postponed.*

PHOSPHATIC ROCK, SULPHURIC ACID, SULPHUR, AND PYRITES

Price and Imports

14. Mr. MITCHELL asked the Minister for Agriculture:

(1) Further to my question of the 10th October, is the price per ton of phosphatic rock the landed price in each case?

(2) Is any method used to average the price paid to each supplier?

(3) What is the price per ton of sulphuric acid produced from imported sulphur at $34.241 per ton?

(4) What is the price per ton of sulphuric acid produced from local pyrites at $21.12 per ton?

(5) What guarantee have we of availability of imported sulphur?

(6) What quantity of local pyrites is available per year?

Mr. NALDER replied:

(1) No, it is the average cost for 1966-67 at the point of origin. Landed cost from each source is not available.

(2) A uniform landed price is charged at each port in Australia where phosphate rock is discharged.

(3) and (4) Sulphuric acid is an intermediate in the manufacture of superphosphate, and its cost of production is not available. Apart from the price of sulphur, operation costs would vary for each plant. Acid from pyrites is more expensive, but at present receives $5.00 per ton bounty (per ton of 100 per cent. sulphuric acid).

I would like to correct my statement in reply to question 4 on the 10th October, 1967. The price of $34.241 in 1966-67 refers to the f.o.b. price at the point of origin, not the cost landed at Western Australian ports. Each member of the Australian Sulphur Purchasing Association is responsible for freight, insurance, and discharge costs. The price of delivered sulphur therefore varies from port to port and from ship to ship.

(5) It is believed that adequate supplies of imported sulphur are available for all Australian requirements. There is no long term guarantee of availability of sulphur from overseas, but also there is no reason to fear that it will not be available.

(6) 82,710 tons of pyrites were used in 1966-67. Substantial deposits occur in Western Australia.

BILLS (2): INTRODUCTION AND FIRST READING

1. Weights and Measures Act Amendment Bill.

Bill introduced, on motion by Mr. Bovell (Minister for Lands), and read a first time.

2. Railway (Collie-Griffin Mine Railway) Discontinuance Bill.

Bill introduced, on motion by Mr. O'Connor (Minister for Railways), and read a first time.

BILLS (2): THIRD READING

1. Town Planning and Development Act Amendment Bill.

Bill read a third time, on motion by Mr. Lewis (Minister for Education), and passed.

2. Explosives and Dangerous Goods Act Amendment Bill.

Bill read a third time, on motion by Mr. Bovell (Minister for Lands), and passed.

ESPERANCE LANDS AGREEMENTS

Inquiry by Royal Commission: Motion

MR. TONKIN (Melville—Leader of the Opposition) [4.46 p.m.]: I move—

> That in the opinion of the House a full enquiry by Royal Commission into the administration of Esperance Lands Agreements since the inception should be undertaken immediately for the purpose of ascertaining the nature and extent of irregularities or breaches and departures from the spirit and intention of the Agreements which have occurred, the causes and responsibilities therefor and the effect upon the development of the Esperance district.

For quite a number of months, I have heard in different places very disquieting statements about land settlement at Esperance. I have been told that this has been the subject of discussion in other States and in Commonwealth departments. As the stories persisted, I was gradually drawn to the situation where I felt that some investigation would at some time or another have to be undertaken.

Unknown to me in the initial stages, the member for Boulder-Eyre had also heard somewhat similar stories, and he had been making some inquiries. Finally, when we were discussing the matter together, it was found that much of the information which the member for Boulder-Eyre had received had already come into my own possession, although it transpired he had much more detail than I had.

By a series of questions, we commenced to try to elicit the necessary information; but instead of being answered in a straightforward way, which should be expected in a matter like this, the Minister for Lands seemed to go out of his way to try to pin something on the former Labor Government. I think it is quite right to say that he never missed an opportunity to tie up his answer in some way with a reference to a Labor Government and, in one instance, to myself. What that had to do with the questions that were being asked, I do not know. Nevertheless, the reason for doing it was obvious.

A motion for a Royal Commission is a very serious matter and one which should not be moved unless the mover feels there are very good grounds to justify the resultant expenditure and to justify having to make public the names of persons, some of whom might be quite innocent of any wrongdoing but who would be questioned in connection with the matters under inquiry.

So this motion did not find its way onto the notice paper without some weeks of consideration and a final decision that, in the interests of the State, an inquiry was essential; and I think I will be able to show members that an inquiry into this matter must take place very shortly. In order to have a full understanding of the situation, it is necessary to return to the genesis of this land settlement idea at Esperance. To omit this would leave members much in the dark as to what was the spirit and intention of the original agreement, from which wide departures have since been made.

The then member for Warren (The Hon. E. K. Hoar) was the Minister for Lands, and he subsequently became the Agent-General. He brought a Bill to Parliament to amend the Land Act, and he explained the Government contemplated making an agreement with a wealthy American group who had the funds to make large-scale farm development, but as the Land Act stood the way was not open to enter into an agreement with any such group or person for this purpose, because the terms of the Act at that time were too restrictive. For example, the maximum area of land that could be made available either on leashold or conditional purchase was 5,000 acres, and that would not be attractive to any big company that wished to spend millions of dollars on development. So, if such an agreement were to be made for land development, the restrictive provisions in the Land Act would have to be removed.

At the time the Minister explained it was essential to try to accelerate land development in this part of the State, and he pointed out two ways in which it could be done: one was for the Government to do it by way of a land settlement scheme somewhat along the lines of the group settlement schemes of many years ago, in which the finance was provided by the Government, or some private group of persons or a company might provide the finance to undertake the development. The Minister went on to explain that the Government did not have the funds to carry out the development. Therefore if it were to be done it would have to be done by private interests, which caused one of the members of the Country Party to interject at the time, "This is a change of policy on the part of the Labor Party."

It might have been a change of policy but, nevertheless, that was the reason for the amending Bill before the House at the time; namely, to amend the Land Act to repeal the restrictive provisions which limited the area of land to 5,000 acres. The Minister for Lands explained to the House that he had in mind some project or group system by which a large number of people could be grouped together in proximity, and, because of that aggregation of people, services would be provided. Schools, hospitals, and roads would be constructed, and so there would be brought into being a community which would help to develop the State, increase its production, and, by virtue of the fact that it required a num-

ber of services, would generate more activity.

The Minister went on to explain that a group was in negotiation with the Government to carry out such development, and to give members a clear picture I shall quote verbatim from page 2165 of the *Parliamentary Debates* for 1956, what the Minister said, as follows:—

> There is no real danger at all in allowing private people or corporations with large sums of money to undertake this development for the State, so long as we tie up any agreement in such a way as to make it conform to the State's requirements as to the best use of the land, with particular reference to closer settlement opportunities.

It will be readily seen that the basic requirement of this project was closer settlement, not absentee landholders: not people residing in America; not solicitors in the Terrace; not land and estate agents in the Terrace. The requirement was that these blocks of land would be made available to genuine settlers, one block to one person.

What do we find? Solicitors with blocks of land, estate agents with blocks of land, employees in the Department of Agriculture with blocks of land, research students at the University with blocks of land, and one agent in Kansas City with 25,000 acres of land. That is a fine way to carry out the concept of closer settlement! It was envisaged that 650 farms would be made available with 650 individual farmers working on them to develop the district. No wonder the people were up in arms about what happened!

Mr. Burt: Was it not your agreement that caused that?

Mr. Bovell: It certainly was!

Mr. TONKIN: In 1956 the Land Act was amended to allow the Government to deal with any worth-while offer from an applicant, and the Minister for Lands said—

> . . . if this power were given the Government, it would expedite development by such people as the Chase group.

He went on to explain that in his view it was necessary to develop the Esperance area as one complete self-contained project, because of its extreme isolation. The Minister had no difficulty in having the amendment to the Land Act passed. It was supported by every member who spoke to the Bill. The late Mr. Charles Perkins was one who spoke; also the late Mr. Hugh Ackland, and The Hon. A. F. Watts spoke, to recall three of the speakers. But everyone who spoke supported the Bill. Some had doubts about one aspect or another, but all agreed it was a desirable way to develop this part of the State, and, without exception, they approved the idea of closer settlement.

The main points in the Chase agreement—this agreement did not have to come before Parliament, because Parliament was told the purpose of amending the Land Act was to permit of this agreement being made, but the Minister undertook to make available to members subsequently the terms of the agreement entered into—were as follows:—

> 1,500,000 acres would be sold to the Chase group at a cost of 40c per acre plus survey fees.
>
> The company was given the right to select and apply for these minimum areas—50,000 acres by the end of the first year; a further 100,000 acres at the end of the second year; a further 100,000 acres at the end of the third year; a further 100,000 acres at the end of the fourth year.

That would make a total, up to that time, of 350,000 acres. That was the full area to be selected by the end of December, 1961.

Indeed the agreement provided—and this is most important in the argument which I am advancing—that the allotment of successive areas was to depend on the company *bona fide* proceeding with the progressive development according to the agreement. That implies that if the company fell down on its obligations, it would lose its entitlement to any further land. The company had to undertake to develop—not somebody else to whom the company was to give the land, but the company itself—such parcels of land according to the agreement within a period of 10 years.

East of Esperance the area was to be subdivided into farms of not less than 1,000 acres and not more than 2,000 acres. West of Esperance the area was to be divided into farms of not less than 1,500 acres and not more than 10,000 acres. Within 10 years of the permit to occupy having been issued, the company was to have available for sharefarming, lease, or sale, 50 per cent. of the area allotted to it; and, after the 10 years, the lessee of any land under this scheme was to have the right to purchase the farm which he was on. It was clearly set out in the agreement that the intention was that not more than one holding should be allotted to any one person. Clearly and unmistakably that was the intention of the Government at the time.

It was estimated that upon the basis of the areas mentioned, the whole of the 1,500,000 acres would be subdivided into approximately 650 farms. The deal went through initially, and the company applied for 61,536 acres, being Neridup Location 12; and, in accordance with the agreement, the company, having applied for this land, was issued an estate in fee simple. In addition to that, it applied for two permits to occupy some more land.

One was a permit to occupy Neridup Location 15 of 9,100 acres, and the other a permit to occupy Neridup Location 16 of 39,300 acres. As far as I can ascertain that was the total amount of land allotted in the term of the previous Labor Government—61,536 acres in fee simple, and 9,100 acres, plus 39,300 acres by way of permits to occupy.

The company fell down on its undertaking. It was in default, and it continued to be in default, so the present Government negotiated a new agreement with two groups—American Factors Associates Limited and Arcturus Investment and Development Ltd. These two groups took over the rights and the obligations of the Chase Syndicate, almost on the same terms but not quite. I shall explain the difference.

In this connection no further amendment of the Land Act was necessary, and the Government brought the agreement before Parliament. It was debated in 1960 under the Esperance Lands Agreement Bill. In the preamble to that Bill it was stated that whereas the previous company had defaulted in the performance of its obligations and was still in default, this change was being negotiated. The statement was included in the Act—and it is there for anybody to read—that it was impracticable for the terms of the original agreement to be carried out, and because of that impracticability quite naturally a new agreement was negotiated.

Those two companies which I have mentioned had already intimated to the Government that they would form a third company called the Esperance Land and Development Company, to which they proposed to assign their rights and obligations. The Government, in the full knowledge of what was proposed, agreed that that could be done, but the whole of the 1,500,000 acres was not available to the company. Certain changes were made. It has to be remembered that 61,530 acres were already held in fee simple by the Chase group. The Government decided it wanted some of the land back, so 276,519 acres of the original amount were released to the State and were no longer subject to the agreement. In addition to that there was an area west of the rabbit-proof fence, being Neridup Location 22 and portion of Neridup Location 21, also excluded from the terms of the agreement. Members should bear in mind that the total amount of 1,500,000 acres was reduced somewhat under the new agreement.

The preamble to the new agreement which appears on page 189 of the 1960 *Statutes of Western Australia* is as follows:—

> ...but as rapidity of development envisaged by the Original Agreement is unlikely to be accomplished by individual settlers it is considered to be in the interests of the State that the large scale and rapid development of the major portion of the area should be proceeded with by the Assignee.

That is, by the company.

That was a declaration of this Government at the changeover in the agreements. It was a confirmation of the original spirit and intention in the No. 1 agreement, and a reiteration of the main purposes of that agreement, which was rapidity of development. In the view of the Government this could only be achieved if it was undertaken by the company itself.

My complaint is that is not what is being done at all; so the agreement is not being followed. Surely the Government must be aware that it is not being observed. The Government is therefore conniving at its breach. When the amendment was put through, it was stated in the new agreement that nothing was to prejudice the rights and obligations of the parties in relation to Neridup Locations 12, 15, and 16.

It is necessary for me to remind members that Neridup Location 12 referred to the 61,536 acres granted under fee simple, the 9,100 acres granted under a permit to occupy, and the 39,300 acres also granted under a permit to occupy. At the time the Government was aware that under the previous Government this area of land had been allotted. It made a declaration that nothing in the new agreement was to prejudice the rights and obligations of the parties with regard to that land.

The Government saw fit to change the definition of "development" because one of the conditions applying to the getting of this land was that certain development was obligatory. Under the original agreement development was defined as the erection of fencing and buildings where necessary, the establishment of necessary water supplies on each holding, and the laying down to pasture. I shall repeat the last condition—the laying down to pasture of not less than 50 per cent. of each holding. When the new agreement was negotiated the definition of development was altered a little, and now development is defined as the erection of fencing and buildings where necessary, the establishment of necessary water supplies on each holding, and the laying down to pasture of an area of not less than 33⅓ per cent. of the area of each holding, with a minimum of 700 acres.

The essential difference is that whereas under the agreement made during the term of the Labor Government the company was required to ensure, before it made any of the land available to individuals, that 50 per cent. of each holding was under pasture, under the new agreement that area was reduced to 33⅓ per cent., with the stipulation that the minimum area laid down to pasture was to be 700 acres.

I say quite deliberately that development has not been carried out by the company, but that it has been permitted to sell the holdings without meeting that requirement. I will prove that as I proceed. Our inquiries have elicited the information that a certain gentleman who is a member of the Businessmen's Assurance Company of Kansas City—and I can supply his name if required—has been able to obtain 25,000 acres. Whilst I cannot prove this next statement—it may only be a rumour—it has been indicated to me that this gentleman has been heard to say it was the cheapest land he had ever heard of in the world.

One can reasonably understand his saying so, if he did say it—and I am informed he was heard to have said that. The gentleman who got this 25,000 acres is, I am told, currently developing some 10,300 acres of it. The impression may have got abroad that we were concerned only with Fielders. That is not so. It was the information about Fielders that really brought this matter to a head; but there are other people down there who have got land from the Esperance Land and Development Company who we say were not entitled to get it, and the company was not entitled to sell it.

I have here a brochure which was issued by the selling agents, Elder Smith Goldsbrough Mort Limited, the cover of which is very nicely set out: Esperance, Western Australia, "Bedford Harbour" Subdivision, 52,970 Acres of Agricultural Development Country for Sale by Private Treaty comprising 23 Farm Blocks from 2180 to 2510 acres on Freehold Basis on behalf of The Esperance Land and Development Company. Then it proceeds to give the detail.

Mr. Bovell: Was it sold?

Mr. TONKIN: Quite a lot of it to some of those dummies. Names and addresses can be supplied on request, purchase prices as well, and the amount of development not done.

Mr. Bovell: These sales have been negotiated within the terms of the agreement.

Mr. TONKIN: Not at all. To proceed to quote—

> "Bedford Harbour" Subdivision enjoys a frontage to and is on the south side of the bitumen highway connecting Esperance and Ravensthorpe. From Ravensthorpe, highways lead towards Perth, Albany, Katanning, Narrogin and other major market centres.
>
> Land Description
>
> This is mainly gently undulating easily cleared sandy loam on clay, with very few natural hazards such as gullies. The native vegetation is mostly Mallee, Blue Mallee, Oakleaf Scrub, Munje, Low Heath Scrub, small areas of Banksia, Chittick and some Yate thickets. The subdivision is offered for sale with approximately one-third of each block—

Not one-third of each block under pasture as the Act says. Continuing—

> —chained, firebreaked, burnt, some picking-up done, then ploughed with a 2-way offset Connor Shea Disc plough. By popular demand, no other improvements have been done.

By popular demand! Not that the Act requires that one-third shall be under pasture and we have made arrangements so we can sidestep that requirement. There is nothing about that; but prospective buyers are told that by popular demand no further improvements have been done. This sale should have been stopped at the very inception because it was contrary to the terms of the agreement. The company had not carried out its obligations and therefore had no right to sell. Then follows the description of the land for sale.

I am informed by somebody who is engaged in this business of chaining, firebreaking, and burning that it would cost approximately $3.50 an acre to do that. So if we take these 700 acres which have been done in that way, that gives us something in the region of $3,000.

Mr. Gayfer: Did you include the lot in that—chaining, ploughing, and burning?

Mr. TONKIN: I am told the chaining, firebreaking, burning, and the picking up would work out at $3.50 per acre. What the company paid for this was 40c an acre; so if we take the $3.50 and add the 40c, that gives us approximately $4, to which we will add the cost of ploughing. At $4 an acre for 700 acres, that gives us under $3,000 for these farms, which were all over 2,000 acres. These were the prices asked: Lot 919 was priced at $19,400. Not a bad profit for a company which did not meet its obligations! Lot 920 was priced at $19,600.

Mr. Bovell: The present company has met its obligations. Allen Chase didn't.

Mr. TONKIN: It did not. Under that Act it had to have at least 700 acres under pasture, but it did not because, by popular demand, it did not do the rest of the improvements.

By answers to questions, we have found out from the Minister that some of these prices as advertised here were actually paid, precisely as set out in this brochure. They were the prices the company recieved. Here are some of the buyers of these blocks at a price of $18,000 odd: The technical assistant in the agronomy section of the University got block 937 which cost $17,800. Block 938, which was sold for $18,100, went to a research student at the University, in company with a research officer of the Department of Agri-

culture. Block 939, priced at $17,700, went to a sheep breeding consultant who lives not far from my electorate. Lot 932, comprising 2,250 acres, was sold for $18,100 to a lecturer at the University of Western Australia, who had a mate with him who gives his address as Box 14, Williams. Lot 933, comprising 2,250 acres, was sold for $18,300 and went to a technical assistant in the agronomy section of the University of Western Australia, who had with him another technical assistant in the same section and also a research student at the University whose address is Nedlands. Block 923, comprising 2,340 acres, was sold for $19,300 to quite a number of people. It looks as though this block went to eight people whose addresses were all over the place, some Williams, some Floreat Park, and some Nungarin. These are the blocks that were supposed to be allocated one block to one person; closer settlement was to apply; and the successful allottee was to be a resident farmer, and so on.

There is an interesting reference to this situation, if one looks at the Auditor-General's Report. I quote from page 60 as follows:—

> Under the terms of the new agreement (summarised at page 63 of the report for the year ended the 30th June, 1965), the Partnership has selected and applied for nine parcels of land approximating 680,000 acres. Six of these parcels with a total area of 372,780 acres have been freeholded at a cost to the Partnership of $186,-723.
>
> The Partnership is entitled to select at any time prior to the 31st December, 1974 additional areas totalling 770,000 acres, provided that for each 100,000 acres, the Partnership has expended the sum of $400,000 on the purchase and development of the land, and that the additional acreage is selected in the time specified in the agreement.

I want to mention again the total area. The partnership, according to this report, had, to the 30th June, 1965, selected and applied for nine parcels approximating 680,000 acres. If one refers to the 1960 agreement, one finds this stipulation—

> The Assignee shall be entitled to apply for an area not exceeding 350,000 acres at any time prior to the 31st December, 1963 but shall not be entitled to select and apply for further land until it has expended as abovementioned a sum of not less than $1,000,000.

I ask the Minister: Did this company expend $1,000,000 before it applied for the additional area of land?

Mr. Bovell: I will tell you later.

Mr. Graham: He wouldn't have a clue!

Mr. Bovell: One thing, the Deputy Leader of the Opposition would not have a clue.

Mr. TONKIN: Some of the names which I read out as being successful applicants for this land were those of people who took the land purely as dummies. It has already been admitted in the Press by an officer of Fielders that there were eight dummies.

Mr. Bovell: That was the first time I had any knowledge that there were any dummies.

Mr. TONKIN: The Minister should be ashamed to say so.

Mr. Bovell: How was I to know?

Mr. TONKIN: By making inquiries.

Mr. Bovell: The first information I received was when it was published in the Press.

Mr. TONKIN: I did not intend, at this stage, to interrupt the sequence of my story but seeing the Minister raises this point and asks how he would know, I ask him: Did he not attend a meeting in Parliament House where this was dicussed?

Mr. Bovell: What was discussed?

Mr. TONKIN: A meeting which the Minister said was a Cabinet subcommittee meeting but which Mr. Reagan says was not a Cabinet subcommittee meeting at all, but a chance meeting. It is a surprising thing that at this chance meeting which took place in Parliament House, not only were there three Ministers present—the Minister for the North-West, the Minister for Agriculture, and the Minister for Lands—but also the solicitor for Fielders and for the Esperance Land and Development Company. It is a remarkable coincidence if they were there by chance. It is also passing strange that following that meeting a certain gentleman, whose name I can supply, got busy organising dummies. When that person questioned these persons who were considering being dummies—according to some of them—they were told they had nothing to worry about; there had been a meeting with Ministers and this was on a Ministerial level.

Mr. Bovell: That is absolute rot!

Mr. Court: That is completely wrong.

Mr. Graham: I think the Minister's memory has failed again.

Mr. O'Connor: How would you know?

Mr. Graham: It failed the other day until he had time to get his second wind.

The SPEAKER: Order!

Mr. TONKIN: What I am saying—and I am repeating it—is that according to some of these dummies, and this is not hearsay, when they questioned the regularity of this procedure of being dummies they were assured it was at Ministerial level and they were apprised of the conference—this chance meeting—which had taken place at Parliament House. Under the circumstances could one blame them if they were prepared to pick up $100 for putting their names down for this land?

Mr. O'Connor: Have you been told that this is the case?

Mr. TONKIN: The amount was $100 a year. I understand one chap said he would take two years' payments in advance and forget the rest. So he got $200 for being a dummy in order to get around the agreement.

There is supposed to be a committee in the Lands Department to determine who are to be the settlers. These matters are supposed to be referred to that committee. It is a special committee to consider the applicants to see if they meet the requirements. I will refer to clause 12 of the agreement which is as follows:—

> The company shall—
>
> (a) endeavour where possible to settle the said land with people from the Commonwealth of Australia and the United States of America and if necessary from European countries.
>
> (b) if possible ensure that at least fifty per cent. of such settlers are from the Commonwealth of Australia.
>
> (c) confer in the selection of settlers with a committee appointed by the State for that purpose the intention being that not more than one holding shall be allotted to any one person.

Mr. Bovell: How vague that clause is—"if possible."

Mr. TONKIN: So they had to confer. The Minister now interpolates with words which do not appear in the agreement. Confer if possible. What was to stop them from conferring? What would make it impracticable? Why could not these dummies have been referred to the selection committee and the committee informed that they were dummies? Why was that not possible? It is just playing with words to take the line which the Minister is adopting in this connection.

Are we to place an interpretation such as that on all Acts of Parliament—that one does what the Act says if possible? Surely when we write something into a Statute we expect it to be obeyed; and, if it cannot be obeyed, then the right and proper thing to do is to bring it back to Parliament and alter it. But to give us an explanation that it has not been obeyed because it is not possible to do so is, in my view puerile.

I ask the Minister: Was it possible for the firm of solicitors which got two blocks at Esperance to have been referred to the selection committee? Was it possible for the land and estate company in the city, which has five blocks, to have been referred to the selection committee? The whole thing reeks of irregularity. No wonder it is the talk of the people.

Mr. Fletcher: The dogs are barking it.

Mr. TONKIN: I received a telegram this morning from a branch of the Farmers' Union in the great southern district, which indicated to me that I had the full support of that particular organisation in pressing for an inquiry into this matter. I have little doubt that there are many other groups thinking the same way.

There was a certain gentleman who went around and organised these dummies for Fielders. He sought them out and induced them to be applicants for this land. It could be that Fielders, if called upon, could put up a very good case as to why they ought to get a lot of land to carry out certain experiments. But that is completely beside the point. That was not the intention of the scheme. This is a closer settlement scheme—one block to each person, the block holders to live on the properties, and the land to be developed before being sold.

Let us return to the condition made by the Government when it negotiated the new agreement. It stated—

> . . . but as rapidity of development envisaged by the Original Agreement is unlikely to be accomplished by individual settlers it is considered to be in the interests of the State that the large scale and rapid development of the major portion of the area should be proceeded with by the Assignee.

What caused the Government to change its attitude? What brought it to the point that it believed this could be done by individual settlers buying land before it was properly developed? To permit dummies who have no intention of farming the land themselves to make application for land so that some other person can take it up is entirely against the spirit and the intentions of the agreements.

Look at the rake-off the company would receive! It was obligated in accordance with the agreement to spend at least $2.40 on every acre before it could sell. It just did not spend that amount of money and it used the excuse that, by popular demand, no further development was done. Did the company seek the approval of the Government to sell the land, and did it advise the Government it had not carried out its obligations because of popular demand; or did not the Government care?

Mr. Bovell: The Government has abided by the principles in the agreement.

Mr. TONKIN: I fail to see it. I would have thought the Government had a distinct obligation to see that the terms of the agreement were carried out—

Mr. Bovell: And so they are.

Mr. TONKIN: —or else tell the company it was in default. How on earth the Minister can say the terms are being carried out when he must know this

development was never done, I do not know. Is it within the bounds of common sense to believe that a company would advertise for sale land on which all its obligations had been carried out without its saying so? If this company had expended $2.40 on every acre, if it had put the minimum 700 acres under pasture, surely it is reasonable to expect it would have said so when it offered the land for sale! Instead, the company said—

> The Subdivision is offered for sale with approximately one-third of each block chained, firebreaked, burnt, some picking-up done, then ploughed with a 2-way offset Connor Shea Disc plough.

Then, in the final sentence, so there can be no doubt, it states—

> By popular demand, no other improvements have been done.

What about water supplies for each block? What about the necessary buildings for each block, which are set out in the agreement? What about the expenditure of $2.40 on every acre? Yet the Minister says the Government has observed the agreement! How anybody can come to that conclusion in view of the information I have here, I just do not know.

So it appears from the evidence available—and I might add that the member for Boulder-Eyre has much more detail than I have given the House, because he has been closely associated with this matter for some months—that in view of this situation the Government owes it to the State to have the matter inquired into to find out what has gone wrong. Thousands and thousands of acres in separate parcels have been obtained by individuals without the requisite amount of expenditure and development being done by the the company. It is not sufficient for the company to sell land and anticipate that the buyers will do the development it was obligated to do, because the very spirit and intention of the agreement was rapidity of development and the expenditure of large sums of money.

The amount of money to be expended on each parcel of land obtained from time to time was clearly set out. Is it any wonder that in various States discussion is going on as to what has taken place and is still taking place in the Esperance area? I do not think I do anybody any injustice if I keep stating the facts of this matter. The solicitors for Fielders, who are also the solicitors for the Esperance Land and Development Company, have two blocks of land. I do not expect they will give up the law to go to Esperance to farm two blocks; and I cannot imagine the estate agents, who are in a big way in the city and who hold five blocks, giving up the real estate business to develop that land, to say nothing of the fact that a settler is entitled to hold one block only. Why were not these names submitted to the selection committee; or does it exist only in the imagination?

Mr. Durack: Are the solicitors holding this land in their own name?

Mr. TONKIN: I understand so. I am sorry I cannot give the member for Perth a definite answer; the member for Boulder-Eyre may be able to do so. But they have these blocks; make no mistake about that! That reminds me, too, that if one examines the roll for the Esperance district, one will find a number of absentee owners—some 15 or 16, I believe—who all have the same address. They hold land in the Esperance district and they are all of the one address. This is a very strange thing if the selection committee was satisfied that they should get the land.

These are the matters which justify an inquiry, because, at the present time, they just do not add up. It looks to me as though scant consideration has been given to the obligations under the agreement. In some of his answers the Minister fell back on what he called the variation clause. This shows how the language can be stretched when it suits one. Clause 24 of the agreement reads as follows:—

> Any obligation or right under the provisions of or any plan referred to in this Agreement may from time to time be cancelled added to varied or substituted by agreement in writing between the parties so long as such cancellation addition variation or substitution shall not constitute a material or substantial alteration of the obligations or rights of either party under this Agreement.

The Minister applied that to alterations which cannot be characterised in any way other than that they are substantial. But the Minister is prepared to use that variation clause to say he can change anything; that he can change the whole character of the agreement and permit these people to do just what they like.

This matter is so serious and is so far removed from the spirit and intention of the original agreement, and the subsequent agreement of 1960, that it is imperative it should be opened to the light, so that we can see precisely what has taken place, when it has taken place, and why, thus permitting us to shape our course accordingly.

MR. BOVELL (Vasse—Minister for Lands) [5.56 p.m.]: I listened with interest to what the Leader of the Opposition had to say. He gave a resume of the events leading up to the agreement, or very shortly before the agreement was entered into. He did not, however, give a full picture of the situation.

It is my intention to start with the development of Esperance way back in the time of the McLarty-Watts Government. The Leader of the Opposition and a few other members—including the Premier—

were in the House at the time. There are, however, many members who were not in the House at that time, and accordingly I think it is necessary to trace the entire sequence of events.

It was the McLarty-Watts Government which established an agricultural research station at Esperance at a time when there were only 49 rural holdings in the Shire of Esperance. I propose to confine my remarks to development within the Shire of Esperance. There has been development in what was the Phillips River Shire—now the Ravensthorpe Shire—and also in the Dundas Shire.

As I have said, in 1950 there were 49 rural holdings in the Esperance Shire. At that time the population was estimated to be 1,000. The use of land for crops was a little over 9,000 acres, and land established to pasture amounted to 8,505 acres. There were 46,276 acres of other cleared land.

I would now like to refer to the grain crops of the area. In 1950-51 there were 5,572 acres of wheat, with a production of 72,390 bushels; there were 893 acres of oats, with a production of 9,729 bushels. Also a certain amount of barley was being produced. In the Esperance Shire at that time there were 19,313 sheep and 451 cattle; and the wool clip in pounds for that year was 142,303 lb.

Mr. Kelly: What date was that?

Mr. BOVELL: In 1950; about the time the agricultural research station was established by the McLarty-Watts Government. The late Garnet Wood was a great advocate of this as, of course, was the then member for the district, the late Emil Nulsen. I well remember the discussion in the party room at the time it was decided to establish this research station.

I would like members to bear those figures in mind, because later I will tell of the progress that has taken place at Esperance. It may be of considerable value to members if I were to trace the circumstances which led to the original agreement.

Prior to 1956 there was only slight development—about 30,000 acres—in the land adjacent to the areas which in 1956 became the subject of an agreement with Esperance Plains (Australia) Pty. Ltd. The committee appointed for the purpose had examined the land and had reported that the rapid and large-scale development of this area could not be accomplished without the outlay of large capital expenditure.

I know the Leader of the Opposition has referred to some of these matters, but he has not referred in detail to the whole sequence of events. It was after that that The Hon. F. J. S. Wise—who had been a member of this House—introduced Mr. Allen Chase to the then Minister for Lands (The Hon. E. K. Hoar). Mr. Chase then became interested in the project. On the 24th August, 1956, he made his first official approach in the matter of Esperance land to the then Minister for Lands. An advisory committee—at that time comprising the Director of Agriculture, the Chairman of Commissioners of the R. & I. Bank, and the Under-Secretary for Lands of the day—was appointed to investigate all aspects of the proposal; its scope, and financial implications; and the impact of such a large-scale project on the State's resources.

Following negotiations with Mr. Chase and his representatives, agreement was finally reached on the 19th November, 1956. During the negotiations on the agreement, the company accepted an obligation to keep to a time programme, but it would not accept any stringent default provisions. The representatives of Mr. Chase pointed out at the time that the venture was largely experimental, that there was no certainty the venture would be a success, and that people would buy the farms as they were developed by the company. Therefore instead of accepting the usual defined obligation to effect rapid and large scale development and settlement of the area, the company would only accept the opportunity to effect such development and settlement; and this is so recited in the final recital of the agreement of the 19th November, 1956. I hope the Leader of the Opposition will bear those words in mind.

For the same reason, the default provision, clause 19, provided for a default to continue for not less than six months before the State could take action, and then the State would have to give the company a year's notice of default, within which the company could remedy it. Later on in my speech I shall refer to the action which the present Government had to take, because when the previous Labor Government went out of office there had virtually been no development in this area and no action had been taken by that Government to terminate the agreement.

The agreement of 1956 was made pursuant to the authority of an amending Bill passed in 1956, to which the Leader of the Opposition has made reference, and this inserted section 89D into the Land Act. When considering the Bill for the amendment of the Act every member of Parliament was provided with a copy of the 1956 agreement and, as the Leader of the Opposition has said, many of them spoke in the debate. I shall not refer to all the speeches that were made on that occasion but you, Mr. Speaker, as the member for Blackwood, made some very interesting remarks.

Mr. May: He usually does.

Mr. BOVELL: I would remind the House of the words of wisdom uttered by you.

Mr. Graham: That is typical of him.

Mr. BOVELL: On page 2344 of the 1956 *Hansard* you, as the member for Blackwood, said—

> In the negotiations so far it is possible that the syndicate is not committed as far as it might be under different circumstances.

That bears out what I have said. Your remarks, Mr. Speaker, continue as follows:—

> If the syndicate is prepared to commit itself to a great extent on a somewhat superficial examination, I have no objection. I hope the Minister will clarify some of the points and let us have a look at the agreement. Until that is done we will be debating a question which we do not fully understand. This seems to be the only chance Parliament will be given to discuss the matter. In fairness to the Opposition, the Government should give members some insight into the details of the agreement.

You, Mr. Speaker, were speaking for the Opposition of the day, which is now the Government.

There were some doubts in the mind of the late Mr. Perkins as to the obligations of the company under the original agreement, because it was a lease agreement. Therefore as I proceed I will explain why this Government has had to take the action which it has taken. I say quite firmly that any transactions made during the term of office of the present Government have been made in accordance with the provisions of the agreement.

Mr. Moir: That is your interpretation.

Mr. BOVELL: It is far from an interpretation. It is a definite statement. After the 1956 agreement was signed the new company took active steps to develop the land, and that was most encouraging. Unfortunately the company did not accept the advice of the Department of Agriculture and others as to how the land should be developed, and in what priority.

The first land granted to the company was, as the Leader of the Opposition said, Neridup Location 12, consisting of 61,000-odd acres. The company did some work on 33,000 acres of this parcel, or on just over half the area involved. Under the agreement the company was only obliged to develop 50 per cent. of any parcel of land. This is an interesting point. The original agreement provided that 50 per cent. of the area shall be made available for sale, lease, or for disposal, in other ways, and the company had the right to retain the balance of 50 per cent.

Mr. Tonkin: Where does that appear? I have looked for that provision but cannot find it.

Mr. BOVELL: It is there. I will examine it in due course. The Leader of the Opposition only finds what he wants to find.

Mr. Moir: You read your own interpretation into it.

Mr. Graham: What about a Royal Commission to get at the real facts?

Mr. BOVELL: If I might proceed, the company then ceased work for a period of not less than six months. This cessation was regarded by the State Government of the day as a default of the obligation contained in clause 5 to proceed with the progressive and continuous development of parcels as soon as practicable after a permit to occupy had been issued.

The weakness in this provision was that it did not refer to any rate or nature of development. This weakness was in the original agreement. Considerable correspondence took place between the Government and Mr. Chase—that was after we became the Government—and on the 17th September, 1959, I, as Minister for Lands, advised Mr. Chase that the main causes of his company's failure were its inability to find the necessary capital—which in 1956 it had represented it was able to obtain—and inefficiency and a refusal to accept advice, and not, as Mr. Chase had stated, factors beyond the reasonable control of his company.

No submissions worthy of consideration were forthcoming from Mr. Chase, and in December, 1959, formal notice of default under the agreement was given to the company, requiring it to remedy the default within one year, which was the nearest time under the agreement the Labor Government had entered into that this Government could act upon.

Clause 20 of the 1956 agreement gave a right of assignment to the company; and, following receipt of the notice of default, Mr. Chase endeavoured to exercise his right to assign. As a result, representatives of the Chase International Investment Corporation and of American Factors Associates Limited, visited Western Australia in April, 1960, and conferred with the Government.

I might say the reputation of both those firms is beyond reproach. They are world-renowned, and have honoured obligations in every way as far as the Government and the State are concerned. It was because of their efforts that the progress which has occurred and which I will refer to later, has been able to take place in Esperance. That was between 1956 and 1959 and there was virtually no development at all. I will give Mr. Chase credit for endeavouring to do something, but he went his own way; and nobody knows this better than the member for Merredin-Yilgarn, who was later Minister for Lands. I know this because, as the present Minister, I have access to departmental files, and I have studied this position on the files.

Following these talks, when Mr. Victor Rockhill and others came to Western Australia, negotiations led to an agreement in

principle. On the 25th April, 1960, accompanied by the Under-Secretary for Lands of the day (Mr. Carlton Smith) and the Solicitor-General (Mr. Good), I attended a public meeting at Esperance to explain the background relating to the Esperance lands up to that stage and the proposals for a re-negotiated agreement.

Mr. May: On Anzac Day.

Mr. BOVELL: Yes, on Anzac night, and I attended the parade in Esperance on the day.

Mr. May: You are not supposed to do any work on Anzac Day.

Mr. BOVELL: This was to meet the convenience of the residents of Esperance, as they wanted to discuss the matter with the Government; and the Premier telephoned me at Busselton, where I had gone for Anzac Day. The Solicitor-General and the then Under-Secretary for Lands (Mr. Carlton Smith) travelled as far as the Collie turnoff, and we passed through the salubrious town of Collie and went on our way to Esperance where we attended a meeting on the 25th April of that year.

Mr. Graham: It might have been salubrious then, but you have just about knocked it flat since.

Mr. Brady: Well spoken.

Mr. BOVELL: Might I continue, Mr. Speaker? At this meeting, the Solicitor-General (Mr. Good), outlined the background—as I have already stated—and added that the notice of default given in December, 1959, was only in regard to Neridup Location 12. The Crown Law Department had advised the Government that if the original company or its assignees spent a few thousand pounds on the development of Neridup Location 12 before the end of December, 1960, the default made by the original company would be remedied and the State would be back to where it started under the original agreement.

This is all in accordance with the agreement negotiated by the Government of which the Leader of the Opposition was a member. I am not offering any criticism of that agreement at the present time, because I believe it was entered into with the full knowledge of this House and the general support of this House, as were the conditions at that time.

Conditions change, and they have changed; but the Leader of the Opposition has been endeavouring to make political capital out of this exercise. I want to try to be fair to the then Government, knowing the problems it would have experienced at the time.

Mr. Graham: Are you going to answer the Leader of the Opposition?

Mr. BOVELL: I am going to make my speech in my own time.

Mr. Court: There was nothing much to answer.

Mr. Graham: I think it might be pertinent to answer him.

Mr. BOVELL: Another point made was that certain lands had been released to the State from the lands, the subject of the agreement, and thrown open for selection under conditional purchase conditions. This, however, was a special arrangement made with the company, and the State had no legal right to insist upon further releases after defaults under the agreement had been remedied.

The Government had allowed Mr. Chase to continue his attempts to find a suitable assignee, upon condition that he release to the State lands for which there was a demand and which demand could not be fulfilled from developed farms under the agreement. However, there was no obligation upon any assignee of the agreement to make further land available to the State once the defaults had been remedied.

The meeting was told—this is the meeting I attended with the Solicitor-General and the then Under-Secretary for Lands—that if the State did not enter into a new agreement and the old agreement should be assigned, then once the defaults had been remedied, the State might get no further land back from the original company and the new company would have no obligation to spend definite sums of money within specified times.

All these legal points are within the framework of the original agreement. I, as Minister for Lands, then addressed the meeting and explained the direction in which the new agreement had been renegotiated so that approximately 177,850 acres of land would be made available for selection under conditional purchase conditions up to 1963, and provision would be made for orderly and definite development by the assignee in accordance with a time programme.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. BOVELL: Before the tea suspension, I was dealing with the meeting I addressed in Esperance, and I continue by saying that the two parent companies had agreed to guarantee that funds of not less than $3,000,000 would be available in Western Australia for carrying out the obligations of the assignee of the original agreement as amended by the new agreement.

The agreement reached with the representatives of the assignee companies was expressed as a memorandum of understanding made on the 4th May, 1960, between the Premier of Western Australia on behalf of the State and American Factors Associates Limited and Chase International Investment Corporation. That memorandum contemplated that the assignee would form a new company which would enter into a formal agreement with the State, subject to ratification by Parliament.

The new agreement was made on the 21st September, 1960, and was duly ratified by Parliament. By mutual consent

the new agreement departed in some minor respects from the memorandum of agreement dated the 4th May, 1960. On the 9th April, 1958, the then Premier of Western Australia approved of the appointment of the members of the land board as the committee for the purposes of clause 12(c) of the original agreement. That was the one negotiated by the Labor Government. Those members functioned as the committee until a new committee, comprising the present office holders, was appointed by the Premier on the 29th May, 1964.

The present holders of office within the committee are the Under-Secretary for Lands (Mr. C. R. Gibson), the Solicitor-General (Mr. S. H. Good), the Surveyor-General (Mr. H. Camm), and, until his recent retirement from the department, the Divisional Land Superintendent, as he was in those days and, later, Assistant Surveyor-General (Mr. S. J. Stokes). Mr. Stokes retired from the department earlier this year and retired also from this committee.

The Leader of the Opposition has made great play about large areas of land being released. Let me read from an article published in *The West Australian* on the 29th August, 1958. It is headed "Chase Men Sell Big Area at Esperance" and reads as follows:—

> Nearly 60,000 acres of Chase syndicate land has been sold, undeveloped—

I emphasise "undeveloped." To continue—

> —for prices believed to average at least £1 an acre. This was disclosed yesterday.
>
> More than 100,000 acres still under the syndicate's control is expected to be sold undeveloped for a similar amount.

Then it goes on to say—

> All the land sold is in the first area allocated to the syndicate in 1956—Location 12 (61,500 acres).

That is the location to which the Leader of the Opposition referred. The article continues—

> It is believed that only 3,800 acres of this land has not been sold by the syndicate.
>
> American buyers have taken up most of the land so far and American money has done most of the development.

That means that the original person—Allen Chase—did not develop any of this land, and—

Mr. Graham: Why does it mean that?

Mr. BOVELL: Because the newspaper article says it was undeveloped, and so it was.

Mr. Graham: You said that American money was used.

Mr. BOVELL: Yes, but not the American money of Chase himself, who should have done it. That was the complaint the Leader of the Opposition made in regard to what he termed the Fielder group or organisation. I am now quoting from an article in *The West Australian* of the 29th August, 1958, and it continues—

> But Eastern States and West Australian land hunters—including farmers at Esperance—are expected to take up a part of the 107,800 acres still controlled by the syndicate.
>
> This land is in the remainder of Location 12, in Location 13 (59,000 acres) and in Location 14 (45,000 acres).

Then it goes on to say that an American syndicate had opened negotiations for 20,000 acres of land. The article continues further on—

> Whether the Government is likely to continue allocating land to the syndicate is in doubt, but there is no definite announcement of policy on this. (Lands Minister Kelly said last night that the Government would carefully examine any application and take whatever action it deemed advisable within its agreement with the Chase syndicate.)
>
> The Chase syndicate is believed to be within its legal rights under its agreement with the Government to sell land without developing it. But there is a proviso—that those who buy must carry out the development terms within the agreement.

That was published in *The West Australian* of the 29th August, 1958, which was in the time of the Labor Party Government of which the present Leader of the Opposition was the Deputy Premier.

Let us look at the sales made between 1956 and 1959. By one American, 10 separate locations were purchased, totalling 19,380 acres 20 perches; another American bought six locations totalling 11,515 acres 17 roods; another American bought five locations totalling 11,080 acres 1 rood 5 perches; another person—I do not know where he hails from—bought two locations totalling 4,054 acres 2 roods 11 perches. Another successful applicant or allottee, whatever the case may be, obtained 4,048 acres 3 roods 21 perches in two locations; another obtained two locations totalling 3,925 acres 1 rood 12 perches; and yet another bought two locations totalling 3,840 acres 2 roods 4 perches.

Mr. Court: Were they developed?

Mr. BOVELL: No, they were not; and this was during the term of the Labor Government. We never raised any criticism of this because we believed the development of Esperance was proceeding, and so it was.

Mr. Graham: Do you think that was done in accordance with the agreement?

Mr. BOVELL: It was done, and it was done by the Government of which the present Leader of the Opposition was a Minister.

Mr. Graham: Do you think there should be a Royal Commission into the scheme since its inception?

Mr. BOVELL: Let me proceed.

Mr. Norton: Don't put him off the track!

Mr. Bickerton: His reading, you mean!

Mr. Brand: He is right on the track!

Mr. BOVELL: I want to be completely accurate, and that is why I am keeping closely to my notes.

Mr. Gayfer: Are there any quoted prices for that uncleared land?

Mr. BOVELL: No; and the Leader of the Opposition made great play of this. The agreement makes no provision for what the company will charge the purchasers.

The responsibility for this Act rests entirely on the shoulders of the Leader of the Opposition, because his Government made the original agreement. There is no provision in the agreement that I am aware of which obliges the Government to see that land should be sold at any particular price. Surely the Leader of the Opposition cannot hold this Government responsible for something which he and his Government were responsible for away back in 1956 and 1959.

Now I wish to talk about what I did when I became Minister on the 2nd April, 1959.

Mr. Bickerton: This will be interesting.

Mr. BOVELL: It is most interesting and most enlightening, and it will not show the Opposition up very favourably.

Mr. Bickerton: Why didn't you move for a Royal Commission?

Mr. BOVELL: Because of the looseness of the agreement, the actions of the company and the previous Government were—and I believe still are—in accordance with the agreement.

Mr. Graham: There might just as well not have been an agreement.

Mr. BOVELL: That is the point; and you people made the agreement.

Mr. Graham: You refer to some of the terms and show how inconsequential the agreement is.

Mr. BOVELL: I will proceed with my speech. In April, 1959, I became Minister for Lands. The present Premier—at that time the Leader of the Opposition—in his policy speech of 1959 at Dongara stated that the Hawke Government was having problems with Esperance and one of our first responsibilities would be to try to get the venture back on the rails and see that Esperance really got going again. The Premier said we would endeavour to terminate the agreement if at all possible and make other arrangements. This is the position which I am now going to deal with.

Mr. Hall: Does the Minister think that the advertising was advantageous or disadvantageous?

Mr. BOVELL: I will come to that later. I, as Minister for Lands, took action during April, 1959, to obtain a report in connection with the agreement between the former Government and Esperance Plains (Australia) Pty. Ltd. The report submitted by the then district surveyor revealed that 10 parcels of land, comprising a total area of 447,750 acres had been surveyed and classified. In addition, a further 104,045 acres had been classified.

In view of the slow progress made by the company in applying for and proceeding with the development of the land already selected, and for which permits to occupy had been granted, it was considered that the survey work carried out to the 30th September, 1958, would more than meet the company's requirements for some time to come and, accordingly, the survey of further locations east of the railway ceased at that date. During a period of little more than two years the company had requested permits to occupy 205,757 acres. That area, following the handing back to the Crown of the whole of Neridup Locations 13 and 14, was reduced to 100,816 acres as comprised in Neridup Locations 12 and 16. In addition, the company signed a deed of release from its option of two further areas totalling 71,298 acres. Therefore, the total area released to that date was 176,239 acres.

The released area was divided into 85 blocks and, with three other selections, was made available for general selection under conditional purchase conditions in April, 1959. This was the first matter I dealt with, as far as applications for land were concerned, when I became Minister for Lands.

Strange as it may seem—and this just shows how low the confidence in Esperance was in April, 1959, when we took office—only 92 applications were received for land, and only 59 blocks were subsequently allocated. The balance of the land remained unallotted. We could not allot the land because there were not sufficient applicants. It is incredible to think that position prevailed at the time we became the Government.

Mr. Kelly: Did you say there were 92 applicants and you allotted only 50-odd lots?

Mr. BOVELL: That was because, according to the land board, the other applicants would not have been able to develop their properties.

Mr. Kelly: That is no fault of anybody's excepting those who applied.

Mr. BOVELL: There is now a lot of interest in Esperance because of the activities of this Government in putting

it back on the rails, and I wonder what number of applications would be received if 59 blocks were thrown open today. We have up to 700 applications for each release of land at the present time. This shows that the people did not have confidence in the district or the Government when the previous Government was in power.

The Minister for Agriculture and I visited the Esperance district from the 29th April until the 3rd May, 1959, when a thorough inspection of the area was made. As a result of the inspection tour, and the extremely poor showing of Esperance Plains (Australia) Pty. Ltd., when compared with the progress being made by Australian settlers and the Americans other than A. T. Chase—and I have already referred to that matter; that Allen Chase had not spent any money on improving the land which he had leased to his countrymen—I considered that immediate action should be taken by the Government to terminate the then existing agreement with the company. I make no further comment on Allen Chase; I will not try to make political capital such as the Leader of the Opposition is endeavouring to do at present.

In a minute to the Premier in Cabinet, dated the 4th May, 1959—and that is only one month and two days after we became the Government—I submitted the following recommendation:—

> Crown Law take necessary legal action to terminate Agreement with Esperance Plains (Australia) Pty. Ltd.

The Cabinet decision resulting from this minute was—

> Cabinet requests the Attorney-General to ascertain what steps are necessary to terminate the Agreement between Esperance Plains (Aust.) Pty. Ltd. and the Government of Western Australia.

That minute was dated the 5th May, 1959.

The Assignment clause in the agreement prevented the Government from taking the action which it had decided on. The marginal note to clause 20 is "Assignment," and the clause is as follows:—

> The Company shall have the right with the consent in writing of the State to assign or otherwise dispose of this Agreement or any interest herein and such consent shall not be arbitrarily or unreasonably withheld; but such consent shall not be required in the case of an assignment to a Company in which the Company holds more than thirty per centum of the shares.

This agreement was entered into and signed by the Premier of the day, The Hon. A. R. G. Hawke, and was witnessed by John T. Tonkin, the present Leader of the Opposition. Clause 20 prevented the Government from terminating the agreement. The only way of terminating the agreement was to submit further advices—and I will deal with this later. In the intervening period of 12 months Allen Chase had an opportunity to arrange an assignee. I will certainly come to that later. There was no other possible action open to the present Government except to continue negotiations in accordance with the original agreement which gave Allen Chase, the party to the agreement, the right to produce somebody of credit within 12 months after notice of termination. I have already said that the companies that came forward are of international renown. Their honesty, integrity, and financial position is undoubted.

Whilst I am referring to the agreement, I would like to comment on a statement made by the Leader of the Opposition. He said he could not find any reference in the agreement to 50 per cent.

Mr. Tonkin: I did not quite say that, you know.

Mr. Brand: What did you say?

Mr. Tonkin: I said "the right to retain 50 per cent."

Mr. BOVELL: Yes, the right to retain 50 per cent. My legal advisers told me that this is quite evident in the clause.

Mr. Tonkin: Well, read it out.

Mr. BOVELL: I will. I refer to clause 6 on page 15 of the agreement entered into by the Labor Government. It reads—

> The Company agrees within a period of ten years after a permit to occupy has been issued for a parcel to have available for sharefarming lease or sale at least fifty per cent. of such parcel subdivided and developed as aforesaid.

That means there is only an obligation on the company to sell, lease, or otherwise dispose of 50 per cent. Therefore, the company retains the other 50 per cent.

Mr. Moir: It does not say that.

Mr. BOVELL: No, it does not say precisely that, but it is very clear as far as a legal interpretation is concerned. If the member for Boulder-Eyre desires to find other legal opinions, he is quite at liberty to produce them. However, that is not the end of the matter. Let us return to the assignment clause. Whilst the company may not be able to sell, I would say that under the assignment clause it can assign any part of the 50 per cent. which it retains. This is all in accordance with the agreement which the Labor Party made with the original purchaser.

Mr. Graham: Were you legally advised on that point?

Mr. BOVELL: No, it is my own opinion.

Mr. Graham: That is what I thought. It is pretty rough!

Mr. BOVELL: It may be; but, nevertheless, I am entitled to express an opinion. I

consider that the provisions of the assignment clause have some bearing on the company's not selling but assigning certain portions of the areas of land which it is able to hold. That amount is 50 per cent.

Mr. Graham: As much bearing as the man in the moon.

Mr. BOVELL: I would like to revert to the negotiations between the Government and Mr. Chase. On the 3rd June, 1959, the Premier wrote to Mr. Chase as follows:—

> Dear Mr. Chase,
>
> You have no doubt been advised by your legal representative in Western Australia (Mr. R. I. Ainslie, Q.C.) that since my Government assumed office on 2nd April last he has been asked for information and details of future action proposed by you concerning the agreement entered into in November, 1956, between the then Government and Esperance Plains (Australia) Pty. Ltd. As no satisfactory information can be obtained from your legal representative, I am communicating with you direct.
>
> The immediate need for consideration of development of land at Esperance now subject to the agreement referred to above is vital to the best interests of Western Australia's economy.
>
> The Minister for Agriculture and the Minister for Lands have recently visited Esperance and completed a comprehensive survey of the position there.
>
> From reports submitted by them, it is abundantly clear to my Government that the Company's venture at Esperance has failed to obtain results as envisaged in the 1956 agreement, and that the Company has no prospect of successful achievement.
>
> My Government is prepared to negotiate fresh proposals to include an area of land which could be developed by the Company within a specified period of time from financial and physical resources which you can demonstrate are available to you. It would be reasonable to expect development of land by your Company to proceed under similar terms and conditions as apply to other settlers in this district.
>
> As this matter is one of vital concern to my Government, I would appreciate your reply by first airmail.
>
> A copy of this letter is being forwarded to Mr. Ainslie.

The letter was signed by David Brand, Premier, and it was addressed to Mr. Allen Chase, 10744 Chalon Road, Los Angeles, 24 California.

Correspondence went backwards and forwards, and I am not going to read out any more of it. The fact of the matter is that the company assigned its interests in accordance with the original agreement. From that point, proceedings have gone forward and Esperance has really become a very prosperous area. I would like to make a comparison between the current statistics and the statistics of the Esperance Shire in 1950-51. These are as follows:—

	1950–51	1966–67
Rural holdings	49	404
Population in shire	1,000	4,087
Land used for crops	9,075 acres	165,708 acres
Land under established pasture	8,505 acres	536,337 acres
Other cleared land	46,270 acres	396,950 acres
Grain crops—		
Wheat—area	5,572 acres	118,702 acres
—production....	72,390 bushels	1,296,628 bushels
Oats—area	893 acres	17,567 acres
—production	9,729 bushels	256,694 bushels

Barley production has also increased. The final figures I wish to quote are as follows:—

> Sheep numbers now total 881,614.
> Cattle numbers now total 30,345.
> Wool Clip 8,678,018 lb.

Surely that shows the development of the Esperance district, and I believe the agreement has had a big bearing on that same development. All land settlement schemes have their problems and not one scheme has yet proceeded without being confronted by unforeseen circumstances. However, those figures convey the great advance that the Esperance Shire has made in the intervening years. With all their shortcomings, I believe the original agreement and the re-negotiated agreement are major factors in the progress of the development at Esperance.

I would now like to refer to questions that have been asked recently in Parliament. I must say that, resulting from these questions, I have been caused very grave personal concern. Whatever was the intention behind the questions—and I do not think it would be intentional; I sincerely hope it was not—my own personal name has been the subject of some doubt. To me, this is one of the greatest problems that has confronted me in my lifetime. I do not want to appear self-righteous, bebecause I am as good and as bad as the next person. But I will never be involved in any shady deal.

I know the Minister for Lands and Forests is open to charges, because of the nature of his responsibilities. The account of the death of Mr. Justice Ligertwood the other day brought to my mind that the late Mr. Eddie Ward was in trouble over a forestry concession in New Guinea, Papua, or wherever it was, and several Ministers over the years—not in Western Australia, I think—in Australia have been charged. I think the late Mr. Theodore was suspect on one occasion, and another Minister in Tasmania was suspect.

I felt that my name had been clouded somewhat among those people who do not know me. Perhaps it was unintentional, but the fact remains. The member for Boulder-Eyre asked me a question on Thursday, the 21st September, 1967. As members know, Thursday is a difficult day for a Minister in that he has only until

2.15 p.m. to get in readiness all the information he requires from his office before he attends the Chamber for the start of the sitting. This question contained 16 items which required detailed research. It was not possible for me to get all the information in time, and I asked that the question be postponed.

The Press took the unprecedented action of publishing the question without the answer. I make no comment about that, because the Press has the right to do what it wishes, but the fact was I had no time to get the information required by the member for Boulder-Eyre. The following week was Show Week and Parliament did not sit. I attended Cabinet on the Monday and the Royal Show on the Tuesday, and on the Tuesday evening I left for the country. I had heard some alarming reports about new land: that because of the dry conditions the crops were not very satisfactory, and I thought I would like to see them for myself. I left Perth and, in all, I travelled some 1,500 miles to Pithara, across to Beacon, and up to the emu fence, where we have released land in recent years. I must say that the crops in this area were most encouraging when it is considered they were grown in a new area which has, approximately, an 11-inch rainfall.

I then went through Mukinbudin and, in making a circuit, I arrived at Northam late at night. I then went through the lakes district on to Ravensthorpe where I stayed overnight, following which I travelled along the coast road from Ravensthorpe to Albany on the Sunday. Before leaving I had prepared the answers to the questions asked by the member for Boulder-Eyre, and had put "No" against the question relating to allegations of dummying, because at that time I was not aware that dummying was being practised. Cabinet had considered a request by Fielder & Co. and had decided that any allocation of land should be in accordance with the agreement. Accordingly the Under-Secretary for Lands was advised, and from that time on I was not responsible, ministerially, for any further action under the agreement.

The properties had been sold and it was not until the questions were asked by the member for Boulder-Eyre that I was aware of those to whom they were sold, because it is not the responsibility of the Minister to know, and also, it is not the responsibility, under the agreement, for the company to advise the committee.

Mr. Tonkin: Well, how does the committee function?

Mr. BOVELL: It functions very well.

Mr. Tonkin: How?

Mr. BOVELL: It functions in accordance with the terms of the agreement. I had answered "No" to that question. As I have said, on the Sunday I returned from Albany where I had spoken to the member for the district.

Mr. Hall: Yes, I appreciated that.

Mr. BOVELL: I met him on the corner of York Street and I had quite a friendly yarn with him. He was talking to a very charming lady.

Mr. Hall: Do not tell my wife about that.

Mr. BOVELL: We had a very friendly yarn on the street corner. However, the position is that, on the Monday preceding, I had answered "No" to the question asked by the member for Boulder-Eyre. On returning to my office on the following Monday, my private secretary brought to me a complete issue of *The Countryman* and pointed out that there were reports of people who had admitted they were dummying for Fielder & Co. That was the first evidence I had that dummying was going on.

I discussed the matter with both the Under-Secretary for Lands and the Solicitor-General and I said I could not conscientiously tell Parliament that I knew nothing about the dummying, because I had read the Press report of it. Had my private secretary not shown me the issue of *The Countryman* containing this report, I would have replied that I knew nothing about dummying. It was not until I saw that issue of *The Countryman* that I had any evidence of it whatsoever.

I may have been at fault in not stating that in my reply, but it was a lengthy reply and, in fact, you have commented upon it since, Mr. Speaker. Also, my colleague, the Minister for Police, whilst I was making the reply, facetiously said, "Will I ask for an extension of time?" This is some indication of the length of the answer to the question. One cannot include every detail in an answer to a question. The facts were that I could not conscientiously say I did not know dummying was going on, because I had seen a Press report of it.

I had that knowledge on the Monday and the questions were answered on the Tuesday. I admit my fault in that I did not make the position clearer, and the following day the Press came out with startling headlines that I knew about the stories of dummying. I knew about the stories of dummying the day before I mentioned the matter in Parliament, because that was the first occasion it was brought to my notice.

On Wednesday, the 3rd October, a report was published in the Press that the member for Boulder-Eyre would be asking further questions. I had rather a busy day on that Wednesday and, amongst other things, as the Minister for Immigration, attended a naturalisation ceremony. The member for Beeloo was present and during afternoon tea, before returning to the House, a young reporter approached me and said he would like to ask me some questions about the questions

I had answered in Parliament the day before.

I said that was hardly the time and the place to answer questions of that nature. To this he replied, "Could I see you later on?" I wanted to give notice of a Bill I wished to introduce to amend the Land Act, and if I had not been here at 4.30 I could not have done this. Accordingly, I said I wanted to get back and that I would see how I was situated after question time. We went down the lift together, and we walked out the front door together.

On the way down I thought that as these questions had been asked in Parliament, and as the member for Boulder-Eyre had indicated he was going to ask further questions, it was my responsibility as Minister to convey to Parliament any information on the matter; because the cross-examination, if I might call it that, had begun.

I said to the reporter, "On second thoughts, as Mr. Moir has indicated he will ask further questions, I think I should convey my answers to Parliament, in view of the delicate position that has arisen." The young fellow replied, "That is O.K.; thanks very much." He then went on his way, and the member for Beeloo and I went on our way and attended the usual parliamentary sitting.

I must say here and now that the young reporter concerned was most courteous; I have always found reporters, whether they be from the newspapers, the A.B.C., or the television stations, most courteous —they have always extended the greatest courtesy to me. The reporter on this occasion was no exception. He was most courteous in every way, and I thank him for that.

The next day, of course, I was blasted off the face of the earth; but that, again, is the prerogative of the newspapers. During this exercise, however, I have felt that my good name has been in question, and this has hurt me more than anything else has done in my political career. If I can remember them I would like to quote the words I used when I attended my first session of Parliament—incidentally, I hope this is not going to be my last. The words I wish to quote are from Shakespeare's *Othello* in which he makes Iago say—

> Good name in man and woman, dear my lord,
> Is the immediate jewel of our souls:
> Who steals my purse steals trash; 'tis something, nothing;
> 'Twas mine, 'tis his, and has been slave to thousands;
> But he that filches from me my good name
> Robs me of that which not enriches him
> And makes me poor indeed.

I will say that nobody in this House has ever suggested that my good name has been in question; but one cannot avoid the feeling which gets abroad, and it has hurt me very much indeed during this exercise.

I am not going into the pros and cons of the questions that were asked of me and the answers I gave to the best of my ability in the time and with the facilities available to me. I feel that I have conveyed to the House the full information of which I was possessed. I believe, absolutely, that what has been done has been within the terms and the spirit of the agreement. If the agreement has any shortcomings the responsibility is that of the Labor Government. It was the people who comprised that Government who designed an agreement which was full of legal loopholes. In re-negotiating the agreement I believe the present Government has in no small measure contributed to the development of Esperance. In my ministerial knowledge it constitutes the greatest example of the results achieved by private enterprise. This has all been done by private capital.

As the late Mr. Perkins once said, "All land settlement schemes have their pitfalls; you cannot expect them to run smoothly." I would say, however, that as a result of private enterprise the Esperance scheme has run more smoothly than any other land settlement scheme of which I am aware. I can go back to the time when the late Sir James Mitchell sent people to the wheatbelt; when Western Australia was not producing enough wheat for its own consumption. As the Leader of the Opposition once said, we do not produce enough butter for our own consumption. Having been in the south-west at the time he knows the problems that confronted not only the Government of the day but also the settlers who were there.

As a matter of fact, this was the Leader of the Opposition's first venture into politics. He had enough confidence to oppose an uncle of mine who was then the member for the district.

Mr. Tonkin: I would say temerity.

Mr. BOVELL: No land settlement scheme is perfect; every such scheme in Western Australia has had its problems. I recall the problems associated with the scheme at Kendenup. I am not criticising the former Government for the imperfections of the scheme, because its members entered into the agreement in good faith at the time.

Incidentally, I would like to say here and now that there has been no subterfuge either by the Government, the State committee, the company, or myself. Complete frankness has been the keynote of the exercise. As I said earlier, the State committee comprised the Under-Secretary

for lands (Mr. C. R. Gibson), the Solicitor-General (Mr. S. H. Good), the Surveyor-General (Mr. Harold Camm), and the Assistant Surveyor-General (Mr. Stokes), who is now retired. I say most emphatically that there has been no subterfuge whatever in this exercise, even though this might have been indicated at times. We have been most frank, and have adhered to the agreement completely.

As Minister for the department, my instruction has been that the agreement must be complied with in its legal sense; and knowing the members of the committee I know that they have conscientiously carried out their obligations.

At this point I would like to say that I feel the Leader of the Opposition and the member for Boulder-Eyre have engaged in some political tomfoolery; they have tried to obtain a political advantage of a Government that has done a wonderful job in getting Esperance on the map.

If the late member for Eyre (Mr. Nulsen) had been alive I am sure this would never have happened. He was kind enough to confer on me a fourth portfolio—he called me the Minister for Esperance—and he acknowledged publicly, at Esperance and everywhere else, what this Government and I had done to get Esperance on the rails. He was an honest man and, as I have said, he called me the Minister for Esperance.

I would say, without the slightest ego, that I count Esperance as my greatest single achievement as Minister for Lands —and in all modesty I would say that we have had some achievements in the progress that has been made. I do feel, however, that Esperance has been my greatest single accomplishment as Minister for Lands.

I have visited the area 17 times, and, with the exception of one occasion when I went as the guest of an oil company, I have always travelled by road in order that I might see what was happening, and what development was taking place. On some weekends I have travelled as far as 2,000 miles in order to get back to attend a parliamentary sitting.

I have visited Esperance when there was no local authority there. I wish the late Mr. Nulsen were here, because on a number of occasions he accompanied me on those visits. There was no local authority, but there was a local committee, and I remember sitting in with Mr. Button and Mr. Samson. I have sat in the road board's office until 2 o'clock on a Sunday morning to deal with their problems and to try to thrash them out, and I remember bringing some of them back with me in an attempt to resolve them in my office.

It is therefore rather difficult for me to take what the Opposition has put forward—and I am referring to the Leader of the Opposition and the member for the district—because I have spoken to several people from Esperance since this exercise to which I have been referring has taken place. Those people have told me not to worry about the matter, and they said it was just a flash in the pan or some unfortunate occurrence which had arisen.

Mr. Tonkin: Before the Minister concludes, I would point out that he gave an assurance that he would say whether the company had spent $1,000,000 before it applied for the land. Will the Minister answer that question?

Mr. BOVELL: I have been assured by my advisers that the obligations have been complied with. I did have a note as to the amount spent by the company. In the audited and certified company expenditure the following figures are shown:—

Year ended the 31st December–	
1961	$325,034
1962	$1,074,158
1963	$1,411,288
1964	$1,730,300
1965	$2,100,558
1966	$2,640,578
Total progressive amount spent by company.	

Does the Leader of the Opposition want to hear any more? This is the information that was supplied to me, and I am passing it on in good faith. The figures represent the audited and certified company expenditure. I have a great deal more material in respect of the matter, but I have already been speaking for 1½ hours. I think I have conveyed to the House the information to which it is entitled.

Mr. Tonkin: Tell us something about the subcommittee meeting.

Mr. BOVELL: They did not attend a Cabinet subcommittee meeting.

Mr. Tonkin: The Minister acknowledged he was present.

Mr. BOVELL: The honourable member is referring to the Cabinet subcommittee meeting. I have already told him, by way of answers to questions, the position in that regard, so I shall not go into it in greater detail at this juncture. There were two Ministers with me, and I am sure they will deal with the matter in the way they think desirable. I have answered the questions to the best of my knowledge and ability, and I am sure the Leader of the Opposition has been supplied with sufficient information.

In conclusion, I charge the Leader of the Opposition and the member for Boulder-Eyre with colossal effrontery; it cannot be termed anything else. This Government has performed a great service to the State and has achieved some wonderful results as far as development is concerned. I charge those members with audacity, and further with impertinence, because the original agreement was of their origin.

MR. MOIR (Boulder-Eyre) [8.24 p.m.]: I am very sorry the Minister for Lands has seen fit to put forward some of the remarks which he made, particularly the latter remarks.

Mr. Court: They were very temperate.

Mr. MOIR: I am referring to what he said earlier when he cast a reflection on the Leader of the Opposition and on myself, and attributed our motives to political ends. I want to say this for his benefit: I have been a member of this House for 16 years, and during all that time I have endeavoured to do my best for the people whom I have represented—firstly as the member for Boulder and later as the member for Boulder-Eyre. Esperance happens to be in my electorate, so it is my duty to take whatever action I think is necessary in the interests of the electors of that area.

When happenings which cause general unrest to the people of the locality occur, I would be failing in my duty if I did not take some notice, endeavour to acquaint myself of the problems, and take the necessary steps open to me to determine the truth of the matter.

The facts of the subject matter under discussion have not been easy to obtain. Allegations have been going around the Esperance district to the effect that dummying in land was taking place, not only in respect of the land acquired by George Fielder & Co. but also by other parties. I found a certain reluctance on the part of the people to acquaint me with the facts. Although many people mentioned the matter, I found it difficult to get down to tintacks, or to get them to say something definite about the subject. I can readily understand their attitude, because in a farming community the majority of the people would be of a political complexion different from mine. I understand the reluctance on their part, and their desire to do nothing to embarrass the Government which they support, because they are a farming community.

In the Esperance district I have a lot of support. In the first election after a redistribution, when Eyre was attached to the Boulder electorate, I won with an absolute majority over three other candidates. At the following election I was returned unopposed, and I suppose that was as a result of the appreciation by the people of the district of the work I have endeavoured to do for them.

In the course of his speech the Minister for Lands said that when he was at Esperance he was assured by some people, after I had asked questions in Parliament, that it was a flash in the pan. Let me assure the Minister there are many people and organisations at Esperance who are very concerned about this matter. I have correspondence from responsible people commending me for the action I have taken and for the questions I have asked in this House. One is a letter from the Esperance & District Seed Producers Association dated the 21st September, 1967. It is as follows:—

> We wish to thank you for your letter of the 18th September, 1967.
>
> The questions and answers were read out at a recent meeting and noted by the members with keen interest and appreciates the information you have forwarded.

I had forwarded to this organisation a copy of the questions which I asked in the House, because quite a number of its members had spoken to me about the matter. The letter continues—

> The Association is very concerned by the means which the Esperance Land and Development Company are able to circumnavigate their agreement with the Government by selling large areas of land to wealthy syndicates such as George Fielder and Company and the Kidman group, thus making it virtually impossible for genuine settlers to obtain farming land in the Esperance District.
>
> Thanking you.

That letter is signed by the secretary of the organisation. It is a very responsible organisation having many members in the Esperance area.

Mr. Fletcher: What was the name of the association again?

Mr. MOIR: The Esperance & District Seed Producers Association, and the address given is Gibson.

Mr. Brand: Are they aware of the large areas that were allocated by the previous Government.

Mr. MOIR: They are.

Mr. Brand: Did they consider that to be any breach?

Mr. MOIR: They have not expressed any opinion. I will deal with that a little later—

Mr. Brand: Let me know.

Mr. MOIR: —in my speech if the Premier will be patient. I have other letters here from individuals commending me in regard to the questions I asked. I feel a little modest about this one—

> We are quite impressed by your performance in asking so many pointed and intelligent questions to Mr. Bovell respecting the operations of E.L.D. and dummying done by Fielder.

In addition to that, I have been informed that people have telephoned my home in Kalgoorlie—I was not there at the weekend—asking that their thanks be passed on to me for the action I have taken.

The only manner in which a private member can obtain information in this House is to ask questions and to keep on asking questions until he is satisfied he is getting the answers that should be given to those questions. I would point out that it was not a very easy matter to unearth what was going on in regard to Fielders: to

find out that dummying was taking place and a group of people were being paid for the use of their names. It was only by putting small things together, probing, and asking questions here that I finally got a break-through and was supplied with a lot more detail than the Minister was apparently prepared to provide.

I was quite in agreement with the editorial in *The West Australian* which stated that the Minister was less than frank in his replies. The Minister could probably have saved himself a lot of embarrassment had he come straight out and given straightforward answers to what, in effect, were straightforward questions. Instead, he used various means to circumvent the questions, and went out of his way to bring in the Labor Government on every possible occasion, even to the extent of pulling me in as a Minister in that Government, entirely overlooking the fact that I was not a Minister at the time the 1956 agreement was made.

Naturally, as a subsequent Minister of that Government, I take responsibility for what it did. I say that at the time the agreement had the support of the House, it was considered to be a good agreement and one that was in the interest of the people of the State. Undoubtedly it was the means of developing the Esperance area, because it shed light on that area.

Mr. Rushton: What else did it shed?

Mr. MOIR: We know that the previous member for Eyre lost no opportunity to extol the virtues of the Esperance area and predict a bright future for it; but, despite that, people seemed to be reluctant to go there to farm.

For quite a long time allegations of dummying have been rife at Esperance. As a result, I asked quite a lot of questions in this House; and let me say here that in my opinion a lot of those questions were possibly not answered as frankly as they could have been. I agree that a lot of things can be going on at Esperance of which the Minister and the Government are unaware. People own land there or are holding land there who are not known to the Government.

Early in the piece, the Minister tabled plans which showed the names of people holding land at Esperance. I would point out that on these plans there are only a few names of people who are really allottees of blocks allocated by this land company. I know of quite a number of people who have been allotted blocks by this company, but whose names are not shown on the plans.

Mr. I. W. Manning: Who is paying the rates on this land?

Mr. MOIR: That is rather an interesting question. The member for Wellington will recall I asked questions about people with the name McBride. This name appears in connection with several blocks at Esperance. In two instances the initials are the same. I asked whether they were one person or whether they were different people and the answer was that they were different people. The Minister stated that there were four blocks in the names of these people.

On perusing the shire council roll, I found these people had quite an area of country. On the local authority roll it shows McBride, A. J. and P. A., Pty. Ltd., address, 21 Franklin St., Adelaide, South Australia, Neridup Lots 153 to 159, inclusive. On the plan presented to the House by the Minister I found Lot 154 shown in the name of Smith; Lot 155, 1,801 acres, shown in the name of Collins; and Lot 156, 1,964 acres, shown in the name of Pellew. That is how they are shown on the plan, but on the shire council roll, they are in the name of McBride.

When I asked questions about this, I was supplied with only lot numbers and the names of members of the family. So it appears there are quite a lot of things happening in Esperance about which the Minister does not know. I asked a question about the Kidman holdings at Esperance and the number of blocks that were held. I was informed that Kidman held an area of 15,000 acres. However, one of the people who wrote to me said that that answer was completely wrong, because it is well known in the Esperance area that Kidman is farming over 20,000 acres. Therefore it appears that that information is not in the possession of the Minister.

As I said before, the Minister went to great lengths to drag in the previous Labor Government, even to the extent of pulling me in too, so much so, that action had to be taken by you, Mr. Speaker, as you will remember, to inform the Minister he could not go on with those lengthy sorts of replies. I think that it is the duty of a Minister, if a member of this House—particularly a member coming from the electorate concerned—is asking questions, to provide that member freely and frankly with the answers, unless there is something to hide.

I also wish to refer to a conference held at Parliament House attended by the chairman of the Fielder interests (Mr. Regan)—the Chairman, or Chairman of Directors, or Managing Director of Fielders Limited—and his solicitor, where they met three senior Ministers of the Crown.

I had information supplied to me that that conference had taken place, and I will explain shortly just how the information came into my possession. Three senior Ministers of the Crown were involved and yet when I asked questions without notice of each of these Ministers in turn, they said they could not remember the conference having taken place. Can anyone believe that a conference of such importance could be forgotten by people like that?

Mr. Nalder: Can you remember details of all the meetings you have attended?

Mr. MOIR: I remember the important ones.

Mr. Nalder: Oh, yes!

Mr. Bickerton: Three people cannot have bad memories simultaneously.

Mr. Nalder: It was a question without notice and we had no information about it.

Mr. Kelly: That does not get you out of it.

Mr. MOIR: The Minister for Agriculture might be able to convince some people that his memory is so poor—but not me.

It was as a result of that conference that these people who acted as dummies entered into the scheme; and let me say now that I feel sorry for them. I feel sorry they have been dragged into it. I am sorry it has been necessary to do this. I believe they entered into the agreement in all good faith.

We are now told this conference took place and these representatives were told that the Government could not make land available to them. However, it seems remarkable that they went from that conference and immediately contacted someone to go around and organise this group which was prepared to do the dummying for them.

Mr. Nalder: You are suggesting an agreement was made then; that is your opinion? You are doubting everyone's honesty?

Mr. MOIR: I am saying it is a remarkable thing.

Mr. Nalder: You are getting further into the mire.

Mr. MOIR: Some of the people involved said they would not have entered into any agreement under any circumstances, but they were assured that a conference had been held with the Minister, and it was all right for them to do it. That is my information. I understand, and I know, that some of these people are from—

Mr. Nalder: You will believe anything! I am convinced of that. You will believe anything!

Mr. Graham: Control yourself!

Mr. MOIR: What I am saying about the dummying has been amply proved, because it has been admitted by the Managing Director of Fielders; and let me say that he has been less than frank.

Mr. Court: I thought that his statements—and it appeared to me they were impromptu—on two occasions were very frank.

Mr. MOIR: We will come to that directly. After the names of these people had been divulged as being the allottees, some of them were very concerned. I understand some had been concerned before this and had come to the conclusion they were in something that was not completely straightforward.

One of these chaps with whom I was in conversation was very concerned about his legal position. I told him, "I do not know that there is anything illegal in what you did, but subterfuge was certainly used." He said, "Mr. Moir, there is a moral aspect about this and, quite frankly, it smells." And that is what I think. I think the whole thing smells.

Mr. O'Connor: It is strange he took part in it, then.

Mr. MOIR: According to the Press, the Minister stated that the first thing he knew of it was when the following article appeared in *The Countryman* of the 28th September:—

> Perth men say they signed agreements for Esperance land
>
> A number of Perth men said this week that they had allowed Fielder and Co. to use their names to secure land in the Esperance-Ravensthorpe area on which to plant Uniwager clover.
>
> They said they did this in a spirit of friendliness to help the company get started.
>
> The men said they had signed an agreement, the terms of which were:
>
> That they agreed to allow the land to be placed under their names on the condition that they would transfer it to the name of George Fielder and Co. Ltd. at their direction.
>
> That they would not lay any claim to ownership of the land.
>
> That they would in no way be liable to any legal cost.
>
> That they would receive an annual payment of $100 until termination of the agreement.

I had asked questions of the Minister before this article appeared in print. I asked him whether he was aware of the allegations. I think it was on the 4th October that the three Ministers could not remember anything having taken place. The following day an article appeared in the Press, and it gave an account of an interview with Mr. Regan of George Fielder & Co., and it was headed, "Company admits it had one dummy for land." It reads—

> George Fielder and Co. had used one dummy to secure additional land at Esperance, chairman of directors J. B. Regan said today in Sydney.
>
> "We asked one person if he would apply for land on our behalf," he said.

Then the article continued—

> "Eight people applied for blocks and we agreed to buy the land from them.

There was no prior arrangement.

"These people knew we were interested in extra land.

The very next day he is reported in the Press as admitting he had eight dummies. I want to say here and now that there were more dummies, because I have a list of them. So Mr. Regan was not very frank about it. In *The West Australian* of the 6th October—the very next day after the foregoing account appeared in the *Daily News*—was the following article:—

> The chairman of directors of George Fielder and Co., Mr. J. B. Regan, said in Tamworth, N.S.W., last night that eight blocks of land had been bought at Esperance by people willing to sell them to Fielders.
>
> The buyers were paid $100 each or perhaps $100 a year each till the land titles could be processed and the land bought by Fielders.
>
> No title deeds have been received yet, he said.

Further on the article continued—

> Mr. Regan would not say who the buyers were, but two or three, or perhaps more were now working for the company in Perth.
>
> He recalled a meeting in Parliament House last October or November with Mr. Court, Mr. Nalder and Mr. Bovell.
>
> Mr. Court was only present for a brief time.
>
> Informal
>
> Mr. Regan said he would not describe the meeting as a cabinet subcommittee conference. It was an accidental meeting after several meetings with Lands Department undersecretary C. R. Gibson, and it was informal.
>
> The ministers told him that additional land could not be bought by the company.
>
> "We then talked on and on and round and round," Mr. Regan said.
>
> "When I came away from the meeting, I said to myself that anyone could buy the land at Esperance. They had tried to tell me that people had to live on the blocks, but I had been to Esperance and I knew this was not being done."

He went on to say it had not been suggested to him at the meeting that other people should buy the land; but it seems a remarkable thing that three Ministers were present and this man should go away from the meeting firmly convinced he could enter into the scheme and that he could get someone to organise these dummies for him because that was the way he could get the land. It is most remarkable.

Mr. Court: It is only remarkable in your mind because you want it to be remarkable. Mr. Regan himself had been quite emphatic on the situation.

Mr. MOIR: The Minister is entitled to his views, but my view is shared by many people in the Esperance area who said that there were dummies. Those Esperance people have seen the questions which were asked in the House and they have seen the answers which they know to be incorrect. This applies in regard to the Kidman case. They know that information is incorrect because they know that more than 20,000 acres are being farmed by this group of people.

There are quite a few people with land holdings who would not be holding that land if it had not been acquired according to the agreement. It is easy to understand why those people in Esperance are so concerned. The absentee ownership of land in Esperance is absolutely staggering, and it operates against the best interests of the district. It also operates against the interests of the people in the district. When we have a thinly populated area with cultivated properties alongside each other, which should have occupants on each of them, we can understand the upset suffered by people when they find their nearest neighbour can be eight or 10 miles away. Absentee ownership affects the district as far as schools, bus services, and telephone facilities are concerned; and those are only a few of the services which are affected.

Mr. Nalder: Are you referring to the separate, allocated blocks with individual owners, or are you referring to the other blocks?

Mr. MOIR: I am referring to the absentee owners; the people who have blocks and do not live on them.

Mr. Nalder: Are these the blocks being developed by the company?

Mr. Court: Those blocks being developed by overseas people have the best development and the greatest number of people on the properties. I have been there and the places I have visited have absolutely first-class conditions for the staffs.

Mr. MOIR: I have with me the three electoral rolls of the Esperance Shire. I have gone through them and taken out the names of the people who are absentee owners. Let me say that quite a number of them live in America, quite a number in England, and one in Port Moresby. Quite a number live in the Eastern States. On the east ward roll there are 153 names, and 71 are absentee owners. The west ward roll contains 139 names, and 57 are absentee owners. The central ward roll shows 340 names, and 74 are absentee owners. The total number on the three rolls is 632, and the total number of absentee owners is 202.

However, this is not the true number of absentee owners in the Esperance district because, be it remembered, there is no

obligation for a person's name to appear on these rolls; and I know, myself, quite a number of landowners whose names do not appear on the rolls. This matter has been talked about for a long time at Esperance. It is often asked, "How can these people get away with it?" They own the land and in many cases they are doing nothing, or next door to nothing, with it. I was told of one interest in the district which holds 14,000 acres, and it has held that land for several years now. Not a stick has been knocked down on that property. The land is obviously being held, and with the development of the surrounding property the capital value will increase considerably. The profit will be reaped by those people with no effort being made on their part.

On looking through the roll I found one very astonishing thing. I found that no fewer than 17 people gave their address as 427 Chapel Street, South Yarra, Victoria. The numbers of the locations are shown, also, but I do not think it is necessary for me to read them out. No. 427 Chapel Street must be a very big residence. We wonder what went on at the time, and how this came about. Probably it is a very interesting story—or maybe not so interesting.

It is well known to the people at Esperance—and they would know far more about the absentee question than I would—that some people seem to be able to get land without any trouble. There is a great demand for land in that district because quite a few people have sons growing up and getting married, and they would like to get those sons settled on a block. However, they cannot do so.

I see the Minister for Lands has resumed his seat, and let me say, for his benefit, that I was requested by the people of the Esperance district to direct some questions to him. I hope the Minister does not blame me for the questions; they were sent to me by the people at Esperance.

Mr. Bovell: That is fair enough.

Mr. MOIR: I asked the Minister—

(1) How many conditional purchase blocks were allocated for the year 1966-67 in the Esperance region east of the rabbit proof fence?

(2) For this same period, how many blocks were allocated by the Esperance Land and Development Company?

The Minister gave me a lot of information which I did not ask for and then said—

(1) Three in the Esperance district and one in the adjoining Fitzgerald district.

(2) For the period the 1st July, 1966, to the 30th June, 1967, 32 sales were negotiated by the Esperance Land and Development Company.

We know there was some sort of agreement, and I think the Minister stated that in his reply to me. It is quite understandable that the Government could not throw a lot of blocks open for selection while blocks were being developed for sale to settlers. The situation at Esperance is different from what pertained in 1958 or 1959. People were reluctant to go there in those days and there was no great rush at all. The Minister pointed that out tonight. However, the situation is different today, and that has been the position for several years. People are very anxious to go to that area now. They come from all over Australia, and we get some very good types of people from every State in the Commonwealth. They settle on the land and bring up their families and develop their properties. There are some excellent people: there is no doubt about that.

So, we have an entirely different situation today. I believe that if ever a Royal Commission was justified, it is the one we are asking for now. The Minister said he felt there was some reflection on him personally, in appointing this inquiry. I want to say there is no personal reflection on him at all. I am surprised that he made the allegation against me, because he has known me for 16 years.

As I said earlier, I am the member for the district and I am entitled—and it is my duty—to ask questions when people are worried about something.

Mr. Bovell: I acknowledge that.

Mr. MOIR: Whether it displeases the Minister, or anybody else, I will continue to ask questions; Ministers have that assurance from me. I sometimes ask very pertinent questions and sometimes I do not like the replies; and the Ministers do not like what I say about the replies afterwards.

Mr. Bovell: I have not taken umbrage at what you have said; you are entitled to do what you have done. It was the action of the Leader of the Opposition in instigating this motion about which I was complaining.

Mr. MOIR: All I can say is that is a most extraordinary statement. Allegations are being made and we have quite a lot of proof to support the request for an investigation. Dummies have been employed and the circumstances of the whole matter are such that they really do need the light of day let on to them. On the other hand, the Minister in his own defence has made all sorts of allegations against the previous Labor Government.

Mr. Bovell: I never made any allegations. I was very fair.

Mr. MOIR: The fact that the motion does not confine the investigations of the proposed Royal Commission to just the actions of this Government, but instead into the way the agreement has been carried out since its inception, indicates the fair approach of this side of the House.

Mr. Bovell: I consider I was very fair.

Mr. MOIR: I am sorry I must interrupt the Minister, Mr. Speaker, but I have only a limited time. He has made his speech, but I have to make mine.

Mr. Graham: He had unlimited time, too.

Mr. MOIR: My time is limited. Another matter was that mentioned by my leader in connection with the gentleman from Kansas City who has 25,000 acres of land. This matter was first raised in a question which I asked the Minister. I just want to say to the Minister that I never divulged all I knew when asking the questions. This was because I wanted official answers and not just something somebody from outside Parliament had told me.

I knew this gentleman was from Kansas City, and also his occupation. Also I knew that he had 25,000 acres of land at Esperance. Naturally people say, "How can this chap come in and get 25,000 acres?" Of course, he is going ahead and developing the land, but the question still remains as to how he can get it. What privilege does he have? When I asked the question, the Minister stated it was a domestic arrangement between the company and the assignor, and it came out of the amount of 50 per cent. of the land which was developed by the Esperance Land and Development Company. He stated that the company was entitled to assign this land. I followed that answer up and asked whether he considered that, as Minister in charge of the Lands Department, he should know who owned land in Western Australia.

I think it is a deplorable state of affairs if people can own land in Western Australia and we do not know who they are or what land is owned. Since the matter has been raised in the House, tonight for the first time this question of 50 per cent. has cropped up. The Minister quoted clause 6 of the agreement as justification for the statement, which he has made on several occasions in reply to my questions, to the effect that the Esperance Land and Development Company is entitled to 50 per cent. of the area of land that was passed over to it by the Government. I have read the agreement until my eyes are almost sore, but I cannot get that interpretation from the clause in question. The Minister quoted from the clause, but he quoted only part of it. He did not quote the whole of the clause. Clause 5 (b) reads as follows:—

> Within a period of ten years after a permit to occupy has been issued for a parcel to subdivide such parcel into holdings in accordance with plans of subdivision and to develop such holdings.

Clause 6 reads as follows:—

> The Company agrees within a period of ten years after a permit to occupy has been issued for a parcel to have available for sharefarming lease or sale at least fifty per cent. of such parcel subdivided and developed as aforesaid.

The Minister stopped at that point, but the clause goes on to say—

> No lease or sharefarming agreement shall be entered into for a term exceeding five years. Any lease or sharefarming agreement of a holding entered into after the expiration of ten years following the issue of a permit to occupy for such holding shall give to the lessee or sharefarmer who is not in default an option of purchasing the land leased or sharefarmed on the expiration of the term at a price to be stated in the Agreement or determined by arbitration.

As far as I understand the agreement, this means that these people, on receiving a parcel of land, must have at least 50 per cent. of it developed within 10 years. There is nothing to stop them from having 80 per cent. of the land developed.

The SPEAKER: The honourable member has another five minutes.

Mr. MOIR: Thank you, Mr. Speaker. The agreement says that at least 50 per cent. shall be developed. An amount of 45 per cent. is not sufficient, but it could be 60 per cent., 70 per cent., or 80 per cent. The company has 10 years in which to have the land developed to the extent of 50 per cent.

Of course, I am not a legal man. The Minister says he has had legal advice. Legal advice might be right, but it might not be right. We all know that there are differing opinions between legal gentlemen on legal matters. Who are we to argue about it? I cannot see anywhere in the Act where it says the company is to retain 50 per cent. of an area. However, it does say in the Act that development shall take place.

I hope I do not sound disjointed, Mr. Speaker, but the Leader of the Opposition and the Minister have both covered the history of the agreement, and I just want to stress certain points.

During his speech the Minister referred to the looseness of the agreement. He said it was a very loose agreement, but I pointed out to him that his Government amended it in 1960. If there was anything wrong with the original agreement, why did not the Government rectify it when it made the amendments in 1960?

Mr. Bovell: Because we could not.

Mr. MOIR: Now the Minister talks about the looseness of the development clause. All that was done was to alter it from 50 per cent. of pasture to 33⅓ per cent.

Mr. Bovell: We could only alter by mutual consent.

Mr. MOIR: A minimum of 700 acres per holding has to be developed. That was all the Government did. It is idle for the Minister to say it is a bad agreement,

and that the blame should be laid at the door of the previous Labor Government, when we remember that in 1960 the Government had the opportunity to amend the agreement. The Government did amend it in certain respects, but if anything was wrong with the original agreement that was the time to rectify it.

Mr. Bovell: We could not do it.

Mr. MOIR: The Minister himself said that the company had defaulted under the agreement. I have his speech where he stated that the company defaulted, and gave the reason why.

Mr. Bovell: We gave it 12 months' notice, and the position was rectified before the end of that time.

Mr. MOIR: Seeing that my time has nearly expired, I will conclude my remarks. I do have quite a lot of figures which show the exorbitant profits the company has been making and the reason why it has not been spending the money to develop the land as it should have been developed. The company is not spending anywhere near the amount of money that should be spent. I do not know how it can get away with putting this land out after having only developed it to the extent of knocking down scrub and putting a plough over the land. It then sells it to people instead of putting it under pasture. The Minister made considerable reference to the fact that people did not want to have a lot of land under pasture but instead they wanted it under cereals. However, the figures he gave me on George Fielder's blocks show that these are under pasture now and that company only got the land last December. George Fielder put it under pasture and was not prepared to put it to cereals. I support the motion.

MR. NORTON (Gascoyne) [9.9 p.m.]: I think it is a pity the honourable member could not quite finish his speech, because he was approaching an interesting subject when his time expired. The comments in connection with the condition of sale of the various lands are particularly interesting. The Minister was going to quote figures to the House.

The SPEAKER: You mean the member for Boulder-Eyre?

Mr. NORTON: Yes. The figures I have here were supplied more or less in answer to a question of the Minister by the member for Boulder-Eyre, and relate to blocks Nos. 932 to 939. Most of these average 2,500 acres each and if improvements to the required value were made, the cost would be $5,400 on each block. However on each of these blocks just over 700 acres were cleared. The amount of clearing and development was mentioned by the member for Boulder-Eyre; that is, they had been chained, burnt, and some picking up and some ploughing by tandem disc plough had been done. I am advised by people who know that the cost of that development would not exceed $3.50 per acre and that in fact, this cost has now been reduced to $3 per acre.

In giving the company the benefit of the doubt, this would mean that on block 932 it would have expended $2,646 on 756 acres. This block was sold for $18,100. If we add to the cost of development the cost of the land at 40c per acre, the total cost of the development on this block would amount to $3,771. The same story applies to all of the blocks mentioned in the question to which I have just referred, so I will not make any further reference to them.

Quite often this evening it has been said, particularly by the Minister for Lands, that the Labor Government was responsible for negotiating the original agreement, and that is not denied. However, as the Minister has told us, in 1960 he had several clauses of the agreement amended and, in fact, they are, as it were, the operative clauses. The first to be amended was the interpretation clause by the interpretation "first year" being deleted, because it had become more or less redundant; but the interpretation of "development" was deleted and re-enacted.

Mr. Bovell: That was because the company agreed to the amendments. We had no right to enforce any amendments on the company, because clause 20 gives the right of assignment.

Mr. NORTON: This is an entirely new agreement with another company. The company that had entered into the original agreement forfeited its rights under the provisions of that agreement, as the Minister has told us. So this was a new agreement entered into by a new company.

Mr. Court: You are missing the point. It was a remarkable piece of negotiating in the interests of the State.

Mr. NORTON: The Minister for Industrial Development has the same length of time in which to make a speech as I have. As the member for Boulder-Eyre has said, the Minister had this clause altered to provide that not less than 33⅓ per cent. would be put under pasture, with a minimum of 700 acres. It would be more difficult to comply with that condition than to observe the condition of putting 50 per cent. under pasture, because 700 acres could be in excess of 33⅓ per cent. However, by and large, the application of both conditions is much the same.

Clause 2 was the next to be amended. This clause deals with the granting of land in fee simple under the third schedule, with which I will deal shortly. That clause was altered to provide that the assignee may select areas from areas totalling approximately 1,432,165 acres, instead of 1,500,000 acres as was previously

mentioned in the clause. We then come to a new subclause which has a definite meaning under the new contract. This clause, by amendment, becomes clause 3 (2) and reads as follows:—

> Subject to the proviso to clause 4 (A) the areas of land which may be selected and applied for by the Assignee shall extend to all land delineated and edged in green on the aforesaid plan hereunto annexed and marked "Y" other than land hachured green yellow red and blue.

That sets out the area of land which could be applied for by the company.

In continuing to go through the amendments, paragraph (c) of the old clause 3 was deleted, this clause setting out the time in which the company may apply for a Crown grant. Paragraph (c) read as follows:—

> as soon as possible after the preliminary surveys have been completed but subject to the reservations referred to in the Permit to Occupy and upon payment of the sum of four shillings per acre by the Company issue to the Company a Crown Grant in the form prescribed in the Third Schedule to the Land Act, 1933-1954.

Once again, in that paragraph, there is reference to the third schedule to the Land Act. However, not satisfied with deleting that paragraph, the first part of the original clause 3 became subclause (1), and a new subclause (2) was inserted, which reads—

> Subject to reservations referred to in the Permit to Occupy—

This permit to occupy is an important document in the third schedule to the Land Act. Continuing—

> —the State shall issue a Crown Grant in the prescribed form in the Third Schedule to the Land Act 1933-1958 upon the payment of four shillings per acre for land included in the said Grant and upon the Assignee satisfying the State that the sum equivalent to at least £1 4s. per acre (including survey fee) has been spent in the development of the selected parcel.

I understand the survey fee must not exceed 1s., or 10c per acre. So in this proviso is set out the exact amount to be spent per acre on each of the holdings, and not on the area that is to be developed.

Clause 4 was completely deleted and re-enacted and new clauses 4 (A) and 4 (B) were inserted. In fact, clauses 4, 4 (A), and 4 (B) really become the operative clauses in the agreement, because they set out what area of land the assignee can take up. They also set out the amount to be expended on each allocation of land, and the years in which such land can be taken up. Clause 4 (A) deals with that point quite clearly and is one that cannot easily be overlooked. Nevertheless it was not in the original agreement. Clause 4 (B) reads as follows:—

> For the purposes of clauses 3 (2), 4 and 4 (A) a certificate by the auditors of the Assignee as to the amount expended by the Assignee in the manner hereinbefore mentioned shall be accepted by the State provided such auditor has been approved by the State. Approval shall not be withheld if the auditor of the Assignee is a member of the Institute of Chartered Accountants.

Therefore, the company must produce these certificates to the Minister if it is to obtain a Crown grant, and from what he has said these certificates have been produced.

So it will be seen that actually the main clauses of this agreement have been altered. By and large the other clauses are more or less machinery clauses which deal with such things as roads, subsidiary works—which include killing works and freezing works—harbours, trees, settlers, residential land, finance, State experiments and investigations, machinery, transport restrictions, default, assignment—and this has been mentioned quite a bit tonight—arbitration, notices, subcontracting, and variation; and, if I remember correctly, the final provision is the schedule.

If we look at the assignment provision, which has been mentioned quite often, we find it is quite clear and precise, and it does not do what the Minister said it does. Clause 20 states—

> The Company shall have the right with the consent in writing of the State to assign or otherwise dispose of this Agreement or any interest herein and such consent shall not be arbitrarily or unreasonably withheld; but such consent shall not be required in the case of an assignment to a Company in which the Company holds more than thirty per centum of the shares.

This only allows the company to assign the agreement. That is the clause to which the Minister referred.

I now want to deal with the notices of sale which have been issued. I have two copies with me. They are set out in a very attractive form by Elder Smith. I have photostat copies, but the original is on very nicely glazed two-toned paper. The details of the land for sale are set out, together with the detailed maps and the terms and conditions of the sale. The land is described and mention is made of the development done on it. As the member for Boulder-Eyre said when he was speaking to the motion, all that has been done to the land is that it has been chained, burnt, some picking-up has been done on it, firebreaks have been made, and one ploughing has been carried out. What has been done represents only a small amount

of money when compared with what is required to be spent.

As I understand it, when the land was issued to the Esperance Land and Development Company, it was issued under a permit to occupy. The permit to occupy was amended by the Minister in 1960, because he had added to the centre of the permit to occupy, the clause—

> This permit to occupy shall not be assigned or transferred without the consent of the Minister in writing.

When these blocks were offered for sale they must have been offered when the permit to occupy was still operative. The permit to occupy cannot be transferred or sold. The position is that the blocks in question were advertised in both cases on a freehold basis.

Right through the agreement we find that the Crown grant or the fee simple will be offered under the third schedule to the Land Act. Portion of the third schedule reads as follows:—

> Know Ye that We, of Our special Grace, certain knowledge, and mere motion, have given and granted, and We do by these presents, for Us, Our heirs and successors, in consideration of the payment of the sum of..... and the fulfilment of the prescribed conditions to the satisfaction of Our Governor of Our State of Western Australia.....

The most important part of that schedule is "and the fulfilment of the prescribed conditions to the satisfaction of Our Governor of Our State of Western Australia."

The agreement sets out very clearly and precisely what must be done to get a Crown grant. At least 33⅓ per cent. of the area must be cultivated and put down to pasture, with a minimum of 700 acres. When these blocks were put up for sale not one of them had pasture on it. I might also mention that housing, fencing, and water are also included in those conditions.

When these blocks were offered for sale the area partly developed was certainly just over 700 acres; in a few cases it was over 800 acres, which had been chained, burnt, and ploughed once. So this in no way conformed with the conditions laid down before a title to the property could be obtained.

Accordingly, how could the company offer these blocks of land for sale—there are 23 in one lot, and 17 in another—on a freehold basis, when the company does not hold the title; and it cannot get the title until it has complied with the provisions of the Act? When we read the permit to occupy we find the following:—

> ... provided by the Agreement hereinbefore recited and do hereby authorise and empower and permit the said Company and any person lawfully claiming under it at any time after the date hereof (but subject as aforesaid and to the terms of the said agreement) to enter upon the said tract or parcel of land and to hold and enjoy the same for its use and benefit pending the issue of a Crown Grant . . .

The Company could hold land for its own use and benefit, not for the benefit of other people. If the land is sold it will be for the use and benefit of other people. To continue—

> . . . subject to the provisos contained in the prescribed form of Crown Grant for rural land under the Land Act 1933-1954 and subject to the exclusion therefrom at the completion of the surveys of all lands required for townsites roads forest reserves and governmental and public utility and other public purposes.

It is clear that the land could not be sold on a freehold basis as advertised by the company. I wonder why the Minister is so upset at the Opposition asking for an inquiry into this land agreement, particularly when it would afford him an opportunity to clear his own name, the name of his party and, perhaps, the name of the Opposition which, he feels, has suggested that certain things ought not to have been done. It is an excellent opportunity for the Minister and the Government to clear themselves by appointing a Royal Commission to inquire into this matter.

Debate adjourned, on motion by Mr. Durack.

Remarks on Procedure

Mr. Tonkin: Are you going to adjourn the House?

Mr. Court: No.

Mr. Tonkin: That's a bit rough. This is private members' day, there is private members' business which has yet to be dealt with, and you propose to proceed to Government business. Why have you decided to cut out private members' business? Now you want to go on with Government business. The Government's only justification for doing this is when it intends to adjourn the House.

Mr. Court: Should not other private members be given the chance to introduce their Bills?

Mr. Tonkin: The practice I have referred to has always applied to members of Parliament.

Mr. Brand: We can adjourn the debate on private members' business when we wish to.

Mr. Jamieson: Show us an example where that has been done?

Mr. Brand: If we look through the debates I am sure we can find examples where the debate on private members' business has been adjourned.

Mr. Court: I well remember what the Government did on a motion I moved when I was a private member.

CHILD WELFARE ACT AMENDMENT BILL (No. 2)

Second Reading

MR. CROMMELIN (Claremont) [9.31 p.m.]: I move—

That the Bill be now read a second time.

This Bill of mine is somewhat short in text, but it represents a different approach to the problem of dealing with the giving of publicity to offences committed by young people. I shall go into this aspect a little later. In brief, under the Bill, when a youth has been convicted on two occasions after he has turned 16 years of age, publicity can be given to the case.

I would like to say at the outset that I hope no member of this House will suggest I am making a vicious attack on the youth of the community. I am not. I refer back to 1958 when the member for Swan was the Minister for Police, and through his help the Town of Claremont was provided with a new police station. Subsequent to that being done I approached the then Treasurer, who is now the member for Northam, and suggested that it was very desirable to establish a police boys' club of a better type in the district. At that stage the club was housed in an old Nissen hut. I suppose the then Treasurer went into the matter quite seriously, because he advised me that the old police station property on top of Swanbourne Hill would be given to the police boys' club. One can imagine what a fillip that proved to be, because that gave the police boys' club the right to sell the building so as to provide a very substantial sum of money with which to erect new club premises.

The Government changed before this matter was finalised. I then had to approach the present Minister for Lands, to confirm the intentions of the Treasurer of 1958. I am pleased to say he did agree with them. The point I am endeavouring to make is that as far back as that I took an interest in the youth of the district.

The police boys' club in the Claremont district is one of the best in the metropolitan area. On one evening the member for Maylands visited the club and gave a demonstration of his skill in billiards. He was quite surprised with the amenities which were available to both the boys and the girls. The old idea of the activities of police boys' clubs being boxing classes is entirely wrong. Today every possible facility is available to the young people to occupy them in their spare time.

I can appreciate that to some extent I come within the ambit of the criticism raised by the member for Subiaco, and I can be regarded as an expert, because I am trying, in a very short period of time, to solve a problem that has been with us for a great number of years. By the same token my purpose in introducing the Bill is quite sincere, and I will explain my reasons.

The Bill will permit the publication of the name and address of an offender who has reached the age of 16 years, and who has been convicted of offences on two occasions. The Bill does not seek to alter the provisions of the Act in any other way. Under the existing practice a magistrate can exclude from the courtroom anyone who is not directly concerned with the case. Of course the parents of the offender can be present. The magistrate can clear the court, and he can also order the Press to withdraw.

I have made no attempt in any way to increase the penalties. I have read an article written by a gentleman in America and handed to me by the Minister for Child Welfare. The writer said that the courts in America were under pressure to increase the penalties, and to treat all young offenders as hooligans. I take this opportunity to say that is not my intention at all. I should point out that a youth who might have committed up to 20 offences before he turned 16 years of age would not be affected by the provisions of the Bill. Under the Bill those offences cannot be taken into account; only the offences committed after the youth has turned 16 will be considered. If a youth has been found guilty of one offence after he has turned 16, and if subsequently he is found guilty of another offence, then he will come under the provisions of this measure.

Should this Bill become law, and should a youth come before a magistrate for the first time and be found guilty of an offence, I foresee the magistrate saying to the youth in the presence of his parents, "If you appear before the court again you may rest assured that apart from the punishment I will inflict on you, I will allow your name, address, and the nature of the offence to be published."

I am not convinced there is no decency in young offenders. I think that a lecture from a magistrate could have an effect on an offender, and perhaps he would show some signs of remorse. He would think twice before he committed a second offence. Indeed, he would realise that to some extent he would humiliate his parents by committing a further offence. Even if a youth will not listen to a lecture from a magistrate I am sure the parents will. Perhaps the parents, in their turn, will realise that they could have done much more for their child, and they will help him to absorb the wisdom of the words of the magistrate. If this procedure is adopted, it will be the means of preventing many youths from entering into an unfortunate life of crime.

It is a tragedy that the rate of juvenile crime is increasing. The assistant director of the Child Welfare Depart-

ment, in a news item the other day, stated that last year the official figures for juvenile crime had increased by 16 per cent., and for this year the figure was either 17 per cent. or 19.9 per cent. It is obvious that in this respect the Government of the day and the taxpayers are having to bear quite a financial burden. The cost of maintaining these juveniles in reformatories is tremendous, and, on top of that, more and more penal institutions have to be built or taken over to cater for juveniles.

In the Estimates for this year one sees that for the first time, the grant for the Child Welfare Department is $1,000,000. The work performed by the Child Welfare Department is invaluable. There is no question of this, but from what I know of the situation, on most occasions its work starts after a crime has been committed and consequently it has to face the problem of educating children away from a life of crime and back to a normal way of living.

I hope this Bill, if passed, will take a lot of the strain and work from the Child Welfare Department. Indeed, it is my fond hope that it will not only deter young people from committing a second crime, but that it will prevent them from committing their first crime.

In the annual report of the Child Welfare Department for the year ended the 30th June, 1966, this suggestion of mine is very clearly pointed out, inasmuch as for youths of 16 years of age committing one of the major offences—stealing and receiving—there were 59 first offenders, 36 second offenders, and 43 third offenders. For breaking, entering, and stealing, and being unlawfully on premises, the figure for first offenders was 28, for second offenders 15, and third offenders 22. For the unlawful use of motor vehicles, the figure for first offenders was 42, second offenders 12, and third offenders 34. For wilful damage, the figures were 20, 6, and 9. For disorderly conduct 18 committed a first offence, 13 a second, and 12 a third. For liquor and betting there were 31 offenders who committed a first offence, 22 a second, and 24 a third.

Members can see that with the exception of one set of figures, on every occasion the figure was higher for a third offence than for a second offence. In regard to 17-year olds, the same story is told. For stealing and receiving, the figure for first offenders was 69, for second offenders it dropped to 23, and for third offenders it rose to 74. There were more third offenders than there were first offenders. The figures for breaking and entering were 25, 8, and 24. In the case of the unlawful use of motor vehicles, the figure for first offence was 23, down to 16 for the second, and up to 39 for the third. For disorderly conduct the figures were 45 for a first offence, 12 for a second, and up again to 35 for a third.

Mr. Guthrie: How can that be? If there are only 12 people for a second offence, how can there be 35 for a third offence?

Mr. CROMMELIN: One offence can be committed in one year and another the year before, and the offender can come up in another year with a third offence. The figures for liquor and betting were 69, 28, and 40. The story tells itself. Those are the court details, and there is no question of their not being correct; and the number of third offenders that go before the court is greater than that for second offenders. It is clear that the majority of the charges, as far as the children's courts are concerned, are in the maximum age groups.

In March of this year an attempt was made by the Government in New South Wales to have open courts for first offenders. When I say open courts, I mean they would be open only to those interested in the case. The enabling Bill was lost in the Legislative Council by one vote, but it is again before the House with a likelihood of its being passed, as the Government now has a majority in the Legislative Council.

Strangely enough, the Minister for Child Welfare in that State points out that the ages of 16 and 17 years are the worrying ones; and support is given to the Bill by women members of Parliament. One of these is The Hon. Anne Press who says, and I quote from page 4243 of the 1967 New South Wales *Parliamentary Debates* as follows:—

> I support the bill wholeheartedly. As a mother and a grandmother, and having worked with and for children for a great many years, I consider this as one of the best bills that has come before the House. It was well worth sitting up until 6 a.m. to hear the Minister's second-reading speech. Children of 16 today know much more than we knew at 21. To bring them into open court for their wrongdoings will do something for them and it will also have some influence on their parents. Today parents do not take sufficient responsibility for their children, and if their names could be aired they will perhaps pause to think of what might happen to them. I commend the bill to the House and I congratulate the Minister for Child Welfare on having the courage to endeavour to do something about this problem at this stage.

The remarks of this honourable member were supported by The Hon. Evelyn Barron.

Mr. Graham: Do you know what effect that legislation did have?

Mr. CROMMELIN: I repeat, the legislation was lost by one vote.

Mr. Graham: I am sorry.

Mr. CROMMELIN: Therefore it did not come into force. It is now before the House again. At the same time, a private member in the South Australian Parliament has given notice of a Bill with the same intention, but the debates in the *Hansard* are not yet to hand.

I have a cutting from *The Sunday Times*, and the news item has an American source. It refers to a Judge Loble, who is a judge in Montana. He pressed for the Legislature there to provide for open courts for children of 16 years. He pressed for this after he had received advice from Mr. Edgar Hoover in Washington and had studied the juvenile courts in New York. He said that although crime in America had been increasing considerably, since Montana had had open courts for children of 16 years, the rate of crime there had dropped by 49 per cent.

This is contradicted by a Mr. Stark, who is a director of the California Youth Authority. He says that Helena, Montana, is only a small community and he does not think the proposition would work in the bigger cities. In reply the judge said—

> You put the Loble Law up to the voters of any state and I'll bet the people will vote for it.

I want to refer to a report by the Acting Deputy Commissioner of Police in N.S.W., which was not obtained by me but by the Minister for Police because I had advised him of my intention on this matter. At that stage I was contemplating doing the same as is intended in New South Wales, which is to have open courts for those of 16 years and over who are first offenders. Therefore this report, which the Minister for Police has kindly lent me, discusses this question of an open court for first offenders who have reached the age of 16 years. I will not read the history of the court, which goes back a long time, but I will quite frankly quote some of the disadvantages he gives.

One of the disadvantages, the Acting Deputy Commissioner says, involves future employment, and another is that a lot of young people thrive on publicity. However, the situation at the moment is that they thrive on publicity by carrying around a newspaper report. This report does not include their names, but they show it to their friends to indicate what good fellows they are.

The third point—and there are arguments for and against this one—is the embarrassment occasioned to the parents when information about the juvenile crime committed by their child becomes public property. Under the heading "Advantages" is the following:—

> Whereas it is my studied opinion, publicity would have little bearing on the amount of crime committed by recidivists, I do believe it would tend to discourage further commission of crimes on the part of a large number of first offenders and in respect of potential first offenders, the fear of publicity may well be a means of discouraging a juvenile from committing the first offence.

The following is an interesting portion under the heading "Advantages":—

> For the parents part, where they themselves are leading a law abiding life, great concern is shown by them as to whether particulars of the Court appearance of the child will appear in the newspapers. With the percentage of parents, this is a primary consideration. The child, his crime and possible Court sentence is secondary.
>
> Undoubtedly the knowledge that the Press may print Court information pertinent to the crime committed by the child would tend to more careful parental supervision and where applicable result generally in better home conditions.

Under the heading "General" is the following:—

> Taking all factors into consideration, I believe that publicity of the nature suggested by Mr. Crommelin, M.L.A., outways disadvantages.
>
> It is noted that the age bracket encompassed in this proposed Bill is from age 16 to 18 birthday.
>
> At 16 a youth's mind is maturing and he has a capacity to look ahead and have a realisation of problems which lie ahead of him should he engage further, or engage at all, in a criminal career.
>
> At age 16, many young people are in employment and usually still living at home and it is uneconomical, from at least his parents' point of view, for the child not to be a wage earner and this surely should cause parents possessed of a casual approach to their children's upbringing to show a greater interest in the welfare and activities of the child.

The report is signed by the Acting Deputy Commissioner (Mr. Wedd).

I think we have now reached the stage —not in a savage way—of contemplating giving some protection to the public against these young people who themselves will not give the public very much consideration. The numbers of cars stolen in the last few years are quite staggering. From memory, the number in 1964 was 600; in 1965, 700 odd; in 1966, 740; and so far this year 1,000 cars have been taken possession of illegally.

Mr. May: All by juveniles?

Mr. CROMMELIN: Yes. I think those are the figures the Minister gave me the other day.

Mr. May: Were they all under 16?

Mr. Craig: Under 18.

Mr. CROMMELIN: I have the correct figures here. The total stolen last year by those between 12 years and 18 years, and also by persons over the age of 18 years, was 1,000, of which 76.6 per cent. were stolen by juveniles under the age of 18 years, and 23 per cent. by those over the age of 18 years.

If we go back to 1963-64, we find the percentage stolen by juveniles was 63, and 37 per cent. by adults. Therefore, in a period of four years the rate of juvenile stealing of cars has increased from 63 per cent. to 76 per cent., while the adult rate has decreased from 36 per cent. to 23 per cent. Surely that is proof that because they are over the age of 18 and they know their names will be published, those children think before they steal a motorcar.

The week before last I read that a boy in Bunbury had stolen a car, and then three days later he stole another one. As a result of stealing the two cars he was put on two bonds of $50. That is all.

Mr. Graham: Does the honourable member recall that he supported a move by this Government—a move which was successful—to reduce the penalty for the stealing of cars?

Mr. CROMMELIN: I did?

Mr. Graham: Yes.

Mr. Craig: That was not the penalty; that was in connection with the suspension of licenses.

Mr. Graham: Yes; but that is part of the penalty.

Mr. Craig: No, that is different altogether.

Mr. CROMMELIN: A car which is stolen —or, rather, taken illegally—can be recovered; and a lot of them are. However, they are often in a far worse condition when recovered than they were in before they were taken. We even read in the Press now of cars being taken for the purpose of a joy-ride and then driven into the scrub and burnt, or the batteries or tyres are stolen. As a result of this, the owner of the car taken for such a purpose makes a claim on the insurance company —if the vehicle is insured—and he obtains the equivalent value of the car.

At the same time, he may have driven the car for a great number of years and not made a claim. He would be paying a reduced premium on his insurance, but he would lose this advantage because the taker of his car was unknown. Consequently, the insurance company could take no action for illegally taking the car. The situation is even worse when it comes to a car owned by a young person who might have to pay the first $100 damage in any case. He not only loses his no-claim bonus, but also his $100. This is borne out in a report published in the *Daily News* on the 28th August, stating that section 126 of the Child Welfare Act should be changed. Apart from the theft of cars, an example is given of a Cottesloe housewife whose home was robbed by two boys who were later charged in the Children's Court. The report went on as follows:—

> She knew the names of two boys who, she believed, had been charged, and she understood the Court had ordered restitution.
>
> After a lapse of some months, she wrote to the Court asking when she could expect her goods and money to be returned.
>
> The clerk of the court replied that he could give her no information and she should consult a solicitor—which would have cost her more than the value of her loss.
>
> In fact, no restitution had been made, but the clerk felt that the Child Welfare Act prevented him from giving this information.

And so it goes on. There are certain provisions in section 669 of the Criminal Code; section 137 of the Police Act; and section 26 of the Child Welfare Act which give a judge or a magistrate the right to dismiss a stupid charge against, say, a boy of 16 who stole an apple.

Two of the most important questions as far as the Bill is concerned—and as far as I am concerned—are, firstly, the effect this will have on employment opportunities. I wondered whether a youth who had been charged and found guilty once, twice, or three or four times would be able to get employment. In this respect, I spoke to a parole officer with many years' experience. He told me that some of the boys did not say that they had committed offences, but they were usually found out. In such cases the prospective employer usually rang the Child Welfare Department because he felt the crime was more serious than it actually was.

The probation officer told me it would be obvious that a boy with eight or nine charges of stealing money would not be employed in a bank. However, in the opinion of the parole officer the finding of work for these boys is not difficult. I was not fully satisfied and I was fortunate enough to receive permission to attend the Children's Court with Mr. Young. A boy of 16 years with a four-year record was facing a charge. He had spent a year in Hillston and I thought that was a fairly tough record. However, the magistrate, in his wisdom, decided he would give this boy another chance and ordered him back to his parents' control. I was told the boy would get a job the next day. That convinced me that it is not impossible for these young people to get work.

The other important matter which caused me a lot of thought before I was prepared to go ahead with this Bill was the effect on the parents of a boy who

had brothers and sisters. This was not easy to find out. If one goes to the Child Welfare Department one is told that, of course, the effect will remain with the members of the family for all time. If one asks the man in the street what he thinks, he says that the publishing of the boy's name would be the best thing that ever happened.

So I plucked up courage and went to see a man and his wife who had a boy of 17 years of age in gaol. I think the boy had three or four brothers and sisters in the home. I told the people that I had come to them because I thought they might give me some advice on my proposal to amend the Child Welfare Act. I said that I would firstly like to know what effect the gaoling of the boy had on the other members of the family. The man replied that young people were cruel. He said that for two or three weeks the rest of the family were most upset, but at the end of four weeks he heard nothing more about it. They never even worried about it, and the other children did not talk to the father about the matter.

I could not get better advice than that. I asked that man if he would go along with the idea of having the names of 16 year old lads, with two offences, published in the paper. His answer was that he agreed with me. He said that had this been in effect, his son would not have been in gaol, because he would have known of those with whom the boy associated. He said he would have been strict in keeping his boy away from lads with a record, and they would not have been allowed in his home. That was his answer; and if all parents knew that their children were likely to get into trouble by associating with persons who had been in trouble, surely that would be a help to everyone. I could not get any better advice than that which I received from a man and his wife who have suffered in that respect.

I have introduced this Bill in the hope that it will get the support of the House. As I said at the beginning of my remarks, the Bill is not vicious. Last week, after a little bit of liveliness in the Chamber, I thought I heard the Deputy Leader of the Opposition say that the time was approaching when, perhaps, the age of 21 years for adulthood could be reduced, and thought should be given to this matter. Also, I know that I heard the Minister for Industrial Development say the Government was giving consideration to this very matter.

Mr. Jamieson: His opinion has changed in a very few years.

Mr. Brand: Of course, that is true. We all change.

Mr. CROMMELIN: If the age of adulthood is reduced below 21 years it is logical to assume that the age of a child would go down proportionately. At the present stage there is a variation of three years—18 to 19, 19 to 20, and 20 to 21—when one is considered a senior in the eyes of the court or in the eyes of the law.

Mr. May: They have already done that in the Army.

Mr. Graham: Why not deal with all the factors at the same time? You are hitting at the younger people instead of giving them greater responsibilities and privileges.

Mr. CROMMELIN: I am not hitting at the young people.

Mr. Graham: I think they should run together.

Mr. CROMMELIN: I am not hitting at the young people at all. I am saying that if one reduces the adult age to below 21, surely automatically one reduces the age of what one calls young people.

Mr. Graham: I might agree with you, but I think you are starting at the wrong end.

Mr. CROMMELIN: In what respect?

Mr. Graham: You ought to bring down the age at which a person becomes an adult. If this were done, I would see more merit in your proposal.

Mr. CROMMELIN: That was suggested the other night.

Mr. Graham: Exactly.

Mr. CROMMELIN: But I cannot do that.

Mr. Graham: Why not?

Mr. CROMMELIN: How?

Mr. Graham: By introducing a Bill.

Mr. Brand: One Bill is enough at a time.

The SPEAKER: Order! The member for Claremont is speaking.

Mr. CROMMELIN: I agree with the Premier when he says that one Bill is enough at a time. I have taken up enough of the time of the House. This is not a vicious attack on youth. I have brought up my own family and, indeed, I have grandchildren who I sincerely hope will never get into trouble. However, I am quite sincere when I say that I think this Bill will have an effect. It will hurt some but, for the vast majority, I think it is an idea which is worth giving consideration to. I commend the Bill to the House.

Debate adjourned, on motion by Mr. Craig (Chief Secretary).

FAUNA PROTECTION ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Council; and, on motion by Mr. Bovell (Minister for Lands), read a first time.

COUNTRY HIGH SCHOOL HOSTELS AUTHORITY ACT AMENDMENT BILL

Returned

Bill returned from the Council without amendment.

JUSTICES ACT AMENDMENT BILL

Council's Message

Message from the Council received and read notifying that it had agreed to the amendment made by the Assembly.

DISCHARGED SERVICEMEN'S BADGES BILL

Second Reading

MR. DURACK (Perth) [10.14 p.m.]: I move—

> That the Bill be now read a second time.

This is a small Bill with a simple purpose, which I hope I shall be able to explain in a short period of time.

In 1953 this Parliament passed an Act known as the Returned Servicemen's Badges Act, the sole object of which was to provide a protection for the badge issued and worn by members of the Returned Services League. Unfortunately, that Act was entirely confined in its operation to members of that league, although in the course of the debate on the legislation there was some discussion about its application to other similar bodies. I shall refer more fully to some of the comments made in that debate later in my speech.

Having been passed, that Act apparently provided adequate protection for R.S.L. members, but about 12 months ago I was approached by members of the Totally and Permanently Disabled Soldiers Association, which has its headquarters in my electorate in Colin Street, who pointed out to me that their federal body had been making approaches to Parliaments throughout Australia for legislation to protect their badge, which is commonly known as the T.P.I. badge. The association is commonly known as the T.P.I. Association although its correct title is Totally and Permanently Disabled Soldiers Association.

The members of the association produced to me an Act which was passed in the Parliament of New South Wales in 1964 which had the general object similar to that of our Returned Servicemen's Badges Act, but the New South Wales Act is in the form whereby it is applicable to a much wider number of ex-servicemen's organisations. They asked me if I would be prepared to sponsor legislation in this State to give their badge the same protection as it was able to obtain under the New South Wales Act. As a result of that approach, I now bring forward to the House the Bill which members have before them.

Mr. May: In what way does it need protection?

Mr. DURACK: I will deal with this point in due course. I do not suppose there is any need for me to give the House much information about the Totally and Permanently Disabled Soldiers Association. Suffice to say it is a body which is Australia-wide and in this State it has approximately 1,000 members.

Having been approached by this body, I thought it as well to make some further inquiries as to other associations which may be interested in the same type of protection in view of the limitations of the Returned Servicemen's Badges Act. I have received replies from two other ex-servicemen's associations; namely, the Limbless Soldiers' Association and the Air Force Association, both of which bodies inform me that they would like to be included in the protection of this legislation.

With its original approach, the reason advanced to me by the T.P.I. Association as to why it wished to have protection is that certain benefits are enjoyed by its members by the mere wearing, and production thereby, of the badge in public, and even in certain private places. I have been informed that particular benefits enjoyed by members of the T.P.I. Association include the right to a pass on buses and trains, a limited right of entry to certain sporting fixtures, and the obtaining of discounts on goods purchased in certain retail establishments.

It is true that many of these benefits, particularly the passes granted for travel on buses and trains should, strictly speaking, be obtained only on the production of a pass which is issued to a member of the T.P.I. Association who establishes his *bona fides* when making application for such a pass. However, I have been informed by the T.P.I. Association that these benefits are often obtained by its members merely wearing the badge, because in many instances a member has forgotten his pass and, quite often, he does not have to produce the pass when he is wearing his badge.

In addition to these benefits of a more material kind, there is also some general benefit in the nature of private sympathy or respect which is paid to a man wearing this badge. It appears that on many occasions people who are not entitled to wear the badge have used it to obtain the benefits which the badge confers. Quite often, such a person has picked up a badge, or has come into possession of it by some illegal means. Further, there are some former members of the T.P.I. Association who, for some reason or other, have ceased to be members—principally because they have not paid their subscription for the current period, which renders them unfinancial—and therefore they are not entitled to wear the badge. However, they still retain it and occasion-

ally some former members have worn it to obtain benefits to which they are not strictly entitled.

It appeared to me that this was a justifiable reason for the T.P.I. Association to seek legislative protection for its badge. I therefore applied a similar test to other associations which have approached me; namely, the Limbless Soldiers' Association, and the Air Force Association. To most members, the Limbless Soldiers' Association would probably be better known as the Maimed and Limbless Soldiers' Association. The association recently adopted its new name, but it is an ex-servicemen's body well known to members of this House. It is also an Australia-wide association, but its badge is not an Australia-wide one. It is a badge produced by the Western Australian branch which has some 200 members.

Although this association does not appear to enjoy so many obvious material benefits as are enjoyed by members of the T.P.I. Association, nevertheless it has been able to satisfy me that any member wearing its badge has conferred on him certain obvious benefits in much the same way as they are conferred on members of the T.P.I. Association. For that reason I thought it would be better to include in this Bill the Limbless Soldiers' Association as well as the T.P.I. Association.

To be fair to it, the Air Force Association only recently advised me it would like to be included in the measure, and I have not had any reply to the inquiry I made of that association as to the benefits its members enjoy by wearing its badge. For that reason I have not included the Air Force Association in the Bill. However, if, as a result of any publicity the debate on the Bill may get, that association, or any other association, is able to satisfy me or any other member of the House it is worthy of inclusion in the Bill, the provisions are framed in such a way that these bodies can easily be added to the schedule.

That brings me to the form of the Bill. Briefly, it provides for a definition of those bodies which are entitled to the benefit of this protection; that is, those bodies whose membership is substantially confined to discharged servicemen. The form is to enable additional associations to be added to the schedule to the Bill on a proclamation to be made from time to time by the Governor-in-Council; and for those associations, if they cease to qualify, to have their names removed by proclamation from time to time.

It is fairly obvious that this form of the Bill is preferable to the nature of the previous measure introduced and which applies to the Returned Services League. That Act cannot be applied to any other returned servicemen's association. I did have in mind that I could amend the Returned Servicemen's Badges Act, No 21 of 1953, to avoid having two Acts dealing with this subject on the Statute book, but I do not think that Act lends itself to amendment; and, secondly, when I mentioned to the R.S.L. that I was proposing to do something along these lines it informed me that it was happy with its own legislation as it stood and did not desire any amendments to be made to the Statute. Naturally I have observed the request of the R.S.L.

The case which I have endeavoured to make for this Bill this evening was clearly foreshadowed in the debate which took place in 1953 on the Returned Servicemen's Badges Bill. The report of the debate appears in volume No. 2 of the 1953 *Parliamentary Debates* commencing at page 1375. On that page, the mover of the Bill (Mr. Yates) has his second reading speech reported, but the report of the debate to which I am referring commences on page 1519.

Possible extensions of the Returned Servicemen's Badges Act were contemplated by the present member for Geraldton, who was then present in the House; by the then member for Mt. Lawley (The Hon. A. V. R. Abbott); by the then member for Toodyay (The Hon. L. Thorn); by the then Minister for Housing —the present member for Balcatta, who made an interjection—and, finally, by the then member for Canning, who is the present member for Beeloo. I would like to read what the then member for Canning said on page 1521. He said—

> I do not think those other bodies should have to ask for individual Bills to grant them the protection to which they are entitled.

The honourable member had mentioned several other bodies. The Bill before us has the same general object as the provisions contained in the Returned Servicemen's Badges Act.

Owing to the limitations of that Act it has been necessary to introduce this measure, which is in a form which will enable it to be utilised without further amendment. Additions can be made to it from time to time by way of proclamation. It could be readily amended from time to time if the House saw fit to do so.

The nature of the protection given by this measure is to the wearing of the badge. The Act which governs the R.S.L. gives protection against even the possession of a badge by an unauthorised person. I felt that was going a little too far. For instance, somebody might have been a member of an association, and had ceased to be a member, perhaps because of financial circumstances, and I do not think it should be an offence if he simply retains the badge.

Accordingly I have limited the protection in this Bill to the simple case of wearing the badge; and even there I have provided that an alleged offender must not wear it without lawful excuse. So the phraseology could provide a genuine type of defence. In

other words, I have tried not to give the provision too much teeth, because I am sure nobody requires that.

It is a very minor offence that is committed, but this is a small protection which the members of these worthy bodies feel they should have. It is more a moral type of persuasion which they want; with just a gentle legal threat behind it. The association feels, as I do, that the protection afforded in the measure is adequate for the purpose.

Additional protection is provided in the Bill, so that no-one who has previously been a member of the association, can commit an offence of this kind unless he has been served with a notice by the association informing him that his membership has terminated. For the reasons I have outlined I commend the Bill to the House.

Debate adjourned, on motion by Mr. Craig (Chief Secretary).

PETROLEUM (SUBMERGED LANDS) BILL

Second Reading

MR. BOVELL (Vasse—Minister for Lands) [10.37 p.m.]: I move—

That the Bill be now read a second time.

I understand that similar legislation is being introduced simultaneously in all the Parliaments of Australia this evening, and for this reason I ask for the indulgence of the House if my introductory speech happens to be a little long.

Mr. Graham: Could we not take your speech as read?

Mr. BOVELL: I do not think that would be permitted.

Mr. Kelly: Do we get an equally long adjournment?

Mr. BOVELL: I would like the undivided attention of the House, which I know I will receive. This Bill is the result of extensive negotiations between Ministers of the States and the Commonwealth. Novel, and sometimes difficult, political and legal problems have been encountered. That these problems have been overcome is highly gratifying to all Governments concerned, especially when it is remembered that the Governments of the States and the Commonwealth include Governments drawn from both of the major political groupings in this country, and that in the case of two States, changes in Government occurred in the course of the negotiations.

Throughout the discussions all concerned have addressed themselves with single-mindedness of purpose to the task of bringing into being a legislative scheme which will provide certainty of title without protracted litigation of the type that has occurred, and is still occurring, in other countries, and to do this in a way that is compatible with the national interest in these important resources.

The Bill is an historic piece of legislation in which this State Government and the Commonwealth Government, and the other several State Governments, have joined together in a co-operative effort for the purpose of ensuring the legal effectiveness of titles authorising the search for or production of petroleum in and from our offshore areas. In this co-operative effort the States and the Commonwealth have pooled not only their respective jurisdictional powers but also their administrative and technical resources to produce a legislative scheme suitable to a federal system of Government which we believe is unique in the world.

It may be of interest to the House to know that since early 1964, when a meeting of State and Commonwealth Ministers, presided over by the late Sir William Spooner, agreed that a national solution of the problems of offshore oil exploration and exploitation was necessary, the companies engaged in offshore operations have spent of the order of $50,000,000 on offshore work. Moreover, by the end of this year we expect that seven offshore drilling rigs will be probing our continental shelf in the quest for petroleum. Six of these rigs, which can cost anything up to $8,000,000 each to build, have been or are being brought to this country from overseas while one of the largest, the *Ocean Digger*, has been built in the B.H.P. shipyards at Whyalla and is now engaged in drilling the first well offshore from South Australia.

Searching for petroleum at the best of times is a task which calls for great skill, technical resources, patience, and is one where the chances of failure are generally rather higher than those of success. In the offshore environment to all this must be added a whole range of additional technical problems due to water depths, tides, and weather. Offshore exploration is still comparatively in its infancy but the technological advances that have been made in the last 10 to 15 years are dramatic in the extreme. For example, 20 years ago the first offshore well had still to be drilled and for some years drilling close inshore in water depths of 40 or 50 feet was a notable achievement. Today, there have already been some overseas wells drilled in waters of 500 feet or more.

World-wide there has been an explosive spread of interest in searching for petroleum offshore in the past eight years. A few figures will give a perspective to the rate of expansion of offshore activity. Ten years ago one could count on the fingers of one hand the countries actively interested. Now there are 75; and 20 countries are producing, or are about to produce offshore oil or gas. World offshore oil reserves are currently estimated at about 20 per cent. of the world's total known reserves while current offshore production of about 5,000,000 barrels per day is

roughly 16 per cent. of the total daily world output of 32,000,000 barrels per day.

I have dealt at a little length with some of the background to this new field of activity in order that the House might have a general appreciation of the setting in which this legislation has been prepared. I would now like to cover in very broad terms the legal background to this legislation. I said earlier that the purpose of the legislative scheme which has been developed was to provide certainty of title to companies which risk the very substantial capital involved in offshore exploration. The question which has bedevilled other countries where a federal system of Government operates is whether the power to grant an effective title vests in a State Government or in the Federal or Commonwealth Government.

In the United States of America the Federal Government was held by the Supreme Court to have full and paramount authority over both the outer continental shelf—by which I mean the continental shelf beyond territorial waters—and over the territorial seabed. In actual fact, the United States Federal Government, acting under an express constitutional power to dispose of territory or property of the United States, subsequently transferred to the several seaboard States its rights in the territorial-seabed. The United States Federal Government continued, however, to exercise control over the outer continental shelf. However, the United States scene has been complicated by protracted litigation between some of the seaboard States and the Federal Government as to the delineation of territorial limits.

Even now, 22 years after President Truman made his historic declaration as to the rights of the United States to explore and exploit the resources of the continental shelf, litigation is still in progress in the American courts and a sum of not less than $800,000,000 is currently held in escrow pending a determination by the courts. Even when this is settled a situation will still prevail where State laws and a State system of administration operate in territorial waters and a different administrative system and code administered by the United States Federal Government will operate in the outer continental shelf.

In Australia the Governments of the Commonwealth and the States believe that they have overcome these problems. To achieve this result they have mutually agreed that without abating any of their constitutional claims—without abandoning these claims— and that without derogating from their respective constitutional powers, they would enact uniform or mirror-image legislation providing for a common mining code to apply uniformly throughout offshore areas, including both territorial waters and the outer continental shelf. The joint scheme will not apply to submerged land beneath internal waters. These are waters inside the base lines from which territorial areas are measured; for example, Sydney Harbour and Port Phillip Bay are internal waters.

There will be provision for administration to be in the hands of the States, but with the Commonwealth interest being properly safeguarded at essential points through consultation and agreement by the States that in certain areas of the Commonwealth's constitutional responsibility effect will be given to any request or to any decisions by the Commonwealth.

The basic instrument underlying the whole of the joint legislative structure is an agreement between the Commonwealth Government and the Governments of the six States. Copies of this agreement will be made available to members in the form of a small booklet in which is also included a series of maps illustrating the areas over which the respective States and territories will have administrative jurisdiction.

I have with me some copies of the booklet. I will ask for leave to table two or three copies, and members who are interested can obtain the remaining ones in my possession. When more copies are available they will be distributed to members.

The Commonwealth - State agreement and the annexe thereto are at the very heart of the administrative arrangements entered into by the several Governments.

The Bill, when enacted, will provide the statutory framework and guidelines for the whole offshore scheme, and the agreement covers the intergovernmental arrangements as to just how the administration will be carried out. I think, therefore, that it will be more convenient to the House if I deal with the Bill and where appropriate draw attention to relevant clauses of the agreement.

Just before doing so, however, there are one or two further general observations which I would like to make. Firstly, as I have already mentioned, offshore work is still in its comparative infancy, and there is really no such thing as an international standard of offshore legislation. The legislative regimes in those countries where offshore operations are undertaken have been developed to meet the particular circumstances of the country concerned. In devising the Australian scheme the Governments of the States and of the Commonwealth have taken account of procedures in other countries, particularly in the United Kingdom and the U.S.A. However, we have not felt bound to follow slavishly particular features in any overseas country. Rather our aim has been to devise a scheme suitable to Australian needs—a scheme that is forward-looking and one which will place Governments in a position where they can ensure that the interests of the nation are secured, while allowing those who face the com-

mercial and financial risks a proper chance of legitimate gains from their enterprise.

Secondly, scientific and technological advances during the last two or three decades have made it possible to explore the continental shelf and to exploit the natural resources that may be found there. This is almost exclusively a post Second World War development stemming largely from President Truman's proclamation to which I referred earlier.

International law was presented with a completely new problem of how to allocate the rights to explore and exploit these resources. A series of international conferences resulted in an agreement in principle called "The Convention on the Continental Shelf" which was signed at Geneva on the 29th April, 1958, and to which Australia is a party.

This brings me to the opening sections of the preamble to both the Bill and the Commonwealth-State agreement which refer to Australia's rights to explore and exploit the resources of the continental shelf, and to our membership of the convention.

Although the terms of the convention are set out in full in the first schedule to the Bill, the opening provisions of the convention are so important as to be worth quoting in detail. Article I states—

> For the purposes of these Articles the term "continental shelf" is used as referring:
>
> (a) to the seabed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea, to a depth of two hundred metres or beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of the said areas;
>
> (b) to the seabed and subsoil of similar submarine areas adjacent to the coasts of islands.

Article II says that the coastal State—and State is here used in the international sense—exercises over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources. The article goes on to state that the rights referred to are exclusive in the sense that if the coastal State does not explore the continental shelf, or exploit its natural resources, no-one else may undertake these activities, or make a claim to the continental shelf without the express consent of the coastal State.

It is important to make the point here that the rights conferred by the convention are those of exploration and exploitation of the natural resources of the shelf. It is quite clear that coastal States are not given any new slice of territory. Indeed, a later article goes on to make it clear that the rights of exploration and exploitation conferred by the convention do not affect the status of the superjacent waters or that of the air space above those waters.

The remaining sections of the preamble recite in very brief form the considerations which I described earlier which led the six State Governments and the Commonwealth Government to adopt this cooperative approach; namely, that exploration and exploitation of the petroleum resources of the continental shelf would be encouraged by the adoption of uniform legislation over the areas concerned, that the Governments acting in the national interest without raising questions concerning, or without derogating from their respective constitutional powers are cooperating for the purpose of ensuring the legal effectiveness of petroleum titles over offshore areas, and that accordingly the Governments have agreed to submit to their respective parliaments legislation covering both the outer continental shelf and the seabed and subsoil beneath territorial waters.

There will be an adjacent area contiguous to each State or Territory. The boundaries of these adjacent areas are illustrated in the series of maps at the back of the booklet previously mentioned. The settling of these boundaries between States has in some cases presented delicate political problems, but it is a matter of great satisfaction that in all cases a solution acceptable to all the parties concerned has been achieved.

I should make the point here that the areas outlined by the dotted lines on the illustrative maps are not all continental shelf. The approach which has been adopted has been to enclose comparatively large areas. The Western Australian area is described in detail in the second schedule to the Bill. However, the Bill specifically applies only in relation to exploration for, and exploitation of, the petroleum resources of such submerged lands included in the adjacent area as have the character either of seabed and subsoil beneath territorial water or of continental shelf within the meaning of the international convention. This scheme which we have adopted has a dual purpose. First it permits Australia to take advantage of the provisions of the convention regarding exploitability. As technology advances, and exploitation in greater depths becomes possible, the outer limits of the shelf for the purposes of this Bill are automatically adjusted.

Secondly, it is essential in these adjacent areas where petroleum operations are undertaken, to have applying a general body of law such as an appropriate criminal code, provision for workmen's compensation, for navigational safety, and the like. It will be noted that part II of the Bill deals specifically with this question

of application of laws. In brief, it provides that the provisions of the laws in force in a State or Territory, and as in force from time to time, apply in the adjacent area. Appropriate provisions are also included to cover the jurisdiction of courts in the areas concerned.

I come now to part III of the Bill dealing with mining for petroleum. This is the common mining code referred to in the Commonwealth-State agreement which has been worked out by the States and the Commonwealth in conjunction, and in the devising of which, as I said earlier, we have sought to be both realistic and forward-looking. In compiling the code as now presented to the House, we have been assisted by comments, criticisms, and suggestions made by the offshore petroleum industry following the initial statement to all seven Parliaments in November, 1965. One of the purposes of that initial statement was to make known to the companies concerned in offshore work what ground rules the Governments had in mind so that not only would there be no misunderstanding when the actual legislation was introduced, but also so that the industry could have the opportunity to express its views.

The administration of the mining code in respect of the adjacent area to Western Australia will, as provided by clause 9 of the agreement, be in the hands of a designated authority. Provision is made in clause 16 of the Bill for the appointment of the Minister for Mines as the designated authority for this State.

The crux of the interrelationship between the States and the Commonwealth is contained in clause 11 of the agreement which in brief provides that in the administration of the common mining code the States will consult the Commonwealth on all aspects which may affect the Commonwealth's own special responsibilities under the Constitution in matters such as defence, external affairs, trade and commerce with other countries, and among the States, immigration, customs, navigation, and so on, and that in these matters the States will give effect to Commonwealth decisions.

All the States and the Commonwealth are at one in wishing to see the continental shelf of Australia, which covers something very close to 1,000,000 square miles, explored as effectively as possible in endeavours to locate petroleum deposits. I am sure all members of this House would be at one with this proposition. However, it could be that in some particular area there are compelling reasons, perhaps for defence purposes, or perhaps because one of our international telephone cables traverses an area, where it may be necessary to place some restriction on exploration activity. In cases such as these the Commonwealth's interests are properly safeguarded by the terms of the agreement.

For convenience of administration in the regulation of petroleum titles, the Governments have agreed to establish over our offshore areas a graticular system of block areas. The size of each graticular block is to be five minutes of arc of latitude by five minutes of arc of longitude. In the area of northern Australia this results in graticular blocks of about 30 square miles, reducing as one moves south until south of Tasmania the blocks are just over 23 square miles in area. Reduction in size is of course brought about by the convergence of meridians of longitude between the equator and the South Pole. For general convenience it is reasonable to think of a block as being about 25 square miles. The necessary provisions for this are set out in clause 17 of the Bill.

Until comparatively recently the general run of State and Territory petroleum legislation provided for a three-stage title system; that is, a permit to cover basic exploration, a license over a much smaller area giving permission to carry out drilling operations, and a lease to cover the production stage.

In the case of the offshore legislation a two-stage system has been adopted in that there will be only two major titles. Firstly, a permit will cover all stages of exploration, including drilling operations; and secondly, a license—broadly the equivalent of a lease on land—will cover production of petroleum.

Division II of the Bill deals with the permit stage. A permit will authorise the holder to explore for petroleum and to carry on such operations and execute such works as are necessary for that purpose in the permit area. Save for certain special exceptions which I will deal with later, this right to explore is exclusive to the holder of the permit.

Clauses 20 to 27 set out in some detail the procedure which will govern the application for and granting of areas of permits. The maximum area of any permit will be 400 blocks; that is, about 10,000 square miles. This is somewhat smaller than many of the offshore permits currently in existence, but is regarded as a reasonable size and one which should give companies ample opportunity to explore efficiently. Moreover, there will be no statutory limitation placed on the number of permits which may be granted to any individual company.

There will be a normal minimum size of a permit area of 16 blocks—that is, about 400 square miles—but the designated authority will have discretion to issue a permit over a lesser number of blocks in special circumstances.

As set out in clause 29, permits will be issued for an initial period of six years with rights of renewal for further successive periods of five years each. This right of renewal will be subject to the

permittee having satisfactorily complied with the conditions of the permit and to the surrender of half of the effective permit area at the end of each period. This surrender arrangement is to encourage companies to concentrate their efforts on the most prospective areas which they discover, but not at the same time hold large offshore areas which are not being effectively explored.

Taking a very simplified case the reduction provisions would operate as follows in respect of a 400-block permit:—

At the end of the sixth year the permit area would be reduced to 200 blocks.

At the end of the 11th year to 100 blocks.

At the end of the 16th year to 50 blocks.

At the end of the 21st year to 25 blocks.

In determining the number of blocks to be relinquished at the end of each successive period of the permit, proper allowance will be made for blocks excised from the permit area by the taking up of production licenses or of blocks which have become the subject of a location, a term with which I will deal in more detail later.

The effect of this arrangement is that a company has a firm assurance of being able to retain selected areas of its permit for a considerable number of years. In addition, the designated authority is given discretion in clause 31 to modify the requirement for compulsory reduction if this would result in a permit area being reduced below 16 blocks; that is, approximately 400 square miles. The need for such a discretion could perhaps arise where a company discovers petroleum in deep water. Techniques at the time of discovery might be such that commercial production at this point was either impracticable or uneconomic. It could therefore be reasonable to permit the company to retain this area under permit while awaiting further developments in technology or a change in economic circumstances which would justify commercial production. At that point the company would be able to take out a production license.

The reduction in permit areas must be in terms of blocks conforming to the graticule system. At each successive renewal of a permit the area retained by the permittee shall comprise groups of at least 16 blocks and be such that each block has at least one side in common with another block within the group. This is to prevent undue fragmentation of a permit area. The designated authority will, however, have discretion to authorise the retention of areas of less than 16 blocks in special circumstances.

The conditions under which permits will be granted will include provision for the carrying out by the permittee of an exploration programme approved by the designated authority. In view of the lengthy periods for which permits may extend—and such lengthy periods are indeed essential if companies are to have the opportunity to mount a satisfactory and sustained exploration programme—it is not possible to define work obligations with precision in the legislation. A programme for each permit area will be considered on its merits and settled by the designated authority who will also have power to suspend or modify the work programme in special circumstances; for example, through the unavailability of a drilling rig or other essential equipment.

Applications for permits over areas which have not previously been the subject of permits or over areas which have been relinquished from a permit shall be called initially by advertisement in the *Government Gazette*. This is to ensure that all interested parties have the opportunity to lodge an application and having it considered. However, if no application acceptable to the designated authority is received, he will be free to negotiate the grant of permits over such areas over the counter.

In general, there will be no provision for the payment of a cash premium in respect of blocks advertised as available for permit. An exception, however, is made in the case of blocks which become available through the surrender or cancellation of a license, or through surrender or determination of blocks which were in a location. In such cases provision will be made as set out in clause 23 for applications to specify an amount which they are prepared to pay if they are granted a permit in respect of an area for which they are applying.

A discovery of petroleum is to be notified immediately to the designated authority and, as provided in clause 35, the permittee may be required by the designated authority to take steps to evaluate the discovery.

In the event of petroleum being discovered, the permittee will have a preferential right to a license for production. This is an important feature of the Australian offshore legislation in that offshore companies are given exclusive rights to search in specified areas and, in the event of discovery, have a preferred right to a production title or titles.

Clause 36 provides that following a discovery of petroleum a permittee may, or may be directed by the designated authority to, nominate a block to become the centre of a group of nine blocks which in the interests of simplicity is known as a location. Each side of the location will be three blocks in length, or, put another way, a location will consist of the nominated block and the eight blocks that immediately surround the nominated block.

The block in which the discovery of petroleum is made must be included in the location, but need not necessarily be the centre of the location.

If the permittee fails to comply with a requirement to nominate a block as the centre of a location, the designated authority may himself nominate the block so that the procedure for the allocation of license areas may commence. This latter provision is simply a safeguard to ensure that there is no question of a permittee who has made a discovery hanging back in the traces and delaying unnecessarily moving into the production stage.

I turn now to division III of the Bill dealing with production licenses. This, of course, is the stage which everybody concerned, both Governments and operators, wishes to reach. A location having been declared under clause 37 of the Bill, the permittee then has the right to make an election as to the basis on which he will take out production licenses.

For the moment, and for purposes of simplicity, I will speak only of a location comprising the full nine blocks. The permittee's first alternative is to take as a production license any five blocks—having a total area of roughly 125 square miles—out of a location of nine blocks and pay the standard royalty rate of 10 per cent. on production therefrom. The remaining four blocks would revert to the Crown.

The other alternative available to the permittee is to take not only five blocks, but, as well, one or more of the remaining four blocks from within the location so that the initial five blocks and the additional blocks taken are in two separate production licenses, and paying an additional override royalty on all production from both license areas. This additional override royalty will be negotiated between the designated authority and the permittee between a floor of 1 per cent. and a ceiling of 2½ per cent. In effect, if the permittee avails himself of the opportunity to take blocks from within his location in excess of his initial entitlements of five blocks, the total royalty rate payable on all his production will be between 11 per cent. and 12½ per cent.

In some circumstances a block nominated as the centre of a loction may be so positioned that a full location of nine blocks cannot be established because it would encroach on areas which are already included in other locations, or are in other permit or license areas, or are outside the scope of the offshore legislation, such as blocks on land above low-water mark.

In such circumstances the location in question will be limited to that number of blocks which are not encumbered in any of the ways I have described. The permittee will then be able to select for inclusion in his initial license the number of blocks set out in clause 40 of the Bill which provides, in effect, that the initial license may consist of half the number of blocks in the location if the total number is even, with the odd block going to the permittee if the number is uneven. For example, from a location of seven blocks the permittee would be able to select four as his initial license.

The permittee will be able to take out his initial license in stages over two years following the declaration of the location. This period may be extended for up to a further two years at the discretion of the designated authority.

Having selected his full entitlement under his primary license, the permittee during his application period may apply for a secondary license. If he does he must apply for either the full balance of the blocks left in the location—that is, four blocks out of a nine block location—or such number of the remaining blocks as he wants. The designated authority will then confer with the permittee as to the rate of override royalty which will apply to both the first and second licenses. The procedure for this is set out in clause 42.

There will be no statutory limitation on the number of licenses which may be granted to any individual company. However, when a well results in the discovery of petroleum and is used as the basis for declaring a location, then no other well in the same block as the original discovery well, or in the eight blocks immediately surrounding that block, shall qualify for a separate location unless the designated authority so approves in special circumstances.

The purpose of this is to preclude assessment or step-out wells being used for the establishment of additional locations. There is, however, nothing against a permittee having adjoining locations if these are derived from genuine and widespread discovery. Moreover, two quite separate structures might be discovered quite close together such that the discovery wells in respect of each structure are in adjoining blocks. This is clearly a case where a designated authority would exercise his discretion and allow two locations to be established leading to two series of production licenses.

I would also make the point that no blanket restriction will apply which would result in companies being allowed only one location in respect of a geological structure no matter how big that structure might be. For instance, if a company were fortunate enough to discover a major structure, say 25 miles long by 10 miles wide, it would be entitled, following an adequate drilling programme, to establish two adjoining locations.

Any graticular blocks not taken up by the permittee either as a primary license or a secondary license, will, at the conclusion of the application period, be

automatically excised from the permit area and revert to the Crown. The designated authority is empowered under clause 47 to advertise such blocks as being available for license and he may call for bids on one of the following bases, namely cash bids, additional royalty bids, or the payment of a cash reserve fixed by the designated authority plus additional royalty bids. The designated authority will have discretion as to when to offer such blocks and whether to offer them as permit license areas. The former permittee will be perfectly free to bid for these blocks should he so desire.

In order that companies may have an opportunity to evaluate such areas and submit realistic bids, provision is made in clause 111 for the grant of short term special prospecting authorities in respect of such blocks. These special prospecting authorities would permit all exploration operations short of actual drilling and are designed simply to enable a potential operator to evaluate blocks that are on offer.

If, as a result of calling for applications for such blocks in the *Government Gazette*, the designated authority does not receive an acceptable tender, he will be free to re-advertise the blocks either as permits or licenses or to otherwise dispose of the blocks.

Clause 52 provides that a license while it remains in force authorises the licensee to carry on operations for the recovery of petroleum in the license area, to explore for petroleum in the license area, and to carry on such operations and execute such works in the license area as are necessary for these purposes. It is important to note that the second title—that is, the license—authorises both exploration and exploitation. A petroleum pool having been discovered, an operator will naturally be looking to recover that petroleum, but equally importantly, he will wish to explore the whole of his license area thoroughly in the hope that other petroleum bearing structures may be discovered.

Licensees will be allowed to transfer parts of their license areas provided that the area transferred conforms with the system and the licensee has already exercised all his rights for the selection of blocks as license areas from within his location. The transfer will be effected under clause 51 by an application to the designated authority to exchange the original license in return for the grant of two or more new licenses. These new licenses will carry the same rights and obligations and will extend only for the balance of the term of the original license.

Licenses will be issued for a period of 21 years. It will be seen from reading clauses 53, 54, and 55 in conjunction that a licensee, provided he has complied with the conditions of his license and, of course, with the Act and regulations, is entitled as of right to an extension for a second period of 21 years, making a total of 42 years in all. Further extensions beyond 42 years may be granted at the discretion of the designated authority.

Royalty for the first 21 years of a license will be fixed by the law, but with respect to renewals of licenses after the first 21 years, the Bill specifically contemplates the possibility that the rate of royalty may be varied by appropriate action by all the Parliaments.

It will be seen that licenses issue following the discovery of petroleum and all the Governments are agreed that it is at this point that there should be energetic action to exploit that discovery. Accordingly a condition of a license will be that the licensee will be required to carry out approved work within his license area to the value of not less than $100,000 per block per year. This does not mean that $100,000 has to be spent on each block. In the case of a 5-block license it will be in order in any particular year for a licensee to concentrate his work in one block and spend the $500,000 there.

In most cases in the period immediately following the granting of a license, companies will probably spend substantially in excess of this amount. For instance, it is estimated that the development of the Barracouta and Marlin offshore fields will involve expenditure of the order of $150,000,000.

However, the Governments do not want to have money spent just for the sake of spending money, and once a license area is in production the rate of expenditure that may be wisely spent in a particular area may drop off considerably. To cover this situation provision is made in subclause (2) of clause 57 that the value of the petroleum produced in the immediately preceding year may be offset against the amount of the work obligation.

A further point to be noted here is that offshore operations involve the use of equipment of a highly sophisticated nature which cannot be obtained simply by going down the street and buying it in a chain store. It is quite possible that a company is making every effort to obtain the appropriate drilling rig or production platform but that these are not available in a particular year. In cases such as this, provision is made in subclause (4) of clause 57 for the designated authority, providing he is satisfied that special justification exists, to exempt the licensee from his work expenditure in any particular year subject to such conditions as the designated authority thinks fit.

Clause 58 of the Bill empowers the designated authority to issue directions regarding the recovery of petroleum. For instance, when petroleum is not being recovered from a license area, and the

designated authority is satisfied that there is recoverable petroleum in that area, the licensee may be directed to take all necessary and practicable steps to recover that petroleum. In a case where petroleum is being recovered, the licensee may be directed to increase or reduce the rate of recovery to a certain specified level.

This latter contingency of directing a reduction in the rate of recovery is looking some little distance into the future but in some areas of the world it is a very real problem. For instance, in the Gulf of Mexico, production from oil fields is restricted to specific percentages of the estimated potential production in order to regulate the total volume of petroleum produced. This is not a problem which we expect to have to face in the immediate future, but I am sure that every member of the House would agree that it would be a cause for considerable satisfaction if our discoveries of petroleum continue to the point where such action is necessary.

Unit development of a petroleum pool means the co-ordination of operations for the recovery of petroleum from a pool which is partly situated in one license area and partly in one or more other license areas. This is a very important aspect of good oil field practice and is designed to ensure that the most effective recovery of petroleum is made in the most economic manner possible. To this end all the licensees who hold different parts of the same geological structure may be required to co-ordinate their operations. Clause 59 deals with this matter and should be read in conjunction with clause 16 of the Commonwealth-State agreement.

It will be seen that the Governments have covered the situation not only where the adjoining license areas are in the same adjacent area but also where the petroleum pool extends from one adjacent area into another, or from an adjacent area into a land area of a State or Territory. It will be noted that the agreement provides that where the petroleum pool extends beyond a single adjacent area, the designated authority and the other appropriate Minister will confer concerning the exploitation of the petroleum pool and will not give directions to a licensee until an appropriate scheme has been agreed upon.

Licenses will be granted subject to such conditions as the designated authority thinks fit and specifies in the license. In particular, a condition may be included in a license to the effect that the licensee shall comply with any requirement of the designated authority that petroleum produced from the license area in liquid form be refined within the adjacent State, or, in the case of natural gas, disposed of within that State. It will be noted, however, from clause 14 of the Commonwealth-State agreement that a requirement along these lines shall not be made unless there has been consultation between the appropriate Ministers of the State and the Commonwealth and both Ministers are in agreement that the requirement should be made.

I turn now to deal with pipelines and pipeline licenses. At the outset I think I should make it clear to the House that for the purposes of this Bill a special meaning is attached to the term "pipeline." It will be readily appreciated that associated with the production of petroleum either on land or in offshore areas, there is inevitably an intricate maze of pipes both great and small for conveying petroleum, and indeed for conveying water used in petroleum recovery operations. At first sight it would be natural to assume that all of these are pipelines. However, for the purpose of this Bill it has been found convenient to restrict the use of the term "pipeline" to, as it were, a main trunk line conveying petroleum from a well or a group of wells to the shore.

Other pipes will be used for conveying petroleum from a well to a gathering or terminal station or for conveying oil or gas for use in connection with petroleum recovery operations. These will be known as secondary lines, while a pipe used for conveying water in connection with petroleum operations is called a water line.

A pipeline license will be required for the construction and operation of a pipeline and the construction of a pipeline other than in pursuance of a pipeline license is prohibited by clause 60. Secondary lines, which are known in the industry by the general term of gathering lines or flow lines, and water lines may be constructed and operated with the consent of the designated authority.

The laying of a main trunk-line or pipeline in offshore areas is a highly skilled operation requiring very specialised equipment and considerable experience. The line will operate at high pressures and must be protected from the ravages of movement by tide. If the sea bottom is suitable, pipelines are normally buried some few feet, but if the sea bottom is smooth rock, it is necessary to fix the line at regular intervals by fastening it with steel and concrete to the sea floor.

A production licensee will have a preferential right to a pipeline license for the purpose of bringing his product ashore by an appropriate route. It is of course of the essence of pipeline operations that before the very heavy expenditure involved in constructing a pipeline is incurred, the intending operator of a pipeline would have concluded arrangements for the carriage of the petroleum and for its disposal. The position of a production licensee is appropriately protected by provisions in clause 64.

Clause 67 covers the term of a pipeline license. Normally this will be for a period of 21 years, but under the clause the designated authority is given discretion to adjust the period to conform to the dates

of expiration of the production license which will be served by the pipeline license.

A pipeline license may be issued subject to such conditions as the designated authority thinks fit and specifies in the license, including a condition that the construction of the pipeline shall be completed within a specified period.

A pipeline licensee will be able to apply for a variation of his pipeline license in respect of such things as its route, size, capacity, and so on. Moreover, under clause 72, the designated authority will be empowered to vary a pipeline license, for example, as to its re-routing, should this be necessary, in order to facilitate some other activity such as the construction of a wharf, or port, or other port facilities, which are in the public interest. In such circumstances the pipeline licensee will be free to apply to the courts for compensation from those responsible for requiring the re-routing or other variation of the pipeline. In normal circumstances, of course, it would be expected that amicable and sensible arrangements would be worked out to the mutual satisfaction of the parties concerned without recourse to the courts.

The pipeline licensee will, of course, be free to enter into contracts and arrangements for the conveyance of petroleum belonging to other parties, and this will probably be the normal procedure in the event of a pipeline having the capacity to carry petroleum from more than one license area. There is, however, in clause 75, provision for the designated authority to direct a pipeline licensee to be a common carrier of petroleum in respect of his pipeline.

Division V of the Bill deals with the registration of instruments; that is titles such as permits, licenses, and pipeline licenses and dealings affecting these titles. In essence, each designated authority will keep a register of all titles setting out the name of the particular permit holder, licensee, etc., and certain relevant particulars. The register will also record any dealing or action affecting the title.

Transfers of titles are of no force and effect until they have been approved by the designated authority and registered as provided in division V. In this regard I again remind members that in clause 11 of the *Commonwealth-State agreement* the States will consult the Commonwealth before approving of any transfers.

Registration of transfers is subject to the payment of appropriate fees provided under the Petroleum (Submerged Lands) Registration Fees Bill. These registration fees are broadly equivalent to, and in lieu of, State stamp duty.

In brief, the reason for adopting this special system of registration fees in lieu of State stamp duty is that titles, transfers, and the like under this joint Commonwealth and State legislation will be registered in a register constituted under both Commonwealth and State Acts. It is clear that instruments regulated under Commonwealth legislation which make provision for their effective registration, transfer, and assignment could not be made dutiable by State law. Hence the system of registration fees has been adopted, and is included in both the Commonwealth and the State legislation.

Under clause 9 companies will be liable to pay registration fees under one law only. I will deal with the circumstances under which registration fees are payable in more detail when discussing the Petroleum (Submerged Lands) Registration Fees Bill, but for the moment I would draw attention to clause 91 which authorises the designated authority to determine the amount of the fee payable under the Petroleum (Submerged Lands) Registration Fees Bill, and also provides for an appeal to the court by any party dissatisfied with a determination of the designated authority.

Division VI deals with several general matters affecting the administration of the common mining code. Clause 94 provides for notification in the *Government Gazette* of the grant, and the grant of a renewal of titles, of the variation of titles, their surrender, or cancellation. This is so that all interested parties may be aware of the action taken.

Clause 96 deals with the commencement of works in a title area. Normally it is expected that a person to whom a title is granted will commence his operations within six months from the grant of his title. However, for similar reasons to those which I mentioned earlier regarding work obligations, there may well be circumstances in which it would be only sensible to grant relief from this specific requirement, and the designated authority is given discretion to exempt a titleholder under such conditions as he thinks fit and specifies in writing.

As I mentioned earlier, offshore petroleum operations require considerable skill and experience both at the exploratory and exploitation stages. In the interests of both the safety and welfare of people engaged in these operations, and in the efficient recovery of the petroleum from the seabed, it is important that all operations be carried out in a proper and workmanlike manner and in accordance with good oil field practice. Clause 97 covers this. I would however make the point that the record in Australia of those companies engaged in offshore operations has been excellent in that they have displayed competence and efficiency as well as a very real sense of responsibility. We have every confidence that the same attitude will prevail among future operators in our offshore areas.

Being a party to the convention on the continental shelf not only gives Australia certain rights under international law but also imposes on us certain responsibilities. For instance, offshore petroleum operations require the construction of platforms and other installations and this is authorised by the convention in article 5, but the same article goes on to say that installations which are abandoned or disused must be entirely removed.

Clause 98 is relevant to this matter in that it not only requires a titleholder to keep all his equipment in good condition and repair, but also to remove from his title area structures and equipment which are no longer required.

I should also draw attention to clause 12 of the Commonwealth-State agreement where each State Government undertakes in the administration of the common mining code to take all reasonable steps to secure compliance with Australia's obligations under the convention.

I would now like to deal jointly with clauses 101 and 103 dealing with directions and exemptions. Reaching agreement between the several States and the Commonwealth on the policies desirable in a basic code of mining operations, and translating these policies into legal terms acceptable to the parliamentary draftsmen of both the Commonwealth and the States, has been a major task. Although the Bills now presented are long, they do no more than cover the general outline of administrative practices which we wish to follow consistent with laying down in sufficient detail the ground rules within which the offshore industry will have to work. The industry, not unreasonably, wished to have these ground rules set out clearly. The expenditures which the companies concerned will undertake if they enter offshore operations are very considerable and their anxiety to know the conditions under which they will operate are both reasonable and understandable.

However, the art and technology of offshore exploration and exploitation is one which is still comparatively new and which is developing with quite astonishing rapidity. In due course the Governments intend to promulgate detailed operating and safety regulations and considerable work on these has already been done. However, the draft regulations are by no means complete and in any case the Governments wish to give industry, as the operating parties, the opportunity to discuss these regulations in detail. Many of the companies have had considerable experience in offshore work in other countries, if not already in Australia.

As I have just said, the record of responsibility by offshore operators to date has been impeccable, and the Governments have therefore felt it preferable to bring down the legislation dealing with the administration and policy side of offshore work in advance of the promulgation of detailed operating regulations. In the meantime, provision is made for the designated authority to give directions to titleholders on any matters with respect to which regulations may be made.

Notwithstanding that every care will be taken in framing the conditions under which titles will be granted, it would be idle to suppose that in this new and difficult environment, every contingency can be foreseen, hence provision is also made for discretion by the designated authority to vary, suspend, or exempt a titleholder from any of the conditions of his title.

Here I should draw attention to clause 18 of the Commonwealth-State agreement which provides that directions inconsistent with regulations and exemptions from compliance with conditions of a title shall not be granted by a designated authority unless there has been consultation between the Commonwealth Minister and the appropriate State Minister.

At first sight the powers granted by these two clauses may appear somewhat wide, but the Ministers of the States and the Commonwealth concluded that there was no other practicable course to pursue at this comparatively early stage in offshore operations in Australia.

Clauses 104 and 107 deal with the surrender or cancellation of titles. These are formal provisions and again, having regard for the responsible attitude displayed by the offshore operators in this country, we would expect that the cancellation provisions would be invoked rarely, if indeed at all. However, they are included as a necessary part of the administrative procedure under the Bill.

I mentioned earlier that under the convention, structures and equipment no longer used have to be removed. It could so happen that a titleholder abandons his title leaving equipment or property in the area. Clause 108 covers such a contingency and authorises the designated authority to take appropriate action and under clause 113, having taken the action, the designated authority may dispose of that property by public auction and deduct from the proceeds the costs he has incurred.

Earlier, when dealing with blocks from locations which revert to the Crown after not being taken up by a permittee, I mentioned a temporary prospecting title called a special prospecting authority. Details of this are set out in clause 111.

Clause 112 deals with another temporary title, namely, an access authority. The basic propositions of this Bill are that nobody shall explore for petroleum other than in pursuance of an exploration permit, a production license, or a special prospecting authority. The first two titles are exclusive in that they give the holders sole and specific rights to operate within their title areas. However, there could well be circumstances in which it is desirable that

operators be able to gain limited access to nearby areas which are outside their own title area. For instance, an operator may need to be able to tie his own geophysical work into some known control. This may involve access over another titleholder's area or access over a part of the continental shelf over which there is no title extant. Clause 112 provides for the grant of access authorities in such circumstances for short periods. Without this provision a titleholder going outside his own title area could be in breach of the law.

Clause 124 is another example of the way in which the Bill ensures that Australia's obligations under the convention are properly observed. Article 5 of the convention requires that operations on the continental shelf must not result in any unjustifiable interference with navigation, fishing, or the conservation of the living resources of the sea. Australia's responsibility in this regard is covered by clause 124.

The States and the Commonwealth are keen that there should be a systematic build-up of general knowledge in relation to the geology of the continental shelf of Australia. This knowledge will be useful not only in the search for petroleum but also in the discovery of other minerals which it is confidently expected will be discovered in the seabed. Under the Commonwealth's Petroleum Search Subsidy Act, information obtained by companies as a result of subsidised operations, is made available to the Commonwealth and published six months after the completion of any particular operation. In the view of the several Governments this has been most valuable. Indeed, the value of this procedure has been strikingly illustrated by the fact that the examination of cores from subsidised petroleum wells held in the Bureau of Mineral Resources was instrumental in leading to the discovery of the very extensive phosphate deposits near Duchess, in Northern Queensland.

The Governments considered, however, that in the case of non-subsidised operations there is a case for the company concerned having the exclusive use for a rather longer period of information obtained by its own efforts and at its own expense. However, the basic right to exploit the resources of the seabed vests in the Crown. The Crown issues titles for exploration and exploitation subject to appropriate conditions such as an adequate exploration effort, the payment of royalty, and so on. The Governments have decided that it is also reasonable to make it a condition that not later than a specified number of years after the completion of of any exploration operation, the results shall be available for general use. This is provided for in clause 118.

The Governments believe that the provisions of this clause as to the release of information strike a reasonable balance between the public interest and that of individual companies whose efforts result in obtaining geological information in respect of the areas in which they are working.

From time to time it will be necessary to determine various positions on the continental shelf, such as, for example, the position of a particular well in the title area. Provision is made for all determination of positions to be by reference to the Australian geodetic datum. This again is a heartening example of co-operation between the States and the Commonwealth, as the position of this datum has been established and accepted by the co-operative effort of the surveying authorities of all States and the Commonwealth division of national mapping.

After the coming into force of this new legislation, an existing titleholder will have two choices. He will be able, by virtue of appropriate transitional provisions in the State Bills, to continue to hold his existing title area under its existing conditions for the unexpired portion of its life. If during this period a titleholder discovers petroleum, then notwithstanding that he is not the holder of a permit under this new legislation, he will be entitled to apply for and be granted a production license under this Act in the same way as if he were the holder of a permit under this Act.

The alternative procedure which will be open to existing titleholders, and a procedure which we hope will be generally adopted, is that the titleholder may seek to bring himself immediately within the provisions of the joint legislation and so obtain the security of title which will result from the legislative support of the mirror-image Bills of the appropriate State and of the Commonwealth.

I should perhaps mention that in a few cases the outer boundaries of permits that have already been granted extend over areas where the depths are greater than would presently be regarded as exploitable. In such cases, although the boundaries of a new title will be issued in general conformity with the original title, the rights to explore will in terms of the Bill be limited to areas which from time to time have the character of the continental shelf within the meaning of the convention.

My immediately preceding comments have been directed to titles at the permit or exploration stage. Special provisions have been made to cover production titles which have been granted to Western Australian Petroleum Pty. Limited around Barrow Island.

I think anybody who has followed the history of oil search in Australia at all closely must feel a sense of satisfaction that the tenacious efforts of Western Australian Petroleum Pty. Limited—a company known throughout Australia as Wapet —have been rewarded by a valuable discovery on Barrow Island. Production at

Barrow is at present confined to the island itself, but by arrangement between the Western Australian Government and the Commonwealth, Wapet was also granted a lease under Western Australian law of an area of the seabed immediately surrounding the island.

In accordance with the arrangements made between Western Australia and the Commonwealth, this lease over the submerged land surrounding Barrow Island is to be replaced by a production title issued under the joint legislation, thus ensuring security of tenure to the company in respect of this area. Provision for this is made in clause 144.

Earlier in my speech I referred to the requirement in the future for operating and safety regulations. There may also be a need for administrative regulations such as for the prescription of various forms. The regulation-making power is in clause 161 and not only provides a general power but also sets down in some detail the broad heads under which we expect the regulations will from time to time be necessary.

I would like now to deal with certain of the more important financial aspects of this legislation, references to which will be found both in the principal Bill and also in the taxing Bills attached to the principal Bill.

It is a generally accepted feature of petroleum legislation that titleholders pay fees somewhat in the nature of annual rental in return for their title areas. Fees at the permit stage will be at an annual rate of $5 a block with a minimum payment for each permit of $100. This works out at approximately 20c per square mile, and as the Minister for Mines mentioned in his statement in November, 1965, is a comparatively modest rate. However, it is the view of both the State and Commonwealth Governments that at the exploration stage every encouragement should be given to the companies to spend their money on their all-important task of exploring for petroleum.

At the production licence stage the annual fee will be at the rate of $3,000 for each block in the license area, and in the case of a pipeline license there will be an annual fee of $20 in respect of each mile of the length of the pipeline. These fees will be retained in full by the adjacent State and will be some offset to the costs which will be incurred by the States in the administration of the offshore legislation. This, of course, includes not only the office administration but also inspections and the like in the field.

Another customary feature of petroleum legislation is the provision for bonds or securities for compliance with the conditions of the title. These are provided for in clause 114 in the sum of $5,000 for a permit, $50,000 for a production license, and $20,000 for a pipeline license. In the case of permits and pipeline licenses, provision by the titleholder of a satisfactory security will be compulsory. In the case of a license the designated authority will have discretion whether or not to require lodgement of a security.

If success attends the efforts of an exploration company, it could well be that over the years it will take out several production licenses. To require a company to lodge securities of $50,000 in respect of each license could have the effect of tying up a substantial amount of money. Bearing in mind that failure to comply with the provisions of the license, or with any of the provisions of this Act or the regulations, renders a titleholder liable to have his title cancelled, it may be that a designated authority, having regard for the value of the investment which the titleholder has at stake in a license, may decide that provision of a security in this case is not necessary.

When I referred to the provisions regarding the registration of transfers I mentioned that I would deal later with the circumstances under which registration fees are payable. I would like to do this now and would refer members to clause 4 of the Petroleum (Submerged Lands) Registration Fees Bill. Registration fees will be payable at an *ad valorem* rate of 1½ per cent. on the value of the consideration for a transfer of a title, or on the value of the title transferred, whichever is the greater. There will be a minimum fee of $100.

Where the consideration for a transfer is represented by a promise to undertake or to be responsible for the cost of approved exploration works, no registration fee is payable in respect of the value of those works. Where a transfer results from the operation of a prior dealing, such as a farm-out agreement between two companies, exemption from *ad valorem* fees is granted, and in lieu a flat rate fee of $1,000 is charged. This concession is subject to the designated authority being satisfied that the particular dealing was not entered into for the purpose of avoiding or reducing registration fees.

A further category of transfers which is exempt from *ad valorem* fees is a transfer between related companies when the designated authority is satisfied that this is made solely for the purpose of the reorganisation or for the better administration of the companies concerned. It is the view of the State and Commonwealth Governments that the legislation should aim to encourage administrative and organisational efficiency by offshore companies and avoid a multiplicity of unreal legal arrangements through schemes designed to avoid payment of registration fees.

Without doubt the most important financial provisions relate to royalties both as to the rates at which royalty is payable and also in the distribution of royalties

as between the State and the Commonwealth.

It will be noted from clause 4 of the principal Bill that petroleum for the purposes of this legislation will be defined as any naturally occurring hydrocarbon, or any naturally occurring mixture of hydrocarbons, or any naturally occurring mixture of hydrocarbons with hydrogen sulphide, nitrogen, helium, or carbon dioxide. This is to ensure that the legislation will cover those substances that may reasonably be expected to be encountered in the course of petroleum operations.

During the first 21-year period of a production license the standard royalty will be at the rate of 10 per cent. of the value at the well head of the production of petroleum as defined. The standard royalty to apply during the second 21-year period of a license, or during any further extension, will be fixed by the Parliaments at or before the time of granting a renewal of a license and the rate so determined will apply during that period. In the absence of parliamentary action to fix a new rate, the 10 per cent. rate will continue to apply.

Where the permittee elects to take any or all of the additional blocks in a location over and above his primary entitlement, he will be required to pay an additional or override royalty on production from all of the blocks in the location which he elects to have included in his two licenses. The rate of this override royalty will be negotiated between the operator and the designated authority provided that it shall be not less than 1 per cent. nor greater than 2½ per cent.

I mentioned earlier that there was no such thing as an international standard in offshore petroleum legislation. This is well illustrated by the differing rates of royalty which are payable. In Canada in offshore areas royalty is at 5 per cent. for the first five years and thereafter at 10 per cent. In Italy it is 8 per cent. for oil and 5 per cent. for gas. In Nigeria it is 10 per cent. out to the 10 fathom line and 8 per cent. in outer areas. In Norway it is 10 per cent. In the United Kingdom it is 12½ per cent. In the Netherlands a sliding scale rises to a maximum of 16 per cent., and in federally controlled areas in the United States it is 16⅔ per cent.

In Australia a 10 per cent. royalty on petroleum has been a generally accepted standard for many years. In considering what rate of royalty should apply offshore the Governments took note of the widely diverging royalty rates that applied overseas and also of the circumstances which exist in Australia today in relation to the size of our potential home market, the difficulties of exploration, and so on. It was decided that retention of 10 per cent. as a standard rate was reasonable, but that should operators wish to obtain additional areas from within their location, some further payment was justified. It will be noted that there is a floor of 1 per cent. to this override while the upper limit of 2½ per cent. would bring the royalty rate to the same level as that which is imposed by the United Kingdom.

For royalty purposes the value at the well head of petroleum produced will be such amount as is agreed upon between the licensee and the designated authority or, in default of agreement, as is determined by the designated authority. Again I would refer members to clause 21 of the Commonwealth-State agreement which provides for consultation between the designated authority and the Commonwealth before any determination of value is made other than by agreement with the licensee.

Clause 154 of the Bill provides for the possibility of reducing the rate of royalty in certain cases. This would be in circumstances where the rate of recovery of petroleum has become so reduced that furthur recovery might be uneconomic in the absence of some relief. Reduction of royalty will not be made except after consultation as provided by clause 20 of the Commonwealth-State agreement between the Commonwealth Minister and the appropriate Minister of the State. This particular provision is looking a long way into the future, but it is designed to ensure the maximum possible recovery of petroleum from any particular field.

I have mentioned the mirror-image nature of the legislation being brought down in the Commonwealth and the State Parliaments. Royalty will be provided for in both sets of legislation and in order that companies will not be required to pay royalty twice, special provision is made in clause 128 of the principal Bill that where royalty is paid under a law of the State the operator is not liable to pay royalty in respect of that same petroleum under the Commonwealth Royalty Act.

The sharing of royalties between the Commonwealth and the States is dealt with in clause 19 of the Commonwealth-State agreement and in clause 129 of the principal Bill. The standard royalty of 10 per cent. will be shared on the basis of six-tenths to the adjacent State and four-tenths to the Commonwealth, while override royalty payable where a permittee takes out a secondary license from within a location will be retained in full by the adjacent State.

Before concluding, there are two or three other general matters to which I would like to refer. Firstly, the legislation which I am now presenting to the House is concurrently being presented in the Parliaments of the Commonwealth, Victoria, Queensland, South Australia, and Tasmania. Maybe we are a little handicapped here, because we are a couple of hours in time behind those States. In the case of New South Wales, Parliament is not sitting, but that State's legislation will be presented next week and in the meantime

special action is being taken by the New South Wales Government to advise members of Parliament in that State of the action contemplated.

In the drafting of this joint legislative scheme every effort has been made to avoid the risk of constitutional litigation that might result in either the Commonwealth legislation or the legislation of a State being declared invalid. While the Governments themselves have all agreed to put constitutional issues on one side and not to challenge the validity of each other's legislation it is understood that, if either the Commonwealth or State legislation is successfully challenged in the courts, the scheme of arrangement between the Commonwealth and the States will nevertheless continue in force.

The Government regards this as an historic piece of legislation—it certainly is—which it is proud to bring before this Parliament. We believe that the whole scheme not only demonstrates the strength of the intergovernmental institutions of this country, but is also unique in the world in countries where a federal system of Government is in force.

Secondly, it is the hope both of this Government and of the Governments of the other States and the Commonwealth that the passage of these Bills through the several Parliaments will herald an even greater effort in the exploration for petroleum in Australia's offshore areas and that these probings of the geology of our continental shelf will result in many more discoveries of petroleum which will add to our national wealth.

In commending the Bill for consideration, I would like to thank you, Mr. Speaker, and the others who have occupied the Chair during my speech, and particularly members for the tolerance and patience they have extended me. I appreciate the fact that there were no interjections, as this was not an easy exercise.

Mr. Brady: Before you sit down, could you tell us how many pages there are in your second reading speech.

Mr. BOVELL: There are 45.

Mr. Brady: That is very interesting.

Mr. BOVELL: Members have been co-operative and patient and I wish to record my appreciation.

Debate adjourned, on motion by Mr. Kelly.

Message: Appropriations

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

PETROLEUM (SUBMERGED LANDS) REGISTRATION FEES BILL

Second Reading

MR. BOVELL (Vasse—Minister for Lands) [12.11 a.m.]: I move—

That the Bill be now read a second time.

In my second reading speech on the Bill for an Act entitled the Petroleum (Submerged Lands) Act, 1967, I referred on a number of occasions to a Bill for a Petroleum (Submerged Lands) Registration Fees Act, 1967. I then explained the purposes of this small Bill in detail, and at this stage I do not think there is any need for further explanation.

In commending the Bill to the House, I would ask for permission to table two copies of the agreement relating to the exploration for, and exploitation of, the petroleum resources and certain other resources of the continental shelf of Australia and certain territories of the Commonwealth and of certain submerged land. Several other copies are available if members would like them. I regret that sufficient numbers are not available to enable every member to be given a copy.

The documents were tabled.

Debate adjourned, on motion by Mr. Kelly.

House adjourned at 12.13 a.m. (Thursday)

Legislative Assembly

Thursday, the 19th October, 1967

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

QUESTIONS (18): ON NOTICE

HOUSING

Rockingham-Safety Bay Area

1. Mr. RUSHTON asked the Minister representing the Minister for Town Planning:

   (1) What is the estimated demand for housing in the Rockingham-Safety Bay areas over the next five and 10 years;

   (a) from normal growth;

   (b) from industry?

   (2) When is it anticipated the development of precinct No. 1 Bungaree Estate, Rockingham, will commence?

   Mr. LEWIS replied:

   (1) At this time the demand for housing in the Rockingham-Safety Bay area over the next five and 10 years is not capable of realistic estimate. The area is in a state of flux: factors such as the development of the outer harbour, the establishment of a naval base, and of industry in the immediate and general area, and the size of them, are imponderables at the moment. In addition, it is difficult to distinguish between normal growth and growth from