

Legislative Assembly

Tuesday, 29 August 1989

THE SPEAKER (Mr Barnett) took the Chair at 2.15 pm, and read prayers.

GOVERNOR OF WESTERN AUSTRALIA - ILLNESS

Legislative Assembly - Letter of Concern

THE SPEAKER (Mr Barnett): I advise the House that on 26 June 1989 I forwarded a message to His Excellency the Governor, Professor Gordon Reid, as follows -

Your Excellency

On behalf of all members and officers of the Legislative Assembly may I say that we were genuinely distressed to learn of your recent illness. It is our hope that your recovery is quick and successful and our very best wishes are extended to you and Mrs Reid.

Yours sincerely

MIKE BARNETT MLA

SPEAKER

LEGISLATIVE ASSEMBLY OF WESTERN AUSTRALIA

On 10 July 1989 I received the following letter from Mrs Ruth Reid -

The Governor and I send our sincere thanks to you and all members and officers of the Legislative Assembly for the kind sentiments you expressed in your letter.

The expressions of support and goodwill we have received from all parts of our State have touched us deeply and have helped us in facing our challenge together.

Yours sincerely

RUTH REID

I am sure all members will concur with the expressions of concern and goodwill.

BILLS (5) - ASSENT

Messages from the Governor received and read notifying assent to the following Bills -

1. Supply Bill
2. Treasurer's Advance Authorization Bill
3. Stamp Amendment Bill (No 2)
4. Acts Amendment (Dental Prosthetics Students) Bill
5. Acts Amendment (Accountability) Bill

ACTS AMENDMENT (ACCOUNTABILITY) BILL

Returned

Bill returned from the Council without amendment.

PETITION - EDUCATION

Sorrento Primary School - Building Problems

MR CLARKO (Marmion) [2.20 pm]: I present a petition couched in the following terms -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, call upon the Minister for Education to immediately take steps to overcome the severe building and accommodation problems at Sorrento Primary School by providing:-

- 1) Classroom dividers;
- 2) A much better Library - the current Library is only 25% of comparable schools;
- 3) A Specialist Teacher's Room.

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

The petition bears 396 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 11.]

PETITION - GRAVEL MINE

Pickering Brook - Closure

MR THOMPSON (Darling Range) [2.23 pm]: I have a petition which reads as follows -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned want the 100ha open cut gravel mine in Pickering Brook closed for the following reasons:

1. the area is zoned RURAL/RESIDENTIAL;
2. mining and major truck traffic are INCOMPATIBLE with this zoning;
3. our LIFESTYLES are severely impaired by the major truck traffic at such a scale - size of trucks and frequency of travel;
4. we were not given a REASONABLE RIGHT TO COMMENT on the granting of the tenement, nor was the Shire Council;
5. no ENVIRONMENTAL IMPACT ASSESSMENT was conducted on the effect the mine and its operation would have on the local environs, including the residents; and
6. in an era of growing environment awareness and mounting pressures on our dwindling JARRAH FOREST, we believe such a large and prime stand of the forest should be CONSERVED.

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

The petition bears 234 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 12.]

PETITION - SWAN BREWERY SITE

Demolishment - Riverside Parkland

MRS BEGGS (Whitford - Minister for Housing) [2.24 pm]: I have a petition which reads as follows -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled:

- (a) The signatories to this petition believe that the Old Swan Brewery should be demolished and its site, and the old stables site, established as riverside parkland under the control of the King's Park Board;
- (b) we believe that a majority of Western Australian citizens share our belief;
- (c) we therefore request that:
 - (i) the Government and the Western Australian Development Corporation (which is accountable to the people of the State through Parliament), halt

all further work on the Old Swan Brewery site pending the outcome of a referendum of the people on the issue;

- (ii) the Parliament adopt legislation for, and the Government facilitate, a referendum on the question of whether the Old Swan Brewery should be demolished and the area established as parkland;
- (iii) the Government abide by the decision of that referendum.

Your Petitioners as in duty bound, will ever pray.

The petition bears 12 124 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 13.]

PETITION - POLICE STATION

Riverton/Willetton/Lynwood Area - Establishment

MR KIERATH (Riverton) [2.25 pm]: I have a petition which reads as follows -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled. We the undersigned hereby petition that a Police Station be established within the Riverton/Willetton/Lynwood area and so increase the safety and well-being of the residents in the community.

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

The petition bears 4 411 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 14.]

PETITION - ABORTIONS

Prohibition

MR KIERATH (Riverton) [2.26 pm]: I have a second petition which reads as follows -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned, note that approximately 8,000 abortions are being performed in Western Australia each year. The vast majority of these abortions do not conform to the requirements laid down in the Criminal Code, but are carried out on physically and emotionally healthy women.

We plead that the Parliament of Western Australia take all necessary action to prohibit freely available abortions (including the enforcement of the Criminal Code against abortionists) that are taking the lives of thousands of unborn Western Australian children.

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

The petition bears 524 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 15.]

PETITION - EDUCATION

Crisis - Quality Education System

MR DONOVAN (Morley) [2.27 pm]: I present the following petition -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We, the undersigned urge the State Government to address the current crisis facing education.

We believe that a quality education system is vital to the future of this state.

Further, we insist that the Government does all within its power to:

- i. Retain quality experienced teachers within Government Schools.
- ii. Attract the highest quality graduates possible to the teaching profession.

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

The petition bears 208 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 16.]

PETITION - MARGARET RIVER HOSPITAL

Old Buildings - Historical Significance

MR BLAIKIE (Vasse) [2.28 pm]: I present the following petition -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned request that the State Government ensures that when the new Hospital at Margaret River is operational, the old Hospital buildings are retained in situ because of their historical significance, for use by the local community as a Resource Centre, and as a tourist attraction.

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

The petition bears 1 464 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 17.]

PETITION - NATIONAL PARK

Mt Lesueur Area - Establishment

MR WATT (Albany) [2.29 pm]: I present the following petition -

To: The Honourable the Speaker and members of the Legislative Assembly of the Parliament of Western Australia in Parliament assembled.

We the undersigned call upon the Government, in recognition of the immense biological diversity and importance of the Mt Lesueur area, to create a National Park with boundaries as recommended by the Environmental Protection Authority.

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

The petition bears 59 signatures and I certify that it conforms to the Standing Orders of the Legislative Assembly.

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

[See petition No 18.]

PETROCHEMICAL INDUSTRIES LTD

Standing Orders Suspension

MR PEARCE (Armada - Leader of the House) [2.33 pm]: I move, without notice -

That so much of the Standing Orders be suspended as is necessary to enable the Premier to make a statement concerning Petrochemical Industries Limited, and for a motion arising from the Premier's statement to be debated.

MR MacKINNON (Jandakot - Leader of the Opposition) [2.34 pm]: The Opposition will not oppose the motion. Opposition members want to get on with the job of sensible and serious debate in this Parliament, and we will comment on this motion during the debate. The only other comment I wish to make now is that this Government has started the session as the Opposition predicted; that is, it is contemptuous of this Parliament and its proceedings. No notice of this matter was given to the Opposition and no copy of the motion was provided to the Opposition in accordance with the forms and understanding we have had for a long time.

Mr Pearce: I told your Deputy Leader of this motion.

Mr Court: At 2.20 pm after this House had started.

The SPEAKER: Order! It has been some time since members were in this place so I will apprise them on one point: If members have anything to say in this place their comments should be directed to me. The Leader of the Opposition is doing so, and in that case interjections across the Chamber are not in any way orderly.

Mr MacKINNON: The action take by the Government is typical of the man leading the Government; that is, arrogant and contemptuous in the extreme. His effort today is a stunt which long ago the Opposition predicted would occur. The Opposition is happy to debate this motion, and it hopes the Government will be equally happy to debate the further motions the Opposition will move later today which will be serious motions that get to the nub of what this parliamentary session is about. I refer to the credibility of the Premier and his Government. He and his colleagues will be tested in this Parliament today and all the stunts in the world will not wash that away. We shall be in this Parliament today, tomorrow and the following day, and the Opposition will uncover the facts and debate them irrespective of the way in which the Government treats the Parliament, that is, with contempt over and over again. I can still hear ringing in my ears the words of the Premier when he said yesterday that he hopes this parliamentary session will see a change in the attitude of members to the Parliament. Yet what is the first action of the Premier? He has shown his contempt for the Parliament itself. The Opposition supports the motion and eagerly looks forward both to this and the following debate.

Question put and passed with an absolute majority.

Statement - By the Premier

MR PETER DOWDING (Maylands - Premier) [2.37 pm]: Since this is the resumption of Parliament, let me say at the outset that the Government has no hesitation in treating this Parliament with the respect it deserves. On two occasions recently communications with the Opposition have been very difficult, largely because apparently Opposition members do not talk to one another. I am informed by the Leader of the House that at 12 o'clock or thereabouts today he informed the Deputy Leader of the Opposition that a motion for the suspension of Standing Orders was to be moved to enable certain matters to be debated.

Point of Order

Mr COURT: The Premier handed me a copy of the motion at 2.20 this afternoon.

Mr Pearce: You fibber. You came to the Caucus room yourself and I came out of the room especially to tell you. Your nose must be a foot long by now.

The SPEAKER: Order! I am not sure whether the Deputy Leader of the Opposition has a point of order to make. I will sit down and give him the opportunity to make a point of order if he has one.

Mr COURT: The point of order is that the Premier is misleading the House.

Mr Pearce: That is not true, you are misleading the House.

The SPEAKER: Order! I will make the decision. Taking a point of order is not an opportunity for a member to put a point of view; it is purely and simply an opportunity for him to say that Standing Orders have been breached in some way. A point of view about any matter is not a breach of Standing Orders.

Motion Resumed

Mr PETER DOWDING: I am at pains to get this correct because I do not want to mislead

the House, and nor do I want the Deputy Leader of the Opposition to be able to say to his fellow members that he has acted with propriety.

Point of Order

Mr WATT: A motion has just been carried by the House to suspend Standing Orders to allow the Premier to make a statement. The Premier had the opportunity to debate that motion at the time and did not take it; he is now debating the motion already carried instead of making the statement which he was given permission to make.

The SPEAKER: I do not doubt that the point made by the member for Albany is valid. However, if I were to interrupt the Premier at the very commencement of his statement when he is attempting to justify something which happened in the preceding motion, I should have equally sat down the Leader of the Opposition, who strayed substantially from the point, as well. However, it is not my intention to make members stick so rigidly to the point at this stage.

Debate Resumed

Mr PETER DOWDING: The Opposition accuses me of misleading the Parliament and accuses the Government of ignoring the forms of the House. It does not want us to be able to put the record straight; that is what the Opposition wants debate to be in this House, that we take all the brickbats but have no opportunity to say anything. I will say very quickly -

Mr Watt interjected.

Mr PETER DOWDING: This might offend the member for Albany, but I will still say it: I have been informed by the Leader of the House that at about midday the Deputy Leader of the Opposition was told that we would be moving a motion to suspend Standing Orders and was told that we would be tabling papers in relation to the Petrochemical Industries Co Ltd project. He was told, also, that a motion would be moved and a debate would be allowed for the rest of this afternoon. How on earth is that taking away from the Parliament any of its forms? How is that in any way at all misleading the House?

I say to the Leader of the Opposition, and to his deputy, that this is not a stunt - all we are saying to members opposite is please get your lines of communication right because that seems to be part of the problem today, as it has been on a previous occasion. I turn now to the substantive matters.

Several members interjected.

Mr PETER DOWDING: Do members opposite want me to make this statement, or not?

Mr Lewis: No-one really wants to hear the lies, anyway.

Mr PETER DOWDING: That is not a very charitable way to start a new Parliament, even for the member for Applecross. That was not a very nice thing to say. It is not even parliamentary.

Mr Lewis: True, though.

Mr PETER DOWDING: The member for Applecross knows that his comment was not parliamentary. He is not interested in the forms of this House. He is prepared to disobey the forms of this House as and when he sees fit. However, I will get on with what I want to say.

Over the past few months representatives of the Government have endeavoured to reach agreement with Bond Corporation Holdings Ltd over a restructuring of Petrochemical Industries Ltd and its petrochemical project. Those negotiations failed to result in an agreement being reached. However, they have not failed because the Government lacked the commitment to a petrochemical industry in Western Australia. The benefit of such a project to Western Australia would be tremendous, and those benefits are not in dispute.

The strong advice given to the Government is that with the right structure, technology and partners a petrochemical project would succeed in Western Australia. We are continuing to work to that end. I remain confident that a petrochemical industry will be established in this State. Recent negotiations have failed because the Bond Group has demanded that the Government provide assistance to its organisation. It has insisted that as a condition of new arrangements the Government must, first, acquire certain Bond Group properties at prices which we have been advised are substantially in excess of their real value and, secondly,

cause the State Government Insurance Commission to forgo a substantial part of its rights against Bond Corporation under an indemnity agreement concerning the Bell Group shares held by the SGIC.

It might be argued that while that is unacceptable such extraordinary demands are part of robust commercial negotiations. However, when those demands were not met, Bond Group directors threatened the Government with dire political consequences. I will elaborate shortly on those extraordinary threats.

Members would now be aware that in February this year concern was expressed by bankers to PICL, or PIL as it is now known, that the credit enhancement of the project by the Government was not within the powers of the relevant legislation; namely, the Northern Mining Corporation (Acquisition) Act 1983.

Mr MacKinnon: In February or January?

Mr Court: You have the wrong month.

Mr PETER DOWDING: The members who just interjected should listen to what I am saying and not for what they want me to say. I am informed that in February this year concern was expressed by the bankers to the PICL project, or PIL as it is now known, that credit enhancement of that project by the Government was not within the powers of the relevant legislation, the Northern Mining Corporation (Acquisition) Act 1983. Those concerns had been referred to earlier in the Commission on Accountability report. It may well be that some of those concerns were expressed at an earlier date, but I wish to make it clear that the information I have - and the relevance of it, whatever the relevance of the precise date, I do not know - is that certainly in February those matters were raised again by the bankers.

The credit enhancement mechanism involved WA Government Holdings Ltd undertaking to lend sufficient funds to PIL to make good cash flow deficiencies and WAGH had further undertaken to procure a guarantee of its obligations to PIL from the Treasurer. Consequently, in April endeavours were made to pass new legislation, the Western Australian Petrochemical Industries Authority Bill, which would have clarified the power of the Government to provide credit support to a project of this kind. That Bill was rejected by the Legislative Council on 9 May 1989. Shortly afterwards an updated analysis of the economics of the PIL project was completed and it became apparent that the project had become commercially unviable. A major reason for that was the fact that the Bond Group, as the project manager, had called for variations to the construction specifications which added approximately \$400 million to the capital cost of the project.

During May the two bankers to the project, Indo Suez Australia and Security Pacific Australia, advised PIL that they considered the project as presently structured to be unbankable. Apart from the problems associated with the loss of commercial viability and the legislative basis for the Government's credit support, the banks identified the prominent role of the Bond Corporation as majority shareholder and project manager as extremely negative factors from the point of view of obtaining bank finance for the project. In view of the advice from those banks and other financial institutions the Government was forced to the conclusion that it was pointless to attempt to pursue the project as originally conceived. That view was reinforced by the recommendations of the Petrochemical Industries Ltd management on 13 June 1989 that the existing construction contract with JGC Corporation of Japan be scrapped and a new and different project be undertaken.

The project, which the Government had agreed to and agreed to be part of, was no longer supported by Petrochemical Industries Ltd and was, in any event, not capable of obtaining bank finance.

Mr Hassell: When was that?

Mr PETER DOWDING: I have made a point with the date I referred to with regard to the recommendations of PIL management of 13 June. The project which the Government had agreed to participate in was no longer supported by Petrochemical Industries Ltd and was, in any event, not capable of obtaining bank finance. That meant that WAGH as the interim source of funds - unless it exercised its right to cease funding - would continue to pour money into a project which had no realistic likelihood of success and, in those circumstances, the Government decided that its only responsible course of action was to cease interim

funding and seek restructuring of Petrochemical Industries Ltd into a financeable form, or else to seek to put the company into liquidation.

The Government made very clear to Bond Corporation that the originally conceived project was dead, but because of the importance to the State of a petrochemical project it was keen to look at a differently structured project that was economically viable. Let me also make it clear, without wanting to sidetrack the House, that a great deal of that work which had been funded by interim funding was obviously important for any petrochemical project. The Government proceeded, therefore, on that basis, and until recently had reason to believe that a new project, with the Bond Group as participant, was possible. As a result of expert professional opinion, negotiations continued on the basis of a structure in which the Bond Group and the Government would each hold 25 per cent equity, and a third party or parties would hold 50 per cent. In addition, there would be agreed viability criteria, and the Bond Group would withdraw from the project management. Much work was done by the two parties on a project modification agreement. Differences were eventually reduced to a couple of areas, and this was confirmed by papers lodged in the Supreme Court by the Bond Group to oppose the appointment of a provisional liquidator.

On 28 July this year, WA Government Holdings Ltd petitioned the Supreme Court to wind up Petrochemical Industries Ltd. This was followed on 10 August by an application to appoint a provisional liquidator. This action was taken because, despite the negotiations for a new project, it was clear that the project as originally conceived was unbankable and, therefore, dead, and that there was a need to ensure that PIL, and possibly the directors, would not continue to incur liabilities. The reasons are set out in the court documents, which I will table in the House shortly.

I want to make it clear that what we were negotiating at that point was a totally new project with a new structure. I refer now to the optimism that agreement could be reached over a new project. This disappeared dramatically late on 22 August when the Bond Group rejected key elements of the project management authority, which previously had been accepted. In effect the Bond negotiators wanted to revert to a structure similar to the original unviable project. In addition, the Bond Group insisted on substantial additional benefits which had no relationship to a petrochemical project and which were totally unacceptable.

During the negotiations the Bond Group had sought to link a resolution of the Petrochemical Industries Ltd issue with major concessions in relation to its commitment to the State Government Insurance Commission. The Government made it clear from the outset that this was unacceptable and that the issue of the new petrochemical project could be dealt with only on the merits of the project itself. The commitments which the Bond Group sought to avoid are a matter of public record. On 3 June 1988 the SGIC and the Bond Group entered into an indemnity agreement concerning the 64 million Bell Group shares then held by the SGIC. The Bond Group agreed under that agreement to make good the difference between the \$2.70 per share plus accrued interest, and the price at which the SGIC subsequently sold those shares, at any time after 6 October 1988 and prior to 6 April 1989. Earlier this year an extension of that indemnity until 1 October 1989 was granted on terms and conditions attractive to the SGIC. They included a fee of \$3 million being paid to the SGIC, an increase in the accruing interest on the shares, and a supplement to the interest on the Bell Group convertible notes held by the SGIC.

The SGIC was also mindful of the Bond Group negotiating style, which involved suggesting that written agreements be accompanied by oral agreements, promises and commitments, of which only the Bond people appear to have any knowledge. For this reason, as part of the extension of the indemnity, the SGIC insisted on a clause to which the Bond Group agreed; namely, that there be no oral agreement or side deal associated with the indemnity. This clause states that the 3 June 1988 agreement, as varied in the 9 March 1989 agreement, "constitutes the entire agreement between the parties with respect to the subject matter thereof and hereof, and all other memoranda, agreements or statements, and representations, whether written or oral, shall be of no force or effect and may not be pleaded or introduced in evidence in respect of subject matter in any proceedings of any kind in respect thereof." So despite a clear legal requirement -

Mr MacKinnon: Is that agreement to be tabled along with the others?

Mr PETER DOWDING: That is within the ambit of the SGIC, but I will give the Leader of the Opposition a copy of that clause.

Mr MacKinnon: I bet you will!

Mr PETER DOWDING: I will ask the SGIC about that. I was not planning to because I do not think it is part of these; it will not be part of the documents I have because we have made it clear that it has absolutely nothing -

Mr MacKinnon: It is central to your argument.

Mr PETER DOWDING: No. I am making it clear that it is the opposite. It is absolutely of no force, relevance or effect in relation to these matters. It is not central. I am trying to persuade the House that it is not central; it is irrelevant.

So despite a clear legal requirement, directors of the Bond Group, including Mr Bond and Mr Peter Beckwith, have informed the Government and its advisers that they do not consider the Bond Group is bound by the indemnity and that they will not comply with the terms of that agreement on 1 October. That is, they will refuse to pay unless the Government accepts a fresh proposal by Bond Group which would provide the organisation with substantial financial benefits, to the detriment of the State.

Mr Hassell: That just shows you that you should not have directed the SGIC to do the original deal.

Mr PETER DOWDING: Let me deal with the Bond Group's demands. The real cost to the taxpayers and the SGIC of the demands made by the Bond Group has ranged between \$100 million and \$150 million. The precise amount has varied, but it includes the following elements: The purchase by the Government or the SGIC from the Bond Group of the old Emu Brewery site for a price of up to \$260 million. This piece of land has been valued independently as being worth no more than \$90 million to \$100 million. It also included the acquisition by the Government, for \$20 million, of vacant land owned by the Bond Group next to Bold Park, and of another vacant site next to Observation City. It also included the acquisition by the Government of half of the R & I Bank Tower for a price ranging between \$125 million and \$135 million; and the purchase by the Bond Group of some of the Bell Group shares held by the SGIC for a mixture of cash and Bond Group unsecured debt paper, instead of meeting its indemnity obligations.

I turn now to matters which are perhaps even more serious. The Bond Group directors, not being content with these commercial threats, have assured the Government and its officers that if their demands are not met they will ensure that Supply is blocked. They have repeatedly said that the Liberal Party is prepared to reach a commercial arrangement satisfactory to Bond.

Several members interjected.

Mr PETER DOWDING: On 31 July, for example, Mr Peter Beckwith, Managing Director of Bond Corporation, told me there was a good chance the Opposition would block Supply, and if they had won the election -

Several members interjected.

The SPEAKER: Order!

Mr Hassell: It is pretty serious when thieves fall out.

Mr PETER DOWDING: On 31 July Mr Peter Beckwith, the Managing Director of Bond Corporation, told me there was no chance the Opposition would block Supply, and if they went ahead with the PIL project -

Several members interjected.

The SPEAKER: Order!

Mr PETER DOWDING: He said that in those circumstances the Bond Group might as well support the Opposition. He then threatened to take on the Government in a "gloves off" fight. As I and my advisers have subsequently done, I warned Mr Beckwith about making such political threats.

On 14 August Mr Alan Bond met one of my advisers. He told me that if the Government did not agree to satisfactory arrangements with the SGIC, Bond Corporation had no commercial choice other than to destroy the Government. Mr Bond said he did not particularly want to do that, but if backing the Opposition would advance the Bond Group's commercial

interests, he was bound to do so. He said that if the Government adhered to its present position of not giving in to the Bond demands, it would be a dirty fight, and he would ensure that the Government, and myself in particular, was destroyed.

Similar threats have been made on other occasions. On 15 August Mr Alan Bond disclosed that he had been involved in discussions about this project and its political implications with senior members of the Liberal Party, including a senior Liberal figure.

Mr MacKinnon: Which senior Liberal?

Mr PETER DOWDING: Does the Leader of the Opposition want me to name him? I shall name him if, when I finish my statement, he still wants me to do so.

Mr MacKinnon: You name him outside that door.

Mr PETER DOWDING: Before the Leader of the Opposition calls on me to do so, perhaps he should listen to what I have to say. Mr Alan Bond disclosed that he had been involved in discussions about this project and its political implications with senior members of the Liberal Party, including a senior Liberal figure. Mr Bond claimed that the figure and his colleagues were in favour of the sort of proposals concerning PICL and the SGIC which he, Mr Bond, had made to the Government previously. The following day, at a meeting at my office Mr Peter Beckwith repeated this claim of meetings with and support from some senior Liberal figure and senior Liberals.

On 22 August Mr Beckwith was even more emphatic, claiming that unless the Government gave in to his demands, the Bond Group would ensure that Supply was blocked and the Government destroyed in the election. He added that if the Bond Group demands were met, Supply would not be blocked.

It is not possible to determine conclusively the truth of the Bond claims of support from the Liberals. It is difficult to imagine that the Liberal Party would use its votes in the Legislative Council for the purpose of enriching the Bond Group at the expense of the people of Western Australia. Nonetheless these threats cannot be ignored. The Bond Group is a very powerful and influential organisation. It is clear that it is not prepared to allow the courts to resolve its commercial differences with the Government, but it is willing to throw its weight behind the Opposition in the expectation that if the Opposition is ever forced to an election, and wins it, it will reward the Bond Group for its loyalty with some substantial pay-offs.

At the last election I said that WA Inc was dead and buried. Whatever Mr Bond or senior Liberals might have in mind, this Government will not disinter the corpse. Because of the serious implications of the comments made by Mr Beckwith on 22 August concerning the blocking of Supply, I called an emergency Cabinet meeting on 23 August. Cabinet rejected the Bond proposal and condemned the tactics.

Mr Lewis: Did you get a vote of confidence at that meeting?

Mr PETER DOWDING: Yes.

Mr Hassell: You obviously needed it.

Mr PETER DOWDING: I can assure the Opposition that unlike the wavering position of its leader and the constant undermining of his position by the deputy leader and other Liberals, that position has never obtained in my party.

Mr Court: Your deputy has gone red.

Mr PETER DOWDING: My deputy and I have been the closest of friends for many years. We are close professional colleagues and we continue to enjoy mutual support. But let us not be diverted from very serious matters. The Government appreciates and sympathises with the financially difficult circumstances facing the Bond Group and has no desire to add to them. But the Government will not entertain the idea that it should provide assistance to the Bond Group to help it avoid its commercial and legal obligations in relation to the indemnity agreement. The Government is not prepared to sacrifice the interests of taxpayers to support the Bond Group, nor is it prepared to be bullied by the Bond Group with threats of political action.

The Government is under no illusion that the Bond Group will continue to pursue this matter and the Government will be accused of entering into any number of imaginary agreements. I

was recently told by senior Bond executives that the Deputy Premier had given a written undertaking involving the petrochemical project which was so secret that it could only be taken from the Bond safe and viewed in the Bond offices. When the Bond Group finally agreed to send a copy of the undertaking, it turned out to be nothing more than a note from the Deputy Premier sent from Derby where he was attending a country Cabinet meeting. It was a perfectly proper communication with no overtones of the nature implied by the Bond Group.

I referred earlier to the court documents which I now seek to table.

[See papers Nos. 266 and 267.]

Mr PETER DOWDING: I shall deal with both the court documents and the associated documents in due course.

An Opposition member: Prised out of you!

Mr PETER DOWDING: It is funny the member should have said that, because that is exactly the point I shall deal with. We have consistently said that we would make public when possible all relevant documents relating to the arrangements for the petrochemical project.

Mr Hassell: When did you say that?

Mr PETER DOWDING: I have said it repeatedly, but I shall give members the precise date. I repeated that assurance on the fourth -

Several members interjected.

The SPEAKER: Order!

Mr PETER DOWDING: I know the member might have been away on 4 August, but I repeated that assurance on 4 August 1989 when the leader of the National Party sought publicly an assurance that we would do so and I gave it. This did not stop the Opposition quite dishonestly making public statements about the release of these documents. I do not believe that this will stop the Opposition saying that there are further documents which need to be released, but these documents we have tabled make up the arrangement for the original project.

On the advice of the State Energy Commission of Western Australia the price schedules have been removed from the supply agreement which I have tabled, and the Leader of the National Party will remember that on 4 August I said that I would exempt the SECWA supply agreement from my undertaking until I had further advice from SECWA. We now have that advice. The document is there, but some supply schedules have been removed from it. Those prices, incidentally, were negotiated by SECWA in 1987, long before there was any suggestion of Government involvement in equity in that project. These documents provide the bulk of the documentary material relating to the project. I will not take the time of the House to describe all of them but they are summarised in the affidavit which supported the petition to wind up Petrochemical Industries Ltd. Furthermore, we should be aware that Bond Corporation has threatened and commenced legal proceedings against WA Government Holdings Ltd and the Government in respect of this project.

Ideally in such a circumstance one would not be saying too much about either the project or the documents. In particular, it will be very difficult if the Opposition is of the view that some form of preliminary cross-examination of the matter is needed on the floor of Parliament. However, we will do our best. The only beneficiary of that sort of extensive fishing exercise would be Bond Corporation and the only losers in such an exercise would be the taxpayers of this State.

Let me say by way of preface that I would urge members to bear with me -

Mr Hassell interjected.

Mr PETER DOWDING: I know the member for Cottesloe was never much of a litigation lawyer, but he must understand that what I am saying is correct. He should let me finish - he will have a chance to speak.

I urge members to bear with me if my explanations are a little more guarded than they might otherwise be. Also, members should understand if we have to be a little more careful in answering questions than we normally like to be.

Mr Kierath: When was the guarantee broken?

Mr PETER DOWDING: The member must have a copy of my speech - I am getting around to that.

Mr Kierath: The guarantee you are having when you are not having a guarantee!

Mr PETER DOWDING: I have been in bed for two days with the flu - members should give me a go.

Mr Hassell: That is probably better than being in gaol.

Mr Clarko: Are you asking for mercy?

Several Opposition members interjected.

Mr PETER DOWDING: Members opposite want to talk about fathers - do they want me to name that figure or not?

Mr Court: Here we go!

Mr PETER DOWDING: Sir Charles Court. The document is tabled.

Several members interjected.

Mr Court: And do you know who else he spoke to? He spoke to Pete Dowding too.

Mr PETER DOWDING: That is dangerous!

Mr Court: He had dinner with Pete.

The SPEAKER: Order!

Mr Hassell: I can see why you did not want to name him - you knew his credibility would beat yours any day of the week.

The SPEAKER: Order! Order!

Mr Hassell: You knew you would be blown out of the water.

The SPEAKER: Order! The member for Cortesloe should come to order.

Mr PETER DOWDING: I have not said a thing for about three minutes. Let me go on.

Several members interjected.

The SPEAKER: Order! Order! The Premier of Western Australia.

Mr Cowan: This sudden concern for taxpayers' money is quite intriguing.

Mr PETER DOWDING: Oh, come on! The documents tabled refer to two Treasurer's guarantees, not to Petrochemical Industries Co Ltd but to WA Government Holdings. In each case they refer to a guarantee of obligations of WAGH, as indicated by the letters which are amongst the tabled documents. The Deed of Undertaking provides that WAGH would make loans to the project repayable out of future income in order to make good project cash flow deficiencies. That means, if I can interpolate here -

Mr MacKinnon: A guarantee.

Mr PETER DOWDING: Let us get on with the debate. Given the fact that a project is a viable project, that means the periods in any one year where there may be some movement in commodity prices, outside all of the base scenarios drawn by the experts that there may be a cash flow problem, which is funded this year out of an advance from next year, or funded this year by WAGH against a recoup in the following year. Members may categorise that as they like, but it was absolutely relevant that, WAGH being a wholly owned Government corporation, the arranging banks to the project required that the Treasurer, on behalf of the State, guarantee WAGH sufficient funds to ensure it could meet its obligations. This guarantee has never been issued or signed by the Treasurer.

This obligation and the obligations of WAGH under the Deed of Undertaking - and with all due respect I urge members opposite to listen to this - would become operative only if the project could obtain project financing. Furthermore, this year the arranging banks received legal advice that the Northern Mining Corporation (Acquisition) Act did not permit the granting of such a guarantee. This is a matter upon which legal views apparently differ, but in the circumstances it would have made the issuance of the guarantee pointless.

The second guarantee referred to is the SECWA supply agreement. During the negotiations PICL expressed concern that if WAGH did not meet its obligations under the Deed of Undertaking SECWA would cease to supply gas to the project. In order to ensure continuity of supply SECWA demanded that WAGH severally undertake with PIL to pay for the gas supplied to the project. SECWA insisted that it receive a Treasurer's guarantee to back up WAGH's obligations to SECWA. This therefore amounted to the Treasurer's guaranteeing the obligations of one arm of Government to another, and that guarantee was signed on 23 January amongst a number of other matters.

Mr Hassell: But you said there were no guarantees.

Mr PETER DOWDING: To PICL. That is an obligation to WAGH, to SECWA.

Mr Hassell: You have now admitted your own dishonesty.

Mr PETER DOWDING: The issue of the guarantee of WAGH's obligations was referred to in the Commission on Accountability's report, was it not? Did not the member read it in there?

Mr Hassell: You are grossly dishonest. What you have told the Parliament and the public is totally different.

Mr PETER DOWDING: The member for Cottesloe has not read it. Obviously the Government assistance to the project was, in a commercial and practical sense, subject always to the economic viability of the project. The more viable the project, the more this assistance amounts to comfort unlikely to be called upon. It was never intended that this support would amount to an open ended guarantee of the project.

As to the state of the project now, the Government has said from the time it first announced that it was considering going into the petrochemical project that it would do so only on the basis of a viable project. The First Boston Corporation of New York report on the project, prepared in September 1988, confirmed the Government's view that the project was viable and would be successful. That document is amongst those papers tabled. We have never wavered from that precondition. I said earlier that I remain confident that such a project should be established in Western Australia. If that can be achieved the benefits to the State will be enormous. It will mean more jobs, more opportunities for local industries, flow on benefits to local communities, more value added processing, opportunities for new manufacturing industries, more efficient use of existing resources and more import replacement and major new exports to help fund our balance of payments, the development of new markets, both local and overseas, and the development of new skills and new technology.

Kwinana's recent history has been that of a static population and relatively high unemployment. The project would change that dramatically, giving the area a major boost through investment and job opportunities. Small business would benefit during both the construction and operation phase. Benefits to the housing and retail sector would flow from the wage packets of employees and contractors. Local government would receive additional income and there would be spin-offs for community development projects. The construction period of about 36 months would require 870 workers a month with peak construction employment estimated to reach 1 600 around the end of next year. The peak period would be expected to last 12 to 15 months and more than 800 additional flow-on jobs would be generated from the supply of goods to the construction industry. A further 500 jobs are anticipated in industries more indirectly affected. In total about 3 000 jobs would be created in the short term; and annual wages for the construction work force and indirect employment would result in about \$90 million to the State. In turn that money would generate more jobs in other areas. The construction period for the petrochemical complex would coincide with the break between the construction stages of the North West Shelf liquid natural gas project at Dampier, offering continuity in employment in the construction and supply industries. During operations about 550 staff would be employed. Conservative estimates suggest that flow-on demands and expenditure from the extra wages would generate a further 1 700 to 3 400 permanent jobs. Wages paid could amount to about \$18.2 million a year while the flow-on employment would inject into the economy a further amount of between \$62 million and \$90 million. It is expected that more than half the estimated capital expenditure would be spent here in Australia, and most of that would be spent in Western Australia. During the

construction phase flow-on benefits would lift total industry stimulus in Western Australia to more than \$1 billion.

Western Australia would also benefit from additional payroll tax during the construction phase, amounting on its own to more than \$7 million. The impact would be felt most in industries supplying the complex with electricity, salt, gas, and ethane; and in suburbs housing the work force. At a national level, the project would contribute to revenue through customs duty on imported equipment and supplies, income tax from the construction and operating work force, extra jobs throughout the economy, and through taxes such as company taxes. The project planned was a world scale, export oriented project directly in line with Australia's national goals of encouraging manufacturing export industries, and promoting the development of value added resource-based exports.

The project would significantly improve Australia's balance of trade through the export of end products and the sale of caustic soda to the alumina industry. This would mean a replacement of imports representing up to \$122 million a year in foreign exchange. This is an important project, towards which all Western Australians should work.

Motion

Mr PETER DOWDING: In the circumstances I move -

- (1) That this House acknowledges the tremendous benefits to the State that would result from the establishment of a petrochemical plant in Western Australia;
- (2) Therefore, this House supports the efforts of the State Government to secure a petrochemical plant for the State;
- (3) Further, this House deplores the extraordinary attempt at political intimidation by the Bond Group in its negotiations over the petrochemical project.

Points of Order

Mr COURT: The motion initially moved by the Government for the suspension of Standing Orders was to make a statement and to move a motion. We would like to seek the leave of the House for the Leader of the Opposition to respond to the Premier's statement.

Mr PEARCE: The form of the motion for the suspension of Standing Orders which I moved earlier today was designed to give the Opposition the greatest opportunity in the course of this debate because, as members are aware, if the Opposition were simply to respond to the Premier's statement, there would be a single speaker from the Opposition and that would be the end of the matter. We want to give the Opposition the widest opportunity to discuss this matter and therefore we sought the form of suspending Standing Orders to allow the Premier to make a statement and then to move the motion; that would allow the House to discuss the matter to its heart's content. We are not seeking to gag, restrain or restrict the Opposition in any way; in fact, we are seeking to give it the widest possible opportunity. One would expect that the Leader of the Opposition would be the next speaker on the motion.

Mr CLARKO: Mr Speaker, you would be aware that during the 15 years we have been in this place statements have always been dealt with singly and separately and have never been associated with a substantive motion. By the way, movers of statements - especially Governments which have great administrative facilities at hand - usually provide a copy of that statement, either during or at the end of that particular statement. My understanding is that traditionally, the Leader of the Opposition, or the person deputed by him, always rises and either answers the statement forthwith or seeks the approval of the House to answer that statement at a later date. Mr Speaker, I take it that you are quite aware that this is a tradition of this Parliament. If we were to take it any other way, I think it would gag our system. It is appropriate for the Leader of the Opposition to reply to the statement either now or at a later date as he so determines, subject to the approval of the House. I believe that one would not expect many people to respond to that statement, so I do not think it will take much time. I took it for granted that because there was no time set for the Premier to give his statement - and I took wise advice - one would expect that a spokesman from the Opposition side would have the same opportunity; that is, unlimited time. I put it to you, Mr Speaker, that that is a tradition of this House. I am speaking in respect of Standing Order No 1, which also ties this place in with the British system, which follows the same practice.

Mr Peter Dowding: This gives you more time because you have only 20 minutes to respond.

The SPEAKER: Order! Clearly it is correct to say that if a statement is made under our normal Standing Orders, and it is made by a member of the Government, the Leader of the Opposition or a person deputed by him can respond and can respond only during a certain time frame. It is my view that as this statement has been made as part of this motion, it should be treated as is the rest of the motion - as a suspension of so much of the Standing Orders as to allow this to happen. In response to the point of order, I do not intend to break up the debate into two parts - that is, to allow the Leader of the Opposition or someone deputed by him to make a response to the statement and then go on to debate the motion proper. It is my intention to give the Leader of the Opposition or a person deputed by him unlimited time to respond; that person will then be followed by any member of the House for the appropriate length of time.

Mr MacKINNON: As the member for Marmion indicated previously, the tradition of this Parliament has been well established, in that the Government is entitled from time to time to make statements to this House. The motion was framed in two parts - firstly, that a statement be made by the Premier -

Mr Pearce: It does not require the suspension of Standing Orders for that.

Mr MacKINNON: No, but that was part of the Government's motion. The second part of the motion was that a motion be moved. Mr Speaker, firstly, the Opposition did not receive a copy of the statement. That is by the bye. I sat and took notes assiduously while the Deputy Leader of the Opposition sought other advice; I specifically asked the member for Marmion to find out exactly what were the time limits. As you know, Mr Speaker, under the Standing Orders time limits of 60 minutes are set for motions. However, in this instance there was no particular time limit.

Several members interjected.

The SPEAKER: Order! Members, when a point of order is being taken and a member is on his feet addressing me, I do not expect any other member of this place to interject.

Mr MacKINNON: We sought advice, Mr Speaker, in terms of the length of the response that we could have under similar circumstances, and you know the advice that you gave in that regard. It is not our wish to delay the performance of Parliament, but it is our wish to ensure that a precedent, a well established precedent, is maintained because if that point today is allowed to pass by without the Opposition challenging it, it will become a precedent for Governments to use in the future; that is, for Governments of whatever political party to use, and that would be detrimental to this Parliament.

I put it very earnestly to you, Mr Speaker, that a response to that motion by the Leader of the Opposition should be allowed. Once that is done, the Government can move the next motion and we can debate that. As the Leader of the House has indicated, if it was just a matter of debate I would be happy to sit down and make my speech in a moment, but it is a very important principle that must not be enshrined in the practice of this House for the future.

The SPEAKER: Order! I have already given my ruling and I am not about to have it canvassed. Therefore, is there a seconder to the motion?

Dissent from Speaker's Ruling

Mr MacKINNON: I move -

That the House dissent from the Speaker's ruling.

I do not take this action lightly and I do not wish to canvass the ruling at length. I have given the reasons why I feel so strongly, and the Opposition feels so strongly, about this issue as it is a matter of an important principle and precedent. If the Government is allowed to get away with it unchallenged - undoubtedly it will be passed by the use of the Government's numbers - it will be a very dark day for this Parliament in the future. This Government has begun this session as leopards that have not changed their spots by coming into this Parliament and riding roughshod over its operation.

The SPEAKER: Order! Quite properly the Leader of the Opposition sought to dissent from my ruling by using the proper form. However, if it is right for the Leader of the Opposition to dissent from my ruling, then that is the area to which he should address himself.

Mr MacKINNON: As I was about to say, if we allow this matter to pass by, it will be very

much to the detriment of this Parliament and the future operation of this session. I heard what the Premier said yesterday and I read what he said, but I did not believe it then and I do not believe it now. We are dealing now with a very serious matter of important principle for the future of this Parliament. I move this motion with no relish or pleasure, but I strongly move to dissent from your ruling, Mr Speaker.

Mr COURT: I support the motion to dissent from the ruling and take this opportunity to put some facts before this House as to what has taken place with the Premier's statement because this Government believes that it can ride roughshod over the Opposition and it does not believe that the Opposition should have a say. We have heard the comments of the members opposite as to what they think of this Parliament.

Usually the Minister concerned gives us the courtesy of a copy of the statement an hour or so before this House sits, but that was not done in relation to this statement.

Mr Peter Dowding: It was not a statement. It was a motion to suspend Standing Orders, and it was specific.

Mr COURT: It was to make a statement, and then to move a motion in relation to the petrochemical project.

Mr Peter Dowding: The point you are missing is that if it was simply a formal statement, we would have just got up and made the statement.

Mr COURT: I have the opportunity to put my views on record and the Premier will not divert me from that.

It is a traditional courtesy for the Opposition to be given a copy of the statement an hour or so before the House sits on that day - not at 2.20 pm outside the Chamber. I said to the Leader of the House that he had not given us a copy of the motion, the statement, or anything like that, so what is the House supposed to be doing when we go into this Parliament? The Leader of the House said that he would try to get them for me. Mr Speaker, when you came into this Parliament to start today's sitting and you were dealing with notices, the Leader of the House gave to one of his Ministers the motion that we were to debate today. It was brought around and we received a copy at 2.20 pm. We do not mind the discourtesy and we accept that the Government has the numbers to run the show, but in the formal operations of this House the Opposition should have the opportunity to respond to the statement.

The Premier cleverly says that he will give the Opposition a copy of it now that he has given the statement. Normally we would have received a copy an hour or so beforehand to look at the statement and to prepare a reply. The Opposition wishes to respond to the statement and to get on with the crazy motion that the Government is putting up. So, Mr Speaker, the reasons that we are dissenting from your ruling are that we have always had the understanding - and have always abided by the practices of being given a copy of a statement - that the Opposition should be given the courtesy of replying to a statement. We are not going to be denied that. We are not going to let the Premier pull his little statement without giving the Opposition an opportunity to respond to it. As the Leader of the Opposition said, if we allow that principle to be established, and if we allow the Government to play that little game, it will make it virtually impossible for us as an Opposition to play an effective part in this Parliament.

Mr PEARCE: In support of your ruling, Mr Speaker, I find the proceedings in this Parliament this afternoon, and particularly in the past few minutes, to be quite amazing. I have looked at the newspapers day after day and have read that the Opposition is desperate to get into this Parliament to debate the PICL project. I read on the billboards up and down the Terrace yesterday, courtesy of the *Daily News*, that the Opposition was going to put the Premier on trial. Yet we have the Leader of the Opposition like a frightened little boy at the beach with unlimited time on the clock, with the call from the Speaker, with a motion on PICL before the House, and yet he dips his toe into the cold water and backs away. What more did the Opposition ask for than a motion expressed in the widest possible terms to debate the PICL project with the documents before the House, and with unlimited time for the Leader of the Opposition to speak? What more could the Opposition ask for than that if it wants to debate the PICL project?

What we have is a lot of to-ing and fro-ing about parliamentary procedure. We drew the motion to suspend Standing Orders in that particular way to give the Opposition the widest

possible opportunity to respond to the Premier's speech. In the normal course of events the Opposition would have had one speaker to respond, there would have been no vote, and that would have been the end of the matter. It is not a matter of public importance, it is a statement by the Premier. There would have been a very restricted opportunity for the Opposition and for the National Party to respond to that particular matter. Therefore, we worded it in the widest possible way. The Deputy Leader of the Opposition cannot have any doubt about that.

Let me put this matter on the record, and all Government members can attest to the truth of this in regard to what they heard in the Caucus room. I was delivering a report at about midday today when a note was handed to me and I read it and said to my colleagues that Tricky Dicky was outside and wanted to know what was going on in the House today. I stopped my report and I said that I would go and tell him and disappeared from the Caucus room. I ask my colleagues whether that is right?

Government members: Yes!

Mr PEARCE: About four minutes later I reappeared. Let me explain to my colleagues what they missed. I went into the corridor where Tricky Dicky was waiting to know what we were going to be doing in Parliament today. I said to him that he would get his wish fulfilled and would have a full debate on the petrochemical project. I told him that when the full House was sitting we would move a motion to suspend Standing Orders.

Point of Order

Mr CLARKO: Do you think it is an appropriate way to repeatedly refer to the Deputy Leader of the Opposition as "Tricky Dicky", Mr Speaker?

The SPEAKER: No, I do not believe it is appropriate, neither repeatedly nor even only once, and I caution all members about the way they refer to other members in the House for the balance of this parliamentary session.

Debate Resumed

Mr PEARCE: I will have to be equally careful about what I say in the Caucus room, Mr Speaker.

I told the Deputy Leader of the Opposition that I would be moving a motion as soon as the House sat to suspend Standing Orders to allow the Premier to make a statement on the petrochemical project and to table the papers that have been sought by the Opposition. I told him that we would then move a motion to allow the widest ranging debate on the petrochemical project matter which would occupy the whole day. I did this so that the Opposition would have no misunderstanding at all about this.

Mr Court: Did you give him the specific motion?

Mr PEARCE: The specific motion was not drawn up at that point.

Mr Clarko: That shows how false your story is. You did not give him the precise words of the motion.

Mr PEARCE: I did not say that. I said that he would have an opportunity to have a wide ranging debate on the petrochemical plant.

Mr Clarko: You gave us the words at 2.20 pm, not at midday.

Mr PEARCE: The Deputy Leader of the Opposition approached me five minutes before the House sat and asked for the specific terms of the motion. At that stage I had not seen them myself. I said that I would try to get them for him and photocopied the motion for the Deputy Leader of the Opposition. I told him about the three elements of it and sent him a copy of the motion a few minutes later.

The Opposition has been saying day after day that it wanted an opportunity to come into the Parliament, see the documents and debate the petrochemical issue. It is now a case of their putting up or shutting up. They have the opportunity to debate this issue; why are they afraid to take it?

Mr COWAN: I am saddened that we have been asked to support the motion for dissent against your ruling, Mr Speaker. We cannot, because there has been a suspension of Standing Orders. The House is not considering a statement or a motion. We have suspended

Standing Orders to the extent that the House is entitled to do whatever it wants to do. However, it might have been more appropriate for the Government to move the motion and for the Premier to use his statement in support of the motion. Then we would not have this difficulty.

Mr Parker: What would have been the difference?

Mr COWAN: There would have been no difference which is why we cannot support this motion.

I assure the House that the National Party will support the Opposition's pursuit of these issues, the basic substance of which will be debated when we get this motion out of the way. However, neither I nor my party can support the motion of dissent because, clearly, Standing Orders have been suspended and the House can do as it likes.

It was indicated that the Premier was to make a statement and move a motion. We accept that. We also accept that the Leader of the Opposition will be able to respond to that motion for as long as he wishes and will, I hope, introduce an amendment which will get us a little closer to the truth of what has happened in this whole sad petrochemical plant affair.

We do not support the motion.

Question (dissent from Speaker's ruling) put and a division taken with the following result -

Ayes (20)			
Mr Bradshaw	Mr Hassell	Mr Mensaros	Mr Strickland
Mr Clarko	Mr Kierath	Mr Minson	Mr Thompson
Mr Court	Mr Lewis	Mr Nicholls	Mr Fred Tubby
Mrs Edwardes	Mr MacKinnon	Mr Omodei	Mr Wart
Mr Grayden	Mr McNee	Mr Shave	Mr Blaikie (<i>Teller</i>)

Noes (33)			
Mr Ainsworth	Mr Peter Dowding	Mr Marlborough	Mr Trenorden
Dr Alexander	Dr Gallop	Mr Parker	Mr Troy
Mrs Beggs	Mr Graham	Mr Pearce	Mrs Watkins
Mr Bridge	Mr Grill	Mr Read	Dr Watson
Mr Carr	Mrs Henderson	Mr Ripper	Mr Wilson
Mr Catania	Mr Gordon Hill	Mr D.L. Smith	Mrs Buchanan (<i>Teller</i>)
Mr Cowan	Mr Kobelke	Mr P.J. Smith	
Mr Cunningham	Dr Lawrence	Mr Taylor	
Mr Donovan	Mr Leahy	Mr Thomas	

Question thus negatived.

Debate Resumed

MR MacKINNON (Jandakot - Leader of the Opposition) [3.47 pm]: As I have indicated in recent days, this session of Parliament will be about the credibility of the Premier and his Government. The speech just delivered by the Premier has damaged his credibility irreparably. It has damaged him so much that, in my opinion, he will not recover from it. His speech was very long on serious allegations and short on fact. It was bereft of all substance. The Premier has a serious responsibility resting on his shoulders; that is, to back up the serious allegations and claims that he has made in this Parliament today. He must be prepared to walk out of this Chamber and repeat those comments if he is to be believed. If he is to have any credibility - let us not doubt the seriousness of the allegations to which I will come in a moment - he will repeat those comments outside this Chamber. His failure to do that will reinforce my comments at the beginning of my speech that his credibility will be so damaged in the eyes of the public and his colleagues that he will never recover.

During the weekend the Opposition made some predictions about what the Government would do this week. We predicted that the first thing the Government would do was try to divert attention from the central issues; that has happened a good deal in recent times in relation to daylight saving and other matters. The other prediction made at the weekend was

that the Government would endeavour to imply that the Opposition supported Mr Bond. We predicted that that would be the Premier's first strategy in an endeavour to paint the Opposition into a corner. The Premier has given an extraordinary performance today. He is prepared to use the forms of this Parliament for the purpose of his commercial negotiations with Bond, and also in a desperate last-ditch attempt to save his own skin and that of his Government.

Mr Peter Dowding: I made it clear I had no evidence against you people except for the assertions of Bond Corporation.

Mr MacKINNON: I will go through the allegations and comments made by the Premier - having only just received a copy of his statement - and test his credibility by seeing how much evidence he presented to the Parliament in support of his claims. First, he said that he has the greatest of confidence that a petrochemical project will be established in Western Australia. Does he have any evidence to support that statement? Is a petrochemical major waiting around the corner chafing at the bit to sign a deal? I put it to the House that the petrochemical majors of this world have seen how the Government dealt with the guarantee to the National Australia Bank Ltd, and how it is dealing with Bond Corporation which supported the Government at the last election. They have decided that if that is how the Government treats its friends they do not want any part of it; they do not care to go into business, or be an equity participant, with a Government that does not have any credibility, and certainly does not abide by the rules of the game. The Government has come into the coward's castle - the Parliament - in an attempt to somehow or other gain an advantage. The Premier made a series of allegations about Bond Corporation. I do not know whether they are true. His motion referred to the extraordinary intimidation by Bond Corporation.

Mr Peter Dowding: Have you or members of your party been in discussion with Bond Corporation?

Mr MacKINNON: No.

Mr Peter Dowding: None of your members?

Mr MacKINNON: No, I have not been in discussions with Bond Corporation.

Mr Court: I met Alan Bond at the races at Christmas -

Mr MacKINNON: Hon Phillip Pandal, a member in another place, went to the opening of the Bond Corporation building on Friday night, at which the Premier officiated. He probably would have had some discussions, but I certainly have had no -

Mr Peter Dowding: So it is all lies? Are you saying that what they have said to us is all untrue?

Mr MacKINNON: The Premier referred to "all lies" and, Mr Speaker, I ask that the Premier be asked to withdraw that remark.

Mr Peter Dowding: I said, "Are you saying that what they said was all lies?"

Mr MacKINNON: What who said?

Mr Peter Dowding: What Bond Corporation said to us.

Several members interjected.

Withdrawal of Remark

Mr BLAIE: Mr Speaker, a request was made for the withdrawal of a remark by the Premier when he said that certain words were "all lies".

The SPEAKER: I am a trifle confused because my attention was momentarily distracted.

Mr BLAIE: The Leader of the Opposition sought to draw your attention to a comment by the Premier that something was "all lies", and a withdrawal was requested. I ask that the comment be withdrawn.

The SPEAKER: Your point of order is that the Premier is alleged to have used the words "all lies". The word "lies" is unparliamentary and if the Premier used the phrase referred to, I ask him to withdraw.

Mr PETER DOWDING: I will withdraw any assertions against any member on the other

side that relates to "all lies" because I made no such assertion. I asked the Leader of the Opposition whether he was saying with regard to the allegations I made about Bond Corporation's assertions that those assertions were all lies. I asked the Leader of the Opposition whether he was saying that Bond Corporation had lied to the Government. That is not an unparliamentary comment about a member of this House.

The SPEAKER: I would appreciate it in this case if the Premier would withdraw those words. Having asked for that, I expect the Premier when I sit down to withdraw the words. I caution all members that I expect members in this place to act in a parliamentary fashion and the word "lies" has always been deemed unparliamentary, both in this Parliament and many others. There are other ways of saying these things and I caution all members not to use the word in future.

Mr PETER DOWDING: I withdraw.

Debate Resumed

Mr Peter Dowding: Are you saying that Bond Corporation was telling untruths?

Mr MacKINNON: In his speech the Premier made a series of astounding allegations about Bond Corporation and demands it had placed on the Government. I am not in a position to say whether those allegations were true. What evidence did the Premier table in this Parliament for members to make a judgment on? Did he table a letter?

Mr Peter Dowding: On which matter?

Mr MacKINNON: About the astounding allegations the Premier made about the requests of Bond Corporation. Did the Premier table any documentation?

Mr Peter Dowding: Those allegations have been documented.

Mr MacKINNON: Did the Premier table those documents?

Mr Peter Dowding: No.

Mr MacKINNON: Will the Premier table them?

Mr Peter Dowding: I will give consideration to that.

Mr MacKINNON: I put it to the House that there is no such documentation; it is a figment of the Premier's imagination, and is a desperate attempt to salvage his position. If that is not the case, I ask the Premier to table the documentation.

Mr Peter Dowding: The statements were made to us and to people who act for the Government. Those statements are documented.

Mr MacKINNON: If those claims are true - they are so outlandish I cannot believe they are true - and if the Premier wants to strengthen his position in relation to Bond Corporation, why does he not table the documents? He has made the allegations in the Parliament obviously to get a headline and to try to gain an advantage. Why does he not table the documents?

Mr Peter Dowding: I will give consideration to that.

Mr MacKINNON: The answer is obviously that he will not table the documentation because there is none.

Mr Pearce: He did not say that he would not.

Mr MacKINNON: The Leader of the House and I know that the Premier has no intention of tabling the documentation because there is none. If there were, he would table it.

The Premier went on to talk about the bankers and the credit enhancement position in February. I will quote from page 7 of the petition by the Government of Western Australia to the court in connection with this affair. It states -

The First Deed was considered by the Banks as being inadequate and, accordingly, a Second Deed of Undertaking . . . and a Cash Deficiency Deed . . . were entered into by WAGH and PIL on 27 January 1989.

That was on 27 January, just prior to the election, yet this Premier, who had just days previously made a categorical statement of commitment to accountability, and who had embraced with open arms the report of the Burt commission, then kept that matter secret.

Why do we not have some evidence that in February - not in January, but in February, as the Premier claimed - the bankers had made that comment about credit enhancement? Why is there no documentation of that particular point?

The Premier came into this Parliament in April and indicated that he wanted to introduce legislation on accountability, in the form of the Western Australian Petrochemical Industries Authority Bill, to give approval to those credit enhancement arrangements. I ask every member of this Parliament and every person in the Press Gallery and the Public Gallery to search through the copies of *Hansard* at the beginning of this year when this issue was debated to see whether they can find one reference to credit enhancement.

Mr Parker: We certainly talked about contingent liability.

Mr MacKINNON: The Deputy Premier does not have a credibility leg to stand on, so he should just stand aside for the moment. There is not one reference in *Hansard* to credit enhancement. That is not the reason why this legislation was introduced. There is not one reference to problems in respect of guarantees. The Premier tells us today that in February there was a problem with the bankers in respect of credit enhancement. Did he tell us that in March when the Bill was before the Parliament? No such comment was made.

The Premier made great play of the fact that at the end of the day, this project has not turned out to be much good because some people had indicated that Bond Corporation was not a good project manager, and that was damaging the credibility of the project. Who selected Bond Corporation to be the project manager?

Mr Hassell: And who refused repeatedly to answer questions about how much they were earning?

Mr MacKINNON: Who selected them, and who defended them in this House? Who then agreed to pay them multi-millions of dollars in project management fees, and money on top of that?

Mr Hassell: We cannot hear you!

Mr Shave: And all for absolutely nothing!

Mr MacKINNON: The Government of Western Australia actually chose the Bond Corporation to be the project manager, and the Premier now comes into this House and wants to tell us that shock, horror, this project is no good and it is all Bond's fault because we picked him.

Mr Peter Dowding: That is not what I said. Get your facts straight.

Mr MacKINNON: The Premier then went on to say that at the end of the day, they put it to Bond that the project as conceived was no longer bankable, therefore it was dead. I ask the member for Floreat how many times did we tell the Government that was the case?

Mr Mensaros: From the first time.

Mr MacKINNON: It was over and over again, from the day the Deputy Premier, and others, walked into this House, that we said the project as the Government had framed it, being on a non-recourse basis, was not a goer. It never was. We could not find a banker anywhere in the world to say that it was. The Premier is now saying, almost 12 months after the day we said it would not work, that it will not work on that basis, and it is all somebody else's fault. It is nobody else's fault than that of the Premier of Western Australia, Peter Dowding, who put the Government and the people of this State into this project in the first place. It was his decision as Premier, and not that of anybody else.

The Premier then referred to the SGIC deal in respect of the 64 million Bell Group shares. Who defended that deal as being a good one for the SGIC; and who criticised that deal? The Opposition criticised that deal because it was designed to give support to Bond Corporation, and that is also why they were granted an extension until October of this year. The Premier has now come to the Parliament in respect of this matter and has quoted a particular clause of the agreement, but has he tabled it?

Mr Peter Dowding: I have told you that I will ask the SGIC about it.

Mr MacKINNON: The Premier said he will give it consideration. We will not see that agreement either.

The Premier then went on to make the most outstanding statement that I have ever heard during my time in this place. He said an arrangement had been made with Mr Beckwith that the Liberal Party would somehow block Supply and that Bond Corporation would back the Opposition, and that Mr Beckwith had had discussions with senior members of the Liberal Party, and had in fact talked to Sir Charles Court about the blocking of Supply. I remind the Premier of a couple of basic, simple facts.

Mr Peter Dowding: That is not what I said. You are distorting what I said.

Mr MacKINNON: The basic facts relate to numbers. Our numbers in the Legislative Council militate against the possibility of our blocking Supply. Even if Alan Bond were to offer us all the money in the world - and he has not - there happens to be another party in this Parliament called the National Party, which happens to have the balance of power in the other House. The Premier conveniently made no comment about whether there has been discussion with the National Party to secure those numbers in order for us to succeed in blocking Supply.

Mr Peter Dowding interjected.

Mr MacKINNON: It is really a ludicrous argument in the first place, and secondly, I say categorically on the record, and will do so again outside that door, that everything the Premier said is a complete fabrication. I challenge any person in Western Australia to go to Sir Charles Court at this very minute and ask him straight up front, and I challenge the Premier to repeat the claim he made in here that it was Sir Charles Court with whom he had that discussion -

Mr Peter Dowding: What claim? Have a look at what I said.

Mr MacKINNON: The Premier's credibility is on the line, and the people of Western Australia know who they will judge at the end of the day as telling the truth, whether that will be Sir Charles Court, or the Premier of this State, who has a track record unequalled in this State as being a person who deceives, misleads, and tells basic untruths. That is how basic and simple it is to demolish that argument of the Premier's. He seems to forget that during the last election campaign, it was the Labor Party, not the Liberal Party, which Mr Bond publicly supported. It was the Labor Party, not the Liberal Party, which was the recipient of donations from the Bond Corporation. For the Premier to now make these wild and unsubstantiated allegations, without having one skerrick of evidence, and without having the gumption to walk outside this coward's castle, which is how he is using this place, and repeat these comments, because he knows they are not true, clearly indicates what I said at the outset of these remarks: Premier Dowding's credibility is on the line in this session of Parliament, and from my point of view, as Leader of the Opposition, I could not have asked for a better speech from the Premier today because the Premier has dug himself another hole - even deeper than the one he is already in - and he will not get out of it.

As to the documentation that the Premier has tabled, time will tell how sincere his commitment is; but clearly when we have had time to examine that documentation we will be able to find how credible are his statements, those of his deputy and those of the Leader of the House in the Legislative Council, that there have been no guarantees.

I will read from one of those letters which have now been revealed. It is from the Office of the Premier and I will ask the Premier a question when he comes back - that is how seriously he takes this debate, Mr Speaker; he is not even here.

Mr Parker: He was here until two minutes ago.

Mr MacKINNON: When was this letter dated?

Mr Parker: I do not know which letter you are talking about.

Mr MacKINNON: It is undated but we believe it to have been written about 17 October. It was addressed to the directors of the Petrochemical Industries Co Ltd and reads -

Dear Sirs,

WA GOVERNMENT HOLDINGS LTD

I refer to the deed of undertaking, the agreed draft of which is annexed, proposed to be executed by WAGH and your company in connection with the financing,

construction and operation of the proposed Kwinana Petrochemical Project.

I confirm that WAGH is to undertake its obligations under that deed with my knowledge and approval, both as the beneficial holder of all the issued shares of WAGH, and as the proposed guarantor of WAGH's financial obligations under the deed - in both cases in my capacity as Treasurer for and on behalf of the State of Western Australia.

The form of guarantee attached to the draft deed -

Members should bear in mind that we have heard consistently from the Premier and his deputy, and all other members of the Government - who, strangely, are at the moment studying some papers - that there was no guarantee. It is interesting that the attention of Government members has been distracted from my arguments so quickly. We have heard there has been a position of comfort and a whole lot of other things, but not a guarantee.

Mr Parker: That is right.

Mr MacKINNON: The last paragraph of the letter reads -

The form of guarantee attached to the draft deed will be executed by me as soon as practicable after execution of the deed itself, and subject only to the approval of the Governor, which is required in terms of the Northern Mining Corporation (Acquisition) Act 1983. I will be recommending that the Governor approve the issue of the guarantee.

Mr Peter Dowding: Did you ask me a question about it?

Mr MacKINNON: When was it dated, and when did the Premier sign it?

Mr Peter Dowding: Without some reference I cannot tell you.

Mr MacKINNON: That sounds just like the answer the Premier gave the other night when he was asked on television whether he knew what warehousing meant. He said, "No, I do not know; I have no idea what it means." The Premier must think that we and the people in this State came down in the last shower. He was made to look absolutely foolish in that interview, just as he is being made to look foolish today, with the outlandish, unsubstantiated claims he has made in this Parliament.

Mr Peter Dowding: I have tabled that letter today because it demonstrates that that was in reference to a guarantee to WA Government Holdings Ltd.

Mr MacKINNON: Why is it addressed to the directors of Petrochemical Industries Ltd? It is because the guarantee to WA Government Holdings Ltd underwrote Petrochemical Industries Co Ltd.

Mr Court: Finance for the project!

Mr MacKINNON: Exactly - that is what it was all about, as we have said repeatedly. Just because the Premier tables a document it does not absolve him from responsibility; neither does it detract from the fact that both he and his deputy have misled this Parliament and the public, deliberately and maliciously, for months.

Mr Pearce: Why don't you sit down and let the member for Cottesloe have a go?

Mr MacKINNON: I hope both the member for Cottesloe and my deputy will be able to speak about the documents and the speech which we have now had some time to think about.

I repeat that this session is all about the credibility of the Premier, Mr Dowding. There has been no justification for any of the outlandish allegations he has made today - not one. Not one document supporting the outlandish claims made about Bond or the demands he has made, which indeed, if they were made, were outlandish -

Mr Peter Dowding: I am glad you agree that if they were made, they were outlandish.

Mr MacKINNON: But I do not believe the Premier because he has not tabled one skerrick of evidence. I do not believe the Premier, either, when he makes the claim about Sir Charles Court; because Sir Charles Court makes him look like a schoolboy - like a kid in preprimary. The Premier has provided no proof whatsoever of the most outlandish references I have heard in my time in Parliament.

Several members interjected.

The SPEAKER: Order!

Mr MacKINNON: The Premier's real challenge is not to interject on me in the Parliament, it is not to make a bigger fool of himself than he has already; it is to walk out that door and repeat what he has said in the Parliament today. That is the test.

Mr Peter Dowding: About which aspect of the matter?

Mr MacKINNON: The whole of the speech. Is the Premier prepared to walk out that door and repeat that speech? He will not give an answer.

Mr Peter Dowding: What is it you say I ought not to be informing Parliament about? Do you say I should not inform Parliament? You wanted a PICL debate and you have got one.

Mr MacKINNON: The Premier will not answer, and he will not repeat his statements outside this place. The credibility of this man is absolutely zero.

The SPEAKER: Order!

Mr Peter Dowding: You invited me to name people.

Mr MacKINNON: The Premier, in an attempt to stifle future debate, went on to say that cross-examining the Government in the Parliament would do nothing except help Mr Bond. That is what he said. I advise the Premier that we will cross-examine him to our hearts' content. We will continue to pursue the Premier over both this matter and others; and there are plenty more to come, not even related to the petrochemical project - as big or even bigger scandals that he has been directly involved in covering up. All of that will come out in due course.

I repeat that Premier Dowding might think he has been very clever in making the speech he made today. However, I predict that it is the beginning of the end because of the very serious claims he has made in this Chamber without one skerrick of evidence - claims which are not true and which will not hold up in the public arena. The public outcry that will surely result tomorrow and in the ensuing weeks will take him away with it.

I refer briefly to the motion. It is not acceptable to the Opposition and we propose to move amendments. The motion as it is drafted commences -

That this House acknowledges the tremendous benefits to the State that would result from the establishment of a petrochemical plant in Western Australia;

Mr Speaker, that is something we have supported for a long time. In fact, it was in our 1980 election policy. We wanted to see the establishment of a petrochemical project and would have put it in the Pilbara. My deputy came up with what I thought was a very bold and far-reaching plan that, had we been in Government, would have been in place by now. The motion continues -

Therefore, this House supports the efforts of the State Government to secure a petrochemical plant for this State;

We will not support that paragraph of the motion. We have spent upwards of \$300 million, and for it we have seen a few documents on the Table today, but that is about all we are going to see. We will not see a petrochemical project - we will continue to see numbers of dollars go down that gurgler. They will keep going down until the Government comes to its senses. We certainly do not support the efforts of the State Government to secure a petrochemical plant - certainly not in the secretive, underhand way it has adopted up until now, and certainly not on the basis of the State Government's taking a huge equity position therein.

The Premier's speech today highlighted to us several good reasons why the Government should never become involved in an equity position with business.

The third paragraph of the motion reads -

Further, this House deplores the extraordinary attempt at political intimidation by the Bond Group in its negotiations over the petrochemical project.

I am not qualified enough to pass judgment on that paragraph of the motion because the Premier has not provided any evidence in support of that claim.

Mr Peter Dowding: If what I say is true, what is your position?

Mr MacKINNON: Not one skerrick of evidence has been provided. The Premier should table the evidence and we would then be able to support him.

Mr Peter Dowding: Would you support the Government if that was clearly established?

Mr MacKINNON: If documentary evidence relating to the outlandish demands of Bond Corporation were provided along the lines indicated, we would support the Government. Without that documentation, I will not take the Premier's word; it is not worth two bob. The Premier has shown that over and over again both inside and outside the House.

Amendment to Motion

Mr MacKINNON: I move an amendment -

To delete the two paragraphs after "Western Australia" with a view to substituting the following words -

Therefore the House expresses its dismay that the Labor Government has failed to follow proper procedures that might lead to the establishment of a petrochemical plant, in particular

- (a) has involved Government as an equity owner,
- (b) has committed the State to vast liabilities; and
- (c) has bypassed the scrutiny of Parliament in its dealings.

I hope that Parliament endorses the amendment as it addresses the real issues which Parliament should be debating.

MR COURT (Nedlands - Deputy Leader of the Opposition) [4.22 pm]: Today is a significant day in the history of the Dowding Government. A major acceptance has built up in the community that the Government has not been telling the truth regarding its involvement in the petrochemical project. Today, we see a very sombre Government; we have not heard too much at all from members opposite.

Mr Peter Dowding: Don't invite it; that is good behaviour.

Several members interjected.

The SPEAKER: Order! I ask for the cooperation of all members. I think I have been doing a fairly good job so far to ensure that this House maintain some sort of dignity. It will not, if members provoke that sort of comment.

Mr COURT: Members opposite are quiet today because the Government is in dire straits. The Government has tabled many documents. We have not had the opportunity to go through them but we have seen enough to know that the Government was guaranteeing finance for the petrochemical project. Time and again the Premier, the Deputy Premier, and the Leader of the Government in the other House have said the Government has not guaranteed that project. But today we are beginning to see the truth come out. The situation is very serious because the Government not only has misled the House totally and deceived the Parliament, the taxpayers, and the public of this State, but also today has made a desperate attempt to denigrate people.

How can we comment on the form of the Government's negotiations with Bond Corporation? We are not privy to the negotiations that have taken place between the Government and Bond Corporation. Members opposite have been privy to that information. The Premier, the Deputy Premier and other Ministers have been personally involved with senior people trying to thrash out a deal. Until he was taken off the scene, Mr Kevin Edwards was involved in those negotiations. All we know about the negotiations is what we read in the newspapers; that is, the Premier has a habit of kicking furniture around and yelling abuse when negotiating.

The Government can cast aspersions and make crazy statements about meetings with Sir Charles Court, and the blocking of Supply, but the Premier will be made to look an absolute fool.

Mr Peter Dowding: Does the member remember what I said when I told him what Bond Corporation had said to us? I said in my statement that we have no way of knowing the truth

of those matters; I did not want to name the figure who we had been told was the person to whom they had talked. You demanded it; you silly boy, you made a big blue!

Mr COURT: The Premier did! The Premier made a big mistake!

The SPEAKER: Order! To help members who intend to enter this debate and, indeed, the member on his feet, perhaps we can come to some reasonable agreement. Remarks should be directed to me, then we can move away from personalities and get on with the debate.

Mr COURT: It is important that the House realise why the Government got involved with the petrochemical project in the first place - that deal which has turned sour. The Government became involved, first, by giving a \$150 million guarantee as part of the Rothwells rescue. With the guarantee starting to look sick the Government was desperate and leading up to the elections tried to remove the guarantee from the political agenda. A smart alec trick was worked out whereby the Government then paid \$175 million for nothing. That is why the Government has had to come to Parliament today, where we are now being told that guarantees were given for the project. Having misled the Parliament, what will the Premier, the Deputy Premier and the Leader of the House in the other place do? Members opposite must be starting to become very concerned. No doubt, some pretty torrid party meetings or urgent Cabinet meetings have taken place recently, because clearly members opposite have been kept in the dark.

In the words of the media, we have Smooth Pierre or Slippery, and his side kick Devastating Dave, working -

Mr Pearce: You complain when they call you Tricky Dicky.

The SPEAKER: Order! That is not appropriate. I will handle this occasion in the same way as previously, to be fair and even handed. It is not appropriate to refer to members of Parliament on either side of this House, or in the other place, in a personal way. That does nothing for debate and members should refrain.

Mr COURT: I apologise, Mr Speaker, I was just referring to how the media refers to these things. I must say that it concerns me - even though I do not share his political persuasion - when I hear the media refer to the Premier of our State in that way, and that we have now reached the stage where he is commonly known by the names to which I will not refer. I was also going to mention the Deputy Premier; he is the friend of the first home buyers because he has so much empathy with them.

I say to members on the Government side: Let us look at one week in the dealings that took place because those members, apart from the four or five on the front benches who did the dealing, do not understand what it is all about. Let us look at that week in October last year. On Monday, 17 October, these documents which we are seeing today were signed. A deal was signed whereby \$400 million was paid for blue sky. On Monday of that week the taxpayers of this State contributed \$175 million of that money. As a result of reading the court transcripts, we now know that the Government had been negotiating with Bond since May. During the period between May and October no reference was made in Parliament to what was happening, but the deal was finally put together in October. We now discover through the court transcript that the Government had to provide certain guarantees to the Bond people to go into that project; one of those guarantees the Premier had to give on 17 October is in that letter. That guarantee was one which had to be given for that deal to be signed on 17 October. Members of the Government should be listening to this because what took place was crucially important. When \$350 million of that \$400 million went into Rothwells, and went around the circle, it then went its merry way. The deal was signed on Monday, and on Wednesday Rothwells had a severe liquidity problem. Monday was a very busy day; Tuesday, the money did the circle; Wednesday, oops, the money is all gone; Thursday, these meetings took place and the second major rescue bid had not worked. The Premier and some of his Ministers met Wednesday and Thursday, and they met Bond and his people on Friday on that week. These were the last desperate days of Rothwells. So in the course of Monday through to Friday we had a situation which, in the political history of this State, will be seen as very significant. The Premier committed the taxpayers secretly to huge guarantees on Monday and the money was lost within a couple of days; it was swallowed up by the Rothwells debacle. Then, as these desperate dealings continued, they hatched these deals on Thursday and Friday. This came out in Musca's evidence in relation to whether

they should buy Western Collieries. The Premier suggested that the Government warehouse it.

Mr Peter Dowding: I did not.

Mr COURT: Are you saying Musca is not telling the truth?

Mr Peter Dowding: I am telling you I did not say it.

Mr COURT: Well, someone must be telling the right story.

Mr Peter Dowding: I am telling you I did not say it, so do not go on about it. I have said it publicly too.

Mr COURT: At the same time we had a Minister ringing up the R & I Bank and saying, "How about pushing a loan that way?"

Mr Shave: He is the only lawyer in Western Australia who does not know what "warehousing" is.

Mr COURT: We had the SGIC, Spedley's - all these desperate schemes to keep it afloat. At the end of the week the Premier came out and said, "It has been a hard decision for me not to put any more money into Rothwells", and this was after hundreds of millions of dollars had been poured down the drain. The Opposition asked questions in Parliament about what had taken place; we were not told anything about those meetings; we finally got one meeting out of the Premier. We were not told anything about the guarantees which had been put in place. In one week of this State's history, the taxpayers were committed to huge amounts of money and we did not know anything about it. The Government broke the prime rule that all money expended by Government should be approved by this Parliament. We now know why the Government has been so desperate in respect of the tactics it has tried to employ today; the Government is desperate because in a court of law all its evidence says that no guarantees were given, while the other side will say, "Here are the guarantees." If the Government loses this case, we, the taxpayers, will possibly be up for damages of further hundreds of millions of dollars.

Mr Peter Dowding: You have to understand that the Government acts on advice from Crown officers and private sector legal advisers, who have advised the Government every step of the way in relation to these matters and in particular in relation to the matter I reported on today.

Mr COURT: The Government is now saying that there is a legal opinion that the guarantees may not be as binding as other people say they are. The point of the matter is that the Government has been telling us that there are no guarantees. It has been saying that and whether the Premier likes it or not, the taxpayers have to face up to the fact that a damages claim may be awarded against the Government, and all because the Government decided to bypass scrutiny of Parliament. The Government thought it was being tricky and smart; it was involved in all these commercial dealings, which were well beyond its level of competence. It is all starting to come out. There has been an inept coverup, and I say to all Government backbenchers that their credibility is at stake. The four frontbench Ministers who have been most actively involved with this project will go in one group and will have to bear together the odium of their financial dealings, but the Government backbenchers, as Labor members of Parliament, will be seen for years to come to be totally incompetent and inept when it comes to handling this State's funding.

Mr Peter Dowding: Why is the State doing so well economically?

Mr COURT: If the Premier were to go out into the community and talk to people, he would find they want to know where this money has gone. They want to know why record revenues are coming into Government coffers, and yet the Government cannot put money into schools, the police, into hospitals -

Mr Peter Dowding: That is not true; we have appointed more police than your Government ever did; there have been more additions to schools, more teachers, more police officers and a smaller public sector as a whole. How do you think we achieved that?

Mr COURT: I put it to the House that many people are hurting and the Government could be helping those people if it were not wasting its money - and not only its money; all the Ministers on the front bench must be spending more time now looking after their legal problems than they are spending running this State. That concerns me. As a result of the

Government's action, the taxpayers are now facing the worse possible scenario. They have already lost a lot of money. The Government has put itself in a hopeless negotiating position. It has taken the desperate tactic of coming into this House today with a shotgun and trying to discredit a group of people. We now have a legal nightmare on our hands; we are at the end of all the proceedings. Who knows what it will cost the taxpayers of this State? It is very interesting that in the earlier proceedings in the week of 17 October, it was the Deputy Premier who took the running. However it has now been disclosed that the Premier did all the dealings and the negotiations for the petrochemical project with the support of the front-bench. It is interesting that the Deputy Premier and some of his colleagues are now trying to quietly distance themselves from what is taking place. They do not want to be seen to be a part of this sordid affair. The Leader of the Government in the other House will have a lot of explaining to do. He, like the Minister opposite, told the public that there were no guarantees when there were.

I read with interest a letter to the editor of *The West Australian* which I believe sums up what has taken place. It is titled "Peter's pickle". It states -

Peter Premier picked a peck of PICL peppers. A peck of PICL peppers Peter Premier picked. If Peter Premier picked a peck of PICL peppers, where's the \$250m peck of PICL peppers Peter Premier picked?

The community is asking for an explanation of that and this Parliament should be told where the money has gone. It is one thing to have this intrigue and deception. However, the public has the right to know how hundreds of millions of dollars of their money have disappeared. Perhaps during this session the Premier will be good enough to tell the taxpayers of this State what happened to the money.

Returning to the motion that we are seeking to amend, of course we want a petrochemical project in this State. We have been promoting it since 1980. We were responsible for the North West Shelf project and one of the main purposes of that was to enable this type of industry to be established. However, we have never supported the way this Government has tried to put this project together. There is no way the Opposition can comment on the negotiations between Bond and the Government, because it is none of the Opposition's business. We have not been involved in those negotiations.

Our amendment highlights our belief that a petrochemical project should be established without the Government being an equity partner. The Government has secretly committed the taxpayer to a huge liability with which we are now coming to grips. Worst of all, it has got into this mess by bypassing the scrutiny of Parliament. The negotiations have been carried out in secret for which not only the Government, but all the people of Western Australia, are now paying the price. This is a very important day in Parliament, because the Government has now been exposed. It gave guarantees; it was involved in secret dealings; it has misled this House and, in any other democracy, the Government would have the decency to resign. We call upon the Ministers to do just that because they are damaging the reputation of this State.

MR PARKER (Fremantle - Deputy Premier) [4.45 pm]: Although I am taking this opportunity to speak in the debate on the amendment to the motion, I will speak again after it has been dealt with because the time allowed for speaking on amendments is short.

I want to deal with some important aspects which were introduced today in the Premier's statement and in the documents which he tabled. Far from the documents which have been tabled by the Premier exposing that I, the Premier or anyone else referred to by the Deputy Leader of the Opposition, have misled the House, the opposite is the case. The documents reveal that the Government's arrangements with respect to this project were intended for it to operate as a shareholder in the project, providing certain comfort to that project in that capacity and using Government guarantees only for the position of that shareholder, not Government guarantees to Petrochemical Industries Ltd or Government guarantees to the project loan.

A Government guarantee is a very specific thing. It is the sort of guarantee that is advanced by the Government periodically. This Government, the Burke Government and the O'Connor and Court Governments provided it with a greater or lesser degree of success to support particular projects. Those Government guarantees are guarantees of loans to

companies or to projects to provide additional security when that security cannot be obtained from within the project or from within the company.

The documents reveal that this project was a specifically defined and intended project. It was specifically defined to be a project with a construction contract - a lump sum, turn key construction contract - at a particular price, which price resulted in certain cash flows being required to meet the obligations of those who lent the money to ensure that it could be paid back. That is extremely important because it underlies the whole basis of the arrangements which the Government made to ensure full support for this project because the Government would never have guaranteed the loans of Petrochemical Industries Co Ltd, or PIL as it is now known, nor would it have guaranteed the project loan. The Government was engaging in a form of a credit enhancement which ensured that, as the Premier has outlined, in the years in which the project, for one reason or another, did not have sufficient cash flow to meet its obligations to bankers, that obligation would be met on a returnable basis by WAGH which is not an unusual position. However, the guarantee was not required for that. I have explained to the House before what it was required for. I had a disagreement with the Leader of the Opposition when I said that the assets and liabilities of WA Government Holdings Ltd were in balance and he said there was a substantial deficiency of assets over liabilities. Whichever view one takes, it was certainly true that there was nothing in the balance sheet of WA Government Holdings Ltd which would have given any comfort to people banking the project that WA Government Holdings could have observed and abided by any obligations that were incumbent upon it.

One of the documents that has been tabled was a note that I sent from Derby on 17 October - I was on my way overseas that evening. That document deals with something that I have talked about here before; that if we provided sufficient capitalisation to WA Government Holdings, which was contemplated at one stage but not proceeded with, the Treasurer or anyone else would not need to guarantee the obligations of WA Government Holdings because the capitalisation of WA Government Holdings - that is, the balance sheet assets of the company - would have been sufficient for anyone looking at it and wanting to make decisions based on how he regarded that company to have a view about it to enable him to feel it was capable of carrying out its obligations.

In fact, the position would have been that, had these matters been proceeded with - they were not - the guarantee which would have been provided by the Treasurer, and which is referred to in the documents we have tabled, would have been provided on the basis of replacing the fact that there was not a strong balance sheet of WA Government Holdings with something that was the equivalent of a strong balance sheet, namely the guarantee of the Treasurer of the State who was, and is, the beneficial owner or holder of all of the shares of WA Government Holdings on behalf of the State. That was the basis upon which the arrangements were made. Subsequently there arose some concerns about elements that emerged.

Some of the documents which have been tabled make reference to those concerns and to the basis upon which the Government, before and after the election and either directly or through the directors of Western Australian Government Holdings, approached Bond Corporation to express its concern at some of the arrangements which had been entered into. It is important to understand, despite the fact that comment has been made that the Government engineered all this, that that is not the case. Over many months Bond Corporation has repeatedly stated to the Government and to the public that the petrochemical project was a Government idea in which it participated at the request of the Government. It also said the same in respect of Rothwells. Subsequent to that, a court proceeding was held in which a number of witnesses, including myself and the Attorney General and witnesses for interests which were not the Government's, gave evidence as to the origins of that arrangement. Every one of the witnesses made it perfectly clear that those arrangements were contemplated and commenced by Bond Corporation and, whether rightly or wrongly, the Government became involved at the request of Bond Corporation and by that stage by others like Wardley Australia which had also become involved at the request of Bond Corporation.

However, that did not stop Bond Corporation commenting publicly and certainly to the Government that the Government had commenced the process of the Rothwells' rescue. Similarly, that same corporation has made statements, which have been denied by the Government, that the Government was the agent for procuring the arrangement for the

petrochemical project. That is so far from the truth that it is laughable because, as I have said in this House previously, the position was that Bond Corporation had attained security for reasons to do with deposits in Rothwells over various assets of Rothwells and Mr Connell. One of those assets was related to the petrochemical project. That was a position that Bond Corporation had attained of its own volition in order to ensure it had adequate security, as it saw it, for any funds it advanced to Connell or to Rothwells. In fact, so concerned was Bond Corporation to ensure the security was good, it asked the Government in, I think, June 1988 to provide it with a letter indicating that if it were forced into a position to take over the security of the petrochemical project, the Government would make sure it was regarded in the same way as the various mandates put in place for Connell, or the various companies Connell had participated through, in the project. Such a letter was provided.

Bond Corporation also asked the Government to commit itself to looking at a range of measures in relation to the project - not equity or guarantees, but issues such as gas and electricity prices - in order that it could have confidence in the value of the security it was obtaining.

Given that the Government never had a beneficial ownership in the petrochemical project, unlike Bond Corporation, until the settlement on 17 October, I do not know how it can be suggested that the Government asked Bond Corporation to go into the project when the objective evidence not only suggests but also reveals precisely the opposite.

Certainly it is true that concerns were expressed soon after the signing of the project documentation. As the Deputy Leader of the Opposition said, there had been long negotiations with Bond Corporation. It is not true that the negotiations commenced in May - I think they commenced towards the end of June or in early July. Nevertheless, there had been negotiations then. One of the documents which has been tabled is a memorandum of understanding which was reached in July between the Government and Bond Corporation, but it did not form the basis of the ultimate arrangements settled on 17 October. Since that memorandum there have been extensive negotiations, not only with Bond Corporation but also with JGC Corporation of Japan. Members may recall that I have mentioned to the House that the arrangements with JGC were particularly critical. One of the critical elements of the Government's preparedness to work through potential cash flow deficiencies, in return for responses in better years, was that the cash flow from those projects were defined in part, at least, by the capital cost of those projects.

A capital cost for this project was specified. There was also a completion guarantee which was strengthened during the course of the negotiations in September in order to ensure one of the major risks of any project was eliminated; that is, that it would not be completed in a safe and operable manner. The completion guarantee was taken up by JGC. One of the problems which emerged soon after the settlement was that Bond Corporation, in its role as project manager, insisted on making considerable requests of JGC, which had signed a lump sum turnkey contract to change the arrangements. Certainly, the executives hired by Bond Corporation would say that this was to the benefit of the project. Whether it was or not, the fact remains that it had the impact of materially altering in two important respects the arrangements of which the Government had agreed to be part.

The first change was that the construction company, having given the project completion guarantee for a particular form of project and for a particular level of construction, was obviously not willing to provide the same sort of guarantee for a project which was being substantially redesigned and not by it.

The second important change was that each time a request was made - members involved in the contracting industry would know that contractors delight in having variations put to them because every time there is one, they use it as an opportunity to increase their returns on that contract. I am not saying there is anything wrong with it, but each time Bond Corporation requested a variation JGC and its partners insisted on bumping up the price. That was not contemplated in the arrangements and it had the impact that if the capital cost of the project blew out the supporting arrangements would be very different.

Another element of the supporting arrangement was the other costs involved - of which project finance was simply one, albeit a major one - namely, gas, electricity, salt and labour. No doubt, there were other costs. The revenues from the project related to the sale price of the petrochemical products. It was envisaged that there would be fluctuations in those prices.

Of course, there would also be variations in the input costs for obvious reasons and they were known because of the State Energy Commission's supply agreement in relation to labour. What was unknown was what would happen in relation to the revenue received from products produced by the plant. It was for those reasons that the Government obtained a series of pieces of advice in relation to what was expected to happen in regard to the price of petrochemical products.

Those advices all indicated at the time that with a project of that cost, a completion risk guarantee being borne by the major contractor - not by the Bond Corporation or the Government - and an arrangement in place to not only take contributions made by WA Government Holdings Ltd in shortfall years but also to provide flexibility in project loan repayments, the Government would almost certainly never have to contribute through WAGH to the project. However, if it did have to do so, it would certainly obtain a return of all those funds during the life of the project loan.

Mr Hassell: But you gave guarantees.

Mr PARKER: I have explained that before.

Mr Hassell: You have not explained very well.

Mr PARKER: I am sorry the member for Cottesloe was not listening, but I thought I had explained it quite well. I could say many things on this subject and, no doubt, I will have other opportunities to do so. At the moment I will deal with one of the issues; that is, whether there was any occasion in this House when the Government indicated there may be contingent liabilities of one sort or another to cover this project. I invite members to read the debate in *Hansard* on the Western Australian Petrochemical Industries Authority Bill. On several occasions I was questioned by members opposite and I made it clear that any contingent liabilities which emerged, or which the Government chose to pick up, would have to be reported to the House. Indeed, the Leader of the National Party said he would not ask for them to be reported at the time but he wanted an undertaking that when the Bill became an Act and commercial negotiations had been concluded the Government would make all that information available to the House. I indicated that the Government would do so. In the other place the Opposition went further and requested the Government not to proclaim the financial support mechanism provisions of the Bill until such time that it had disclosed to the Parliament all those provisions and anything it had done or was proposing to do in that connection. The Government also accepted onerous amendments in relation not only to disclosure but also to the basis upon which it could support the project. Of course, as history has told us, that Bill was defeated. However, the Government made it clear that arrangements would be caught by the accountability legislation and that is why the Government introduced a Bill to provide for greater accountability for the project.

Mr Hassell: That is not what you said.

Mr PARKER: That is one of the issues with which we were dealing among a range of issues and the Government made it clear to the Parliament -

Mr Hassell: No you did not.

Mr PARKER: The Government told Parliament at the time that when the Bill was passed and the negotiations had been finalised, before proclaiming those sections relating to finance support mechanisms it would supply all the information that was available.

MR HASSELL (Cottesloe) [5.03 pm]: From time to time *The Bulletin* runs a back page column written by Patrick Cook. On one occasion he described the Premier of Western Australia as being as slippery as a seal in a sewer. We have seen today the exemplification of that in his conduct in his approach to this House and in the substance of what he said. He has certainly been in the sewer, and he has been trying to slip, slide and slither around the written record of his own statements and conduct, and around the obligations which he professed to accept rested on his shoulders to be accountable. Looking at what is happening today, one sees a very simple situation: The Government has been outmanoeuvred by Bond Corporation and, as a result of that, has been caught out in gross dishonesty. While the Government and Bond Corporation were getting on well together, while all the little back room deals such as those described by the Premier today were being done behind closed doors, and while they had a common interest in the outcome of those deals, there were no problems. But, Bond Corporation and the Government fell out because the Government

realised - belatedly, of course, and after the election - the full extent of the commitments it had made to Bond Corporation. Following this falling out, when the Premier decided to take on Mr Bond and Bond Corporation, the Government faced a terrible dilemma because to take on the Bond Corporation it had to disclose what had really happened. When the Government disclosed what had happened it became apparent that it had told untruths to the Parliament and the public through a deliberate, consistent and wilful course of dishonesty.

I will deal first with the Deputy Premier. I acknowledge that during his 20-minute speech he was labouring under the difficulty of having influenza, but he tried during that speech to justify the repeated statements of the Government that there was no guarantee. Of course, these statements were repeated, unlike the Premier's claim earlier today about a repeated statement which was made once in August and was not repeated at all. The Deputy Premier tried to justify the repeated statements by the Government that there was no guarantee by saying that the Government was referring to a guarantee of the PICL project and not a guarantee of WA Government Holdings Ltd. That is the simple and clear defence mounted by the Government, and it is the same sort of defence used by the Premier when he said the guarantee of WAGH in respect of the obligations of PICL to SECWA was not a guarantee of PICL, it was a guarantee between Government departments. The Government is saying that it was right because there was never any direct guarantee of the petrochemical project. That is an absolute falsehood because the Government assumed direct obligations in relation to the petrochemical project through its company, WA Government Holdings Ltd. For nine solid months the Opposition pursued in the Parliament and in the public arena the truthful disclosure of the obligations assumed by the Government in relation to the project, not some technical argument about whether a guarantee was given to WAGH, PIL, PIP, PCH, or one of the numerous other companies that the Government had concocted with Bond Corporation when they were happily doing deals behind closed doors. The Opposition was not pursuing that; it was always pursuing the fundamental question of the taxpayers' liabilities towards this project. The Government stated over and over again that taxpayers had no liabilities towards the project and it would be a self-sustaining project with finance provided on a non recourse basis.

Mr Peter Dowding: We said 100 per cent project finance.

Mr HASSELL: The Government used the words "non recourse finance". The Premier should not wriggle and twist any more.

Mr Peter Dowding: Look at the document we tabled.

Mr HASSELL: I hesitate to raise my voice to try to get my message across, as it might offend the Minister for Education. But, the message has to be got through that the Opposition always raised the question of substance.

What were the obligations of the taxpayer? The Government said, "There are no obligations, and there will be no obligations on taxpayers because this will be non recourse finance." That was repeated, not once, twice, or five times, but time after time in response to numerous questions and in numerous speeches. Let us recall the speech made in this House on 12 April at a time when the Government was still totally gung ho about this project and how well it would do.

On 12 April the Deputy Premier made his famous speech after being confronted in this House with a document given to the Leader of the Opposition which indicated that the Government had done a deal to let the project off the hook in relation to its energy costs - an incredible deal which the Deputy Premier denied angrily. In the course of the debate the Deputy Premier is recorded at page 835 of *Hansard*, which I have had enlarged so that even the Deputy Premier will be able to remember it, as saying the following -

First, to deal with the question of guarantees, I will speak in words of one syllable so it cannot be suggested I am in any sense trying to avoid answering directly: There has been no guarantee issued with respect to any of these matters, either by the former Treasurer - the Premier - or by me since I have been Treasurer, and there will not be any guarantee.

Mr Peter Dowding: What date was that?

Mr HASSELL: That was on 12 April at page 835 of *Hansard*. In any of these matters what was the qualification and what were the matters referred to? One does not have to go far to

find out. If one turns to the preceding page of *Hansard* one sees that the Leader of the Opposition, when completing his speech, said the following -

The Minister for Resources Development has not taken the opportunity given on several occasions in the last few days to answer the question: Is there any Government support to the PICL project through WA Government Holdings which has not been announced to date?

That was the matter at issue.

Mr Parker: No, it was not.

Mr HASSELL: That was the matter at issue. That was the question.

Mr Parker: Have a look at the motion.

Mr HASSELL: That was the question very clearly on the table at the time the Deputy Premier gave his unequivocal and repeated replies. I commend the reading of page 835 of *Hansard* to everyone and invite members to compare tabled paper No 266R, which was the Premier's letter promising a guarantee, and tabled paper No 266S, which was the Deputy Premier's hand written letter confirming the existence of guarantees and dated 17 October 1988.

Mr Parker: My hand written letter confirms everything I said.

Mr HASSELL: Those matters will be the subject of much more debate in this House under the aegis of different resolutions put to the House. What is being asked today is that we adopt a motion saying that -

Therefore, this House supports the efforts of the State Government to secure a petrochemical plant for the State; . . .

If one leaves aside all the questions relating to the honesty and integrity of the Government, which are very important questions, and one looks at the way in which the Government has behaved, one is inevitably faced with the conclusion that its conduct has been monumentally incompetent. We could not possibly support the proposition that we support the efforts of the State Government to secure a petrochemical plant because it has demonstrated that its method of dealing with the Bond Corporation and others has been totally incompetent, apart from its dishonesty.

The third part of the resolution is really the most important of all and states -

Further, this House deplores the extraordinary attempt at political intimidation by the Bond Group in its negotiations over the petrochemical project.

Let us deal with that matter for a moment because it really is the most important part of this motion - it is the centrepiece of the Government's strategy for today. The Government came into the House and the Premier set up this situation using his numbers to try to pre-empt the attack by the Opposition which he knew to be inevitable and which is, of course, still inevitable; it will still happen, and all his playing around simply delays it until another day and another debate, but the proper attack of the Opposition on the substantive issues is inevitable. The Premier was trying to play a tactic with regard to the opening day of Parliament and no doubt the dramatic nature of his allegations will ensure him extensive media coverage in the next 24 hours - very extensive media coverage. The Premier's statement today is undoubtedly remarkable.

Mr Peter Dowding: If what I am saying is true, and if what I am saying is correct, do you support my interpretation of it?

Mr HASSELL: If what the Premier is saying is correct -

Mr Peter Dowding: That is what they said to us.

Mr HASSELL: If what the Premier is saying is correct, there is no doubt that Mr Bond and the Bond Corporation have breached the most fundamental privileges of Parliament and ought to be under investigation by the police and the corporate affairs authorities. I ask the Premier what steps he has taken to have proper investigations undertaken and charges laid in respect of these remarkable allegations that he has made?

Mr Peter Dowding: I make it clear that I reported to Cabinet and we determined that the

matter would come here for a full statement of the circumstances. That is the proper course for us to take, but it is interesting that the leader of the member for Cottesloe -

Mr HASSELL: Mr Speaker, my time is short, so I will continue. An attempt to stand over a member of Parliament in the way described today by the Premier is not only a contempt of Parliament but an offence against the Parliamentary Privileges Act on proof of which the person responsible is liable to a term of imprisonment. If the Premier is dinkum about what he has said today, I ask him what motion he will move tomorrow to deal with this serious breach of parliamentary privilege and the Act? Is he dinkum when he asks the House, as he has done, to support this motion? This indicates a failure in his capacity as Premier because he is trying to further his cause in the courts by using the power of Parliament to beat the Bond Corporation over the head.

I am not saying that if these things happened they should not have been disclosed in this House as this is the right place for them to be disclosed, and they ought to be followed up as a breach of the Parliamentary Privileges Act and, I think, of the Criminal Code too, because they are very serious matters. Every member of this House should be concerned, if what the Premier says is true. If what the Premier says is true, the executives of Bond Corporation, including Mr Bond, should be up on criminal charges, there is no question about that. To have the Government of this State conducted in the way in which the Premier has described is absolutely at the centre of corruption of the kind that we have been concerned about for the past six years. That, we believe, is what has been going on in this State. However, we cannot accept the word of the Premier in a completely one sided way. We cannot accept the use of this House as a forum for him to use as a strategy in his legal battles with Mr Bond because he has fallen out with him.

We cannot accept what the Premier says, bearing in mind his track record of dishonesty, without there being some material proof. He says he has records of these things. I hope he will produce those records to the independent Commission on Corruption, and allow them to be redirected to the proper authorities for investigation. Will he do that?

Mr Peter Dowding: I will make it clear that -

Mr HASSELL: Will the Premier produce, either to this Parliament or to the Commission on Corruption, the written records to which he referred earlier?

Mr Peter Dowding: I made it clear to the Leader of the Opposition, and I will make it clear again to you, although you said you did not want any interjections -

Mr HASSELL: My time has run out; that is why I did not want interjections, and I do not want them now. The Premier knows what his obligations are if what he said today is true; and they are not matters for playing around with in a parliamentary debate; they are matters for serious action, and he has an obligation to take that action. The Premier should get down to really dealing with the issue, instead of trying to use this Parliament and the time of its members to play his political and commercial games.

Opposition members: Hear, hear!

MR PEARCE (Armada - Leader of the House) [5.21 pm]: The Opposition is difficult to satisfy in this Parliament. Its members for some time have been calling in the newspapers for the Parliament to be called together so that there can be a full explanation of the events which have gone on in respect of the petrochemical plant, including the tabling of documents. The Government has accommodated the Opposition absolutely in this regard. The Premier has not only tabled all the relevant documents; he has also given a lengthy and full explanation of the quite remarkable events which have gone on in recent weeks with regard to the negotiations for the petrochemical plant.

The Opposition's response to that has not been one of even touching upon or approaching gratitude for the Government's making this opportunity available for the Parliament to discuss the matter. In fact, the Opposition has shown a remarkable reluctance even to be involved in the debate. I have never seen a Leader of the Opposition who floundered around so much before being forced in the end to debate the issues which for weeks he has publicly been clamouring to debate; and then when he finally started to debate them, he floundered around even more. It was not one of his more impressive performances, and that is starting from a low base, to say the very least.

If the Opposition has anything to say about the petrochemical plant negotiations or the way in which the State Government has gone about seeking to get a petrochemical plant for this State, what is it that it has actually had to say? Each of the speakers so far has taken a different tack on all these matters. I refer first to the matter which occupied the attention of the member for Cottesloe towards the end of his speech; that is, the question of the report to Cabinet about the way in which the negotiations with Bond Corporation had gone and the threats which were made to the Government by members of Bond Corporation. The fact is that all the members of Cabinet were called last week, at relatively short notice, to attend a special Cabinet meeting, where the Premier reported in very much the same terms as he has reported to the Parliament today. The members of Cabinet were, I might say, extremely alarmed that this kind of approach to the Government should be adopted by anybody.

Mr Cowan: What did you do about it? The Parliamentary Privileges Act says that action can be taken.

Mr Peter Dowding: We will deal with that in due course, but there are very important issues here.

Several members interjected.

Mr Cowan: They are very serious charges.

Mr PEARCE: That is absolutely right.

Several members interjected.

Mr PEARCE: What we have done is bring those charges to the Parliament, which seemed to us to be the proper forum for these things to be outlined.

Mr Lewis: I remember your telling Hon George Cash to produce the evidence, but you then impeached him and sat him up there for three days.

Mr PEARCE: He did not produce any evidence at all.

Mr Lewis: Produce the evidence!

Mr PEARCE: The member is very welcome to make that call.

The SPEAKER: Order! The member should address his remarks to the Chair.

Mr PEARCE: We have today, at the first available parliamentary opportunity, tabled all of the documents with regard to the petrochemical plant for which the Opposition has asked. The Premier has given a full explanation not only of the ins and outs of the negotiations in respect of the petrochemical plant but also of why it was not possible to arrange the finance for the plant - which I think all of those people who want to see that kind of development in Western Australia would have liked to see raised - and he made the quite valid point that to a large extent the failure of the capacity to arrange finance for the petrochemical plant was as a result of the action by the parties opposite in the Legislative Council in defeating the Government's legislation, which would have underpinned this project.

So it is not good enough for members opposite to sit back and simply say it is the Government which has let this project fall over; the Government has failed to get for Western Australia a petrochemical plant which we all want. The Opposition must examine the role which it played, through its upper House colleagues, in helping to ensure that Western Australia failed to get this plant. The Opposition does not come into a debate about the demise of the current petrochemical project with clean hands, nor, I would hope, with a clear conscience. The Opposition has played a significant role in ensuring that the petrochemical plant as originally structured could not go ahead.

Mr Lewis: Are you congratulating the Opposition for defeating that legislation?

Mr PEARCE: I am pointing out the degree of culpability of some of the members opposite in this matter. Notwithstanding that, the Government has made every effort to restructure the petrochemical project in such a way that it could proceed on a new basis. The Premier outlined in great depth and detail in his statement to the Parliament the steps which had been taken to try to resurrect that project in the face of the refusal of the Legislative Council to agree to the legislation which would have been necessary for the original project to go ahead.

Mr Bradshaw: Did you outline that in the debate? You did not.