is of mature age, otherwise we would have a parent saying that a child is his illegitimate child, so that when the child dies the parent will be able to upset the will of the deceased child and claim against the estate.

The Hon. W. F. WILLESEE: At the moment I have to oppose Mr. Medcalf's contentions. In view of his remarks I would like more time to look into the matter, with the aim of adjusting the situation. It is possible we may come up with a compromise amendment. If the honourable member is agreeable I will move that progress be reported.

The Hon. I. G. MEDCALF: I understand from discussions with the Attorney-General, which the Leader of the House arranged for me, that the Attorney-General is quite agreeable to these amendments. He did, in fact, indicate he would accept them. Perhaps there has been some misunderstanding.

The Hon. W. F. WILLESEE: There appears to be a difference of opinion, in the notes that have been supplied to me. However, I will not persist with those notes in view of the fact that we seem to hold the same view. The probability is that we shall be able to arrive at a compromise amendment.

Progress

Progress reported and leave given to sit again, on motion by The Hon. W. F. Willesee (Leader of the House).

House adjourned at 4.37 p.m.

Legislative Assembly

Thursday, the 21st September, 1972

The SPEAKER (Mr. Norton) took the Chair at 11.00 a.m., and read prayers.

PARLIAMENTARY SALARIES AND ALLOWANCES ACT AMENDMENT BILL

Second Reading

MR. J. T. TONKIN (Melville—Treasurer) [11.03 a.m.]: I move—

That the Bill be now read a second time.

The purpose of this Bill is to make provision for additional offices in both Houses of this Parliament for Whips of minor parties of at least seven members in their respective Houses, other than a party whose leader is the Premier or the Leader of the Opposition, and to provide for the remuneration of the holders of such offices pending the next determination by the Parliamentary Salaries Tribunal in 1974.

The Members of Parliament, Reimbursement of Expenses Act, 1953, was amended in 1959 to provide, initially, for reimbursement of expenses to the Government Whip and the Opposition Whip in the Legislative Assembly, the annual amount thereby provided being $400 and $300, respectively.

In their report of 1965, the committee on allowances and reimbursements to members of the State Parliament of Western Australia recorded its thoughts that " . . . it could be said that these officers are servants of the respective parties and that there is no warrant for charging their allowances to Consolidated Revenue. However, there are precedents in other States and (of course) the Act of 1959 gave them recognition here. The work of these officers involves a close study of the progress of Parliamentary business, 'intelligence' so far as political moves are concerned, rounding up members, generally within the House, but, on rare occasions, outside the House."

After listening to the two Whips, the committee formed the opinion that these allowances are really for services rendered and should, therefore, be part of the remuneration. The committee consequently recommended that composite allowances of equal amount be paid to each Whip, being also of the opinion that there was no good reason for the allowances of the two Whips to differ.

The recommendations of the committee were adopted by Parliament, the Members of Parliament, Reimbursement of Expenses Act Amendment Act, 1965, deleting the provisions in the principal Act relating to the Government Whip and the Opposition Whip in the Legislative Assembly, and the Parliamentary Allowances Act Amendment Act (No. 2), 1965, making provision for the composite allowances, together with composite allowances to the Government Whip and the Opposition Whip in the Legislative Council.

The Parliamentary Salaries and Allowances Act, 1967, repealed the Members of Parliament, Reimbursement of Expenses Act, 1953-1965, and the Parliamentary Allowances Act, 1911-1965, and provided for the Parliamentary Salaries Tribunal, established under the 1967 Act, to conduct an inquiry and to determine what remuneration should be paid to Ministers of the Crown and to officers and members of Parliament.

The tribunal conducted its inaugural inquiry in 1968, and by its determination, fixed the annual salaries, additional to the basic salaries, payable to the Government Whip and the Opposition Whip in the Legislative Assembly at $850 each and to the Government Whip and Opposition Whip in the Legislative Council at $600 each.

The tribunal met again in 1971 and in its determination raised these annual salaries to $1,150 each for the Government

and Opposition Whips in the Legislative Assembly and to $800 each for the Government and Opposition Whips in the Legislative Council. It was during this 1971 inquiry that submissions were made by the Leader of the Country Party for recognition of and remuneration for his party's Whips in both Houses of this Parliament, and who agreed, after discussion with the tribunal, that legislation would be needed to provide for this since these Whips could not be regarded as Opposition Whips.

It is as a result of subsequent approaches by the Leader of the Country Party that this legislation is now introduced for the consideration of Parliament, to make provision for the payment of an additional annual salary to the Whip of any minor party in either House consisting of at least seven members in the respective Houses.

The main purpose of the 1967 Act was to remove from Parliament the unsatisfactory system of members fixing their own salaries and allowances, and this function was vested in the tribunal. However, under the provisions of the Act the tribunal is required to meet only once every three years, and it is not due to meet again to inquire into existing salaries and allowances until June, 1974. Therefore, in order to provide some remuneration for these Whips in the interim period, provision has been included in this Bill to fix, initially, the annual amounts payable at $200 each.

Although these amounts may seem low when compared with those payable to the other Whips in the two Houses, it must be borne in mind that, firstly, their task is lesser because of the smaller number of members in such minor parties; and, secondly, it is undesirable to fix the allowance too high as this could have the effect of committing the tribunal to an existing allowance which it may well otherwise decide to fix at a lower level when it makes its next determination in 1974. I commend the Bill to the House.

Debate adjourned, on motion by Sir Charles Court (Leader of the Opposition).

Message: Appropriations

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

DAYLIGHT SAVING BILL

Second Reading

MR. TAYLOR (Cockburn—Minister for Labour) [11.12 a.m.]: I move—

> That the Bill be now read a second time.

The Government had two objectives in view when it made a decision to introduce this Bill. In the first instance it was felt that the introduction of daylight saving would be of benefit to the State as a whole, from both a health and sociological point of view. Secondly, in view of the proposed permanent participation of four States, including New South Wales and Victoria, it was felt that Western Australia could not cope indefinitely with an increased time differential of three hours. However, unlike the legislation which is to be introduced by New South Wales, Victoria, South Australia, and Tasmania, this Bill seeks to introduce daylight saving for a period of one year only.

The reason for this action is, of course, that the Government desires to have the experience of daylight saving—as a fact—to ascertain whether or not the benefits claimed or the objections raised are factual.

At the outset, I feel that reference should be made to Queensland because that State does not intend to introduce daylight saving this year. Actually, I think Queensland—in the reverse position to ourselves—is endeavouring this year to do what our Government seeks to do in this State. Queensland introduced daylight saving last year, and claims to have found it unsuitable. For that reason Queensland intends to find out the situation if it "goes it alone," while the other States introduce daylight saving.

Queensland has not abandoned the principle of daylight saving, and it has assured the other States that it will re-examine the position next year and reach a decision based on a year with daylight saving and a year without it. We, on the other hand, have already had a year without daylight saving and it appears that some hardships were caused. It is now the Government's desire to implement daylight saving for a year on a trial basis in order that we, too, can be in a position to make a balanced judgment.

Although it is not my intention to speak at length on the arguments put forward by the opponents of daylight saving, I feel that I should dispel certain claims which some people are making, first of all, about the effect of daylight saving on the health of the community. For example, one organisation has contended that daylight saving, if introduced, could lead to a health hazard in the fields of dermatology and opthalmology.

That contention was closely examined by the committee of inquiry which was set up by the Government, and it was found that the basis of the claim was based chiefly on the opinion of three specialists from the States of Queensland and New South Wales, and two unnamed Perth doctors. None of the Eastern States medical men were specialists in dermatology or opthalmology, and I will now quote from the report of the committee of inquiry as follows:—

> Their evidence is not detailed and therefore it is not possible to ascertain whether their views were in regard to

exposure to the sun during the critical hours or whether to exposure to the sun on such hours as 4.00 p.m., or after.

On the other hand the report made to the Committee by the Commissioner of Public Health quotes the opinion of specialists trained in the field of Dermatology and Opthalmology and who have practiced for a considerable time in Western Australia. Additionally, their names were supplied to the Secretariat of the Committee and their evidence was directed to the effects that an extra hour of Daylight Saving would have on the people and not the effects of the exposure to the sun between the hours of 10.00 a.m. and 3.00 p.m., would have.

As a result of the evidence submitted I think the committee did the only thing possible when it agreed by a majority decision with the submission made by Dr. Davidson, which claimed—

(1) that Daylight Saving in Western Australia would have no adverse effect on the skin

(2) that Daylight Saving will not affect the eyes and in so far as people are likely to be getting an extra hour of natural light instead of an hour of artificial light it could be considered an advantage

(3) to the extent that people use the extra hour of Daylight in outdoor activities, this could be beneficial to their health as the benefit of exercise in the prevention of Coronary Heart Disease is well known.

That evidence, coupled with that of a spokesman of a medical organisation who said—

I know of no ill-effects upon the health of any child or adult from Daylight Saving. On the contrary Daylight Saving can provide additional opportunity to enhance the physical health of the community.

—influenced the Government to reach the same conclusion as that reached by the majority of the committee of inquiry who felt, on balance, that daylight saving should benefit the health of Western Australians.

Whilst on the question of the health aspect I think it is opportune to mention that a number of States which operated under daylight saving last year were most impressed by the fact that the scheme enabled people to participate more fully in family activity and recreation. Sporting bodies throughout the State have indicated strong support for the scheme because of the additional time that will be available for recreation.

I now turn to the second objective of the Bill; that is, the prevention of an increase in the time differential. Business dealings with the Eastern States were possible last year but there was evidence to show that inconvenience was caused and efficiency was impaired in some cases. In other cases there was evidence of financial loss.

I am aware that suggestions have been made to remedy the inconvenience caused by the increase in the time differential. The suggestions have come from opponents of daylight saving but I understand that the majority of industrial, manufacturing, and commercial interests have found from experience that they apparently do not work.

The committee of inquiry sought evidence on the question of the increased time differential and probably the most illuminating statistics to be presented were those submitted by the Chamber of Manufactures which sought an opinon from its members. Of a total of 126 replies, it was found that 95—or 75 per cent.—were in favour of daylight saving and no time differential increase. A total of 21—or 17 per cent.—were opposed to daylight saving; and 10—or 8 per cent.—had no view either way.

The Stock Exchange, banks, and other financial organisations, all expressed support for daylight saving and a most interesting comment was that made by the Secretary of the West Australian Road Transport Association, which was as follows:—

When the subject was raised last year the Association policy was opposed to the introduction of Daylight Saving. The industry however, is also aware of the difficulties experienced last year in contacting the Eastern States Offices etc. These problems were emphasised at a meeting of the Executive, and it was finally resolved that the Association would support any proposal that would not interfere with the present time relationship with the Eastern States.

Of course, the Government is aware of the fact that the introduction of daylight saving would present problems to some people. For that reason it is anxious to see if it can eliminate or, at least, minimise those problems. The rural community claims that it will be seriously affected and, in the main, the evidence produced in support of that claim was consistent with that produced by country people in other States.

It is evident that some inconvenience will occur to some sections of the rural community, but there does appear to be an answer at least to some of the claims advanced. For instance, it has been suggested that there would be a loss of hours during which grain could be deposited at

receiving bins. However, Co-operative Bulk Handling has stated that it is prepared to alter its hours in order to assist the rural community.

It is unfortunate that some organisations which are opposed to daylight saving have sought the views of one section only, and have not been prepared to record the opinions of those who are in favour of a change. An example of this attitude was the questionnaire which appeared in a rural-oriented publication, and sought only the names of those who were opposed to daylight saving. No provision was made for people who were in favour to record their views. As a result, although 1,000 people expressed opposition to daylight saving there is no way of telling how many were in favour of it.

Apparently quite a few people in non-metropolitan areas are strong supporters of the scheme. For instance, support for the scheme has come from the Kununurra Progress Association and the Kalgoorlie Chamber of Commerce. I also understand that the Leader of the Opposition has received a petition from some 85 employees of Western Titanium of Capel requesting him to support daylight saving.

Whilst dealing with the protests from the rural sector, I feel I should make mention of the genuine concern that has been expressed by many country people about the possible effects daylight saving will have on school children, and of how they will have to leave home early in the morning and return in the heat of the day.

Of course it should be borne in mind that school children will be on holiday for seven of the 18 weeks the scheme would operate if approved; and secondly, it is possible to vary the starting and finishing times of individual schools. Examples of this are schools in the north-west which currently do so.

Finally, I must say a word about the motion picture industry. I am quite willing to concede that in keeping with happenings in other States daylight saving could cause a loss of patronage to picture theatres and drive-ins, but I somehow feel that the industry is trying to indicate that the fall-off of patronage would assume disastrous proportions and would result in a great deal of retrenching of theatre and drive-in staff.

The Government is aware that a good case has been presented but it is felt that all the evidence put forward is based largely on conjecture, and the fact that predictions of a similar nature did not eventuate in the Eastern States to the degree prophesied, leads me to think a similar position will pertain here.

The Bill before the House differs from a previous measure in that instead of fixing the period of daylight saving from 2.00 a.m. on the last Sunday in October to the last Sunday in February, 1973, the measure extends the period of daylight saving until 2.00 a.m on Sunday, the 4th March.

Much more can be said for and against daylight saving, but all the debate in the world will not, in itself, answer the question whether it is necessary or not for us to follow the example of the Eastern States. We have tried one period without daylight saving when the other States had it, and the only sure way we can truly evaluate the position is to join the other States for a trial period.

Sir Charles Court: Before you sit down: You made some public announcement about special arrangements in rural areas, if need be. You do not appear to have covered it in your speech.

Mr. TAYLOR: I commented with regard to the bulk handling of wheat and school children in certain areas. I cannot recall any statement I have made publicly, but perhaps the Chief Secretary did. I ask the Leader of the Opposition to allow me time to attempt to find out.

Sir Charles Court: One other point is quite important. There does not appear to be any provision in the legislation for the necessary Statutes to be altered automatically when, for instance, by mutal agreement in a rural locality the workmen want to work different hours to fit in with the sun time.

Mr. TAYLOR: In respect of industrial agreements?

Sir Charles Court: Yes, mainly industrial agreements.

Mr. TAYLOR: I will look at that and make some comment.

Sir Charles Court: This could be critical, because there could be common consent in a province to work on the hours of daylight rather than the clock.

Mr. TAYLOR: I follow the point, and I know this has been discussed but I am not aware of the present situation. I will find out for the Leader of the Opposition.

Debate adjourned, on motion by Mr. O'Neil (Deputy Leader of the Opposition).

COMPANIES ACT AMENDMENT BILL

Second Reading

MR. T. D. EVANS (Kalgoorlie—Attorney-General) [11.24 a.m.]: I move—

> That the Bill be now read a second time.

This is a Bill to amend the Companies Act, 1961-1971.

Mr. Gayfer: I suppose it contains only amendments and is not a new Act?

Mr. T. D. EVANS: At the outset, I wish to explain to members that the Bill is in a somewhat unusual form, as has already been observed.

Mr. O'Neil: And size!

Mr. T. D. EVANS: Ordinarily, a Bill which seeks to amend an existing Act is arranged in clauses which successively amend sections of the principal Act in the order in which those sections are contained in the principal Act. This Bill, however, apart from a preliminary part and a part containing miscellaneous provisions, contains five other parts, each dealing substantially with a self-contained area of company law.

Accordingly, each part of the Bill deals exclusively with those sections of the principal Act that touch the subject with which that part is concerned. Thus it will be seen, for example, that several of the parts amend section 5 of the principal Act, the definitions section, but in each case the individual part concerned amends only the definitions that concern the subject matter of that particular part. The only object of arranging the Bill in this fashion was to present what is after all a very lengthy Bill in the most convenient form for consideration by members.

The Bill is divided into the following seven parts:—

Part I—(clauses 1 to 6) contains the usual formal provisions and also several new definitions which are essential to provisions contained later in the Bill.

Part II—(clause 7) deals with "substantial shareholdings" and is based upon recommendations contained in the second report of the Eggleston Committee.

I interpolate here to say that I will mention this committee at a later stage. To continue—

Part III—(clauses 8 and 9) which deals with duties and liabilities of officers and disclosure of directors' interests in securities gives effect to the recommendations contained in the fourth interim report of the Eggleston Committee.

Part IV—(clauses 10 to 28) which proposes to re-enact existing provisions relating to accounts and audit as recommended by the Eggleston Committee in its first interim report.

Part V—(clauses 29 to 35) which regulates "special investigations" into companies, giving effect to the third report by the Eggleston Committee.

Part VI—(clauses 36 to 42) of the Bill proposes to re-enact the provisions of the Companies Act, 1961, on "takeovers," giving effect to other recommendations also contained in the second interim report of the said committee.

Part VII—(clauses 43 to 116) contains general amendments to different parts of the Companies Act. These matters have not been specifically the subject of reports by the Eggleston Committee.

A Bill of this size dealing with the subjects just referred to obviously represents an extensive revision of the Companies Act.

The companies legislation has been continuously under review by the Standing Committee of Attorneys-General and a substantial part of the time of the committee's regular meetings has been devoted to the business of companies legislation.

A number of company failures have highlighted deficiencies in the legislation and the takeover of companies by both foreign and Australian companies has become a matter of Commonwealth and State concern.

In 1967 the Standing Committee of Attorneys-General decided the interests of the commercial community and the public would best be served if many of the matters then under review were investigated by an independent committee of experts and as a consequence the Company Law Advisory Committee was established under the chairmanship of Sir Richard Eggleston, who was then Mr. Justice Eggleston, with Mr. Philip Cox, a Sydney chartered accountant, and Mr. John Rodd, a Melbourne solicitor, as members.

The Company Law Advisory Committee —or the Eggleston Committee, as it is sometimes called—was requested to inquire into and report upon the extent of the protection afforded the investing public under the existing provisions of the uniform companies legislation and to recommend additional provisions, if any, which were necessary to increase that protection.

The Eggleston Committee received many submissions from organisations and persons closely acquainted with the operations and administration of companies and, of course, made its own investigations and inquiries. The recommendations made by the Eggleston Committee in the first four of its interim reports to the Standing Committee of Attorneys-General are reflected in parts II to VI, inclusive, of this Bill.

If members have not already read the first four interim reports of the Eggleston Committee, I think they will find perusal of them most helpful in more fully understanding the reasoning behind the proposed amendments. Copies of those reports should be available in Parliament House.

Provisions similar to those contained in parts II to VI of this Bill have already been enacted in the same or substantially similar form by the States of New South Wales, Victoria, Queensland, and South Australia, and their enactment in this State will provide greater uniformity in

commercial matters and reciprocity between State authorities attempting to enforce Companies Act legislation.

I now propose to deal in greater detail with the more important proposals contained in the Bill.

Clause 6 proposes to enact a new section 6A which sets out the circumstances in which a person is deemed to have "an interest in a share." The new section 6A is important because the expression "interest in a share" has application in the Bill to the provisions relating to "substantial shareholding," "takeovers," and the "register of directors' shareholdings."

I now deal with the subject of substantial shareholdings. Clause 7 of the Bill proposes to insert a number of new sections in the Companies Act which will require persons who hold not less than 10 per cent. of the voting shares or of any particular class of voting shares in a company to disclose to the company by written notice particulars of the voting shares in which he has an interest and any change in the extent of that interest.

The Company Law Advisory Committee stated in paragraph 4 of its second interim report that in the case of companies whose shares are dealt with on the Stock Exchange, shareholders are entitled to know whether there are in existence substantial holdings of shares which might enable a single individual or corporation, or a small group, to control the destinies of the company, and if such a situation does exist to know who are the persons on whose exercise of voting power the future of the company may depend. The register of substantial shareholdings to be kept by the company will be open for inspection by members without charge and to other persons on payment of a small fee.

Such information is not obtainable under the Act as it now stands because the Act presently prohibits the registration of notices of trusts, thus making it impossible to determine in whom the beneficial interest of shares is vested. Not only will the provisions enable shareholders and management to know who has, or is attempting to achieve, ultimate control of companies but it is hoped the provisions will also bring an end to the phenomenon of takeover by stealth.

The provisions are meant to apply to all natural persons who are substantial shareholders in a company, whether they are resident in Western Australia, Australia, or elsewhere, and to all corporations whether or not they are incorporated or carrying on business in this State or elsewhere in Australia.

Persons who have a substantial shareholding in a company which fails to comply with the requirements to disclose those interests can be penalised in two ways: they face prosecution in the ordinary way with monetary penalties not exceeding $1,000; but more importantly, particularly in the case of overseas interest holders, they face the loss or suspension of their voting rights and similar privileges, including the right to receive dividends in respect of those shares. The latter penalties are, of course, to be determined only by a court.

I now deal wih the duties and liabilities of officers and disclosure of director's securities. Clause 8 of the Bill proposes the repeal of the existing section 124 of the principal Act and the enactment of a new section in its place in respect of the duties of directors. The change sought to be effected in section 124 is to make it an offence for an officer of a company to make improper use of information to gain advantage for another person. The existing section 124 refers only to the advantage gained by the officer who misuses the information.

The clause also introduces a new section 124A to control what is known as "insider" trading by officers, including directors. The new section makes a director or other officer of a company liable to compensate a person who suffers loss or damage in relation to a dealing in securities by virtue of use by a director or other officer of specific confidential information to the extent of the difference between the amount paid for the securities bought by that person and the amount that would have been reasonable if the information had been generally known.

The Eggleston Committee recommended that the right of compensation should be limited to an "outsider" who pays more than the true value for securities in ignorance of unfavourable information. The proposed legislation does not extend to provide compensation for a person who disposes of securities at a price which is less than that which he might have been able to obtain if he had all the information available to him.

Clause 9 of the Bill seeks to repeal and re-enact sections 126 and 127 in an extensively modified form. The amended section 126 will require a director to disclose his interest in shares and debentures to the same extent as a "substantial shareholder" will be required by the new division 3A to disclose his interest in shares; but it goes further and requires disclosure of rights, options, and interests in "participatory interests"—for example, units in a unit trust.

The existing provisions in section 126 which require the disclosure of holdings of shares and debentures in a related corporation are retained and are extended to include rights, options, and participatory interests.

The register of directors' holdings must, under the proposed new section, be made available for inspection by any member without charge and to other persons on payment of a small fee.

The new section 127 requires a director to give notice to the company of such information as is necessary to enable the company to keep registers required by the Act. A defence to a prosecution is provided in the section where a director proves that he was not aware of the fact or occurrence, the evidence of which was necessary to constitute the offence.

I now pass to that part of the Bill which deals with accounts and auditing.

Clauses 11 to 26: The group of amendments proposed in clauses 11 to 26 relate to accounts and audit and re-enact the existing provisions in a completely revised form to give effect to the recommendations contained in the first interim report of the Eggleston Committee. The new provisions will require the disclosure of substantially more information in the annual accounts than is presently required by the Act The Eggleston Committee has expressed the view that if adequate protection is to be afforded to investors, information to be disclosed in published accounts and in reports by directors must be greatly expanded.

For the purposes of the proposed provisions, new definitions have been introduced and others amended. The definition of "books" has been extended to embrace records kept on computers and on microfilm in keeping with modern accounting trends. Additional definitions such as "related corporation" and "the profit or loss account" are provided to simplify the drafting of these complex provisions.

Clause 12 of the Bill proposes the repeal of the first six subsections of section 9 of the principal Act and the re-enactment of those provisions in an amended form in division 3 of part VI of the Act. Division 3 will then contain all of the provisions relating to the appointment, resignation, removal, powers, and duties of auditors, and section 9 will relate only to the registration of auditors and related matters.

Clause 13 contains certain consequential amendments to section 74F of the principal Act.

Clause 14 seeks to amend section 131 consequential upon the amendment to the definition of "emoluments." It makes no change in the existing law.

Clause 15 seeks to correct an anomaly in section 136 of the principal Act to enable the Registrar of Companies to permit a company to hold its annual general meeting in a calendar year other than the calendar year in which the meeting should have been held.

Clause 16 seeks to insert a new section 159A to provide that a company which is not required to lodge accounts with the Registrar of Companies is required to include with its annual return a statement signed by its auditor stating whether the accounts have been audited, whether the company has kept proper accounting records, whether he has referred to an irregularity in his report, and whether his report on the accounts, if any, is in any way qualified. If his report is qualified the auditor must give particulars of the defects in the accounts. The purpose of the new section is to ensure that all companies that are required to appoint auditors cause their accounts to be audited annually. Experience has shown that some companies fail to keep proper books of account.

Clause 17 repeals the existing provisions relating to accounts and audit and inserts new provisions in their stead. The new provisions require the disclosure of substantially more information in the annual accounts than is currently required. The redrafted provisions extend the obligations in relation to the type of accounting records which must be kept and the preparation of group accounts, and expands the information required to be included in reports by directors. The directors will also be required to report on the group accounts. Section 162 of the new provisions will make more specific the obligations of directors in relation to bad and doubtful debts, and the value of non-current assets.

Recognising that some of the accounts provisions may be onerous when applied to a specific company or class of companies, section 162C has been inserted in the Bill to enable the registrar to grant relief from compliance with any specific requirement relating to the form and content of the accounts of a company, group accounts, or the report of directors.

To ensure that a consistent policy will be applied by the individual registrars in the exercise of that proposed power, the section requires that the registrar take into account the views he knows to be held by other registrars in the States and Territories of the Commonwealth.

Mr. R. L. Young: Before you go on with that point, can you say whether it is likely that a set of guidelines will be laid down similar to those contained in the *Public Information Bulletin* put out by the Commonwealth Commissioner of Taxation? Wherever a situation like this occurs, the public want to know what the guidelines are. It is not sufficient for the registrars to have regard for what other registrars do.

Mr. T. D. EVANS: I have taken note of the honourable member's remarks. We will discuss this matter when the Bill reaches the Committee stage.

It is proposed that the existing provisions of the principal Act dealing with the appointment and duties of auditors be repealed and re-enacted as new division 3 of part VI. I mention some of the proposed changes. Under section 166 an auditor will remain in office unless he dies, resigns, is removed from office, or

ceases to be qualified to act as auditor—thus providing security of tenure as auditor. Auditors will be given greater independence in carrying out their duties as section 167B will confer qualified privilege on an auditor in respect of any statement made by him in the course of his duties.

Section 165 re-enacts subsections (1) to (6) of section 9 of the principal Act to enable a more satisfactory arrangement of the audit provisions. Several new provisions have been included.

The new subsections (6) and (7) seek to remove a doubt that presently exists as to who are the auditors of a company when a change occurs in the constitution of a firm appointed as auditors, for example, on the admission of additional partners.

The new subsection (10) empowers the Companies Auditors Board to approve the appointment of a suitably qualified person as auditor of an exempt proprietary company located in a remote area where no registered company auditor is available.

Subsection (14) prohibits an auditor from wilfully disqualifying himself from acting as auditor. This is designed to prevent an auditor from disqualifying himself for the purpose of avoiding his duty to report adversely upon the accounts of a client company.

The Bill, in sections 165A, 165B, and 166, in dealing with the appointment of auditors, takes account of submissions made by the accounting bodies in connection with similar Bills of other States in relation to the practice of appointing combinations of firms or natural persons or both as auditors of companies. Such appointments are not possible under the newly enacted provisions of other States, but this Bill will enable such appointments to be made.

Under the principal Act an exempt proprietary company is not required to appoint an auditor if all the members so agree each year. The exemption from the requirement to appoint an auditor has resulted in some companies failing to keep proper books and accounts with the result that if they become insolvent and are wound up the liquidator has been unable to ascertain the true financial position of the company or to determine whether all assets of the company have been surrendered to him.

Under the proposed provision in the Bill a company will be exempt from appointing an auditor only if—

(a) In the case of a company that is an unlimited company the company is also an exempt proprietary company, all the shares in which are held by natural persons or by other exempt proprietary companies that are unlimited companies and, lastly, all the members of which have agreed not to appoint an auditor. Such a company is also not required to lodge accounts with the registrar, nor are the directors obliged to give the certificate as to the correct keeping of such accounts as will be required of the directors of an exempt proprietary company that is not an unlimited company. Provision has been made in clause 54 of the Bill to enable limited companies to convert to unlimited companies. It will be seen that such an unlimited company will be in a much preferred position, but this is so because the shareholders of an unlimited company assume full personal liability for the debts of the company.

(b) An exempt proprietary company that is not an unlimited company may dispense with the appointment of an auditor if all the members before the annual general meeting have agreed that it is not necessary to appoint an auditor. In this latter case the directors must lodge with its annual return a copy of its accounts or group accounts, together with other documents required by law with the registrar. The directors of such a company would also be required to give a certificate as to the proper keeping of those accounts, whether they have been kept by a competent person, and whether they give a true and fair view of the state of affairs of the company.

An exempt proprietary company that is not an unlimited company can, under the proposed provisions, therefore, either decide to dispense with the appointment of an auditor and lodge unaudited accounts accompanied by such a certificate of the directors, or it can elect to appoint an auditor and be exempt from filing accounts with its annual return; but it must then include with its annual return the audit certificate required under the proposed new section 159A. The Bill also proposes to regulate more closely the position in relation to the retirement of an auditor.

In order to ensure that the auditor does not avoid his responsibility to report adversely upon the accounts of a company and to prevent the directors of the company from forcing the auditor to resign, the Bill gives the Companies Auditors Board power to inquire into the reasons for an auditor's decision to resign. An auditor cannot resign unless he receives the consent of the Companies Auditors Board, except where the company is an exempt proprietary company.

The new section 167 proposes to re-enact existing section 167, which sets out the powers and duties of auditors as to reports on accounts. The new section 167 will also include several further matters. The auditor of a holding company will be required to report on group accounts.

The section gives the auditor access to the accounting and other records of a subsidiary and enables him to obtain information for the purpose of reporting on the group accounts.

The auditor is also placed under a statutory obligation to inform the registrar of any breach of the Act, which he considers will not be adequately dealt with in his report on the accounts or by bringing it to the notice of the directors of the company.

Clause 22 amends section 375 of the principal Act relating to false and misleading statements. The new provisions propose to extend the existing section to apply to misleading statements in and to information omitted from documents required to be prepared for the purposes of the Act, and to make it an offence to authorise the making of false or misleading statements or omissions.

Clause 23 proposes the enactment of the new section 375A. This section differs from section 375 of the principal Act, which related only to documents prepared for the purposes of the Act. The new section also covers verbal statements and is designed to prevent the making of false reports, for example, to the auditor of a company in his endeavour to obtain explanations and information to enable him to report upon the accounts.

This new provision, which makes it an offence for an officer of a corporation to make false or misleading statements to a director, member, debenture holder, or trustee for debenture holders of a corporation, or to a prescribed Stock Exchange, takes account of the position of different office holders and Stock Exchanges who have an interest in not being deceived as to the position of a company.

Clause 26 repeals the existing ninth schedule of the principal Act and re-enacts different provisions on the recommendation of the Eggleston Committee which reported that "The compulsory disclosure of information as to the past performance of a company coupled with the safeguard against misstatements provided by audit requirements would be one of the most potent weapons available for the protection of investors."

Clause 27 is a transitional provision to afford officers of companies an opportunity to acquaint themselves with the new accounts provisions and to vary their accounting practices to comply with the new requirements. The new provisions will apply only to a company in respect of the first financial year of the company after the new provisions become operative.

Clause 28 is a transitional provision which will give an existing exempt proprietary company which has not appointed an auditor a period of three months' grace in which to do so.

I now pass to that part of the Bill relating to special investigations.

Clause 29 proposes the repeal of division 3 and division 4 of part VI of the principal Act and the enactment of a new part VIA containing new provisions relating to investigations in place of those to be repealed.

The new part VIA is based upon recommendations contained in the third interim report issued by the Eggleston Committee. The existing provisions classify investigations into four categories, namely—

(1) An investigation implemented by the appointment of an inspector by a special resolution passed by a company.

(2) An investigation arising out of an application made by the prescribed proportion of the members or debenture holders of a company for the appointment of an inspector by the Governor.

(3) An investigation initiated by the Governor by Proclamation in the *Gazette* in the case where the Governor is satisfied that the investigation is necessary in the public interest or for the protection of members or creditors.

(4) An investigation initiated by the Minister for the purpose of inquiring into the ownership of, or dealings in, shares in a company.

The first two categories are covered in division 3 of part VI and the other two are provided for in division 4 of that part. Under the proposed part VIA the existing two divisions dealing with special investigations have been integrated and all appointments of inspectors will be made by the Governor.

The proposed new provisions enable an investigation to be confined to a specific aspect of a company's affairs in lieu of the now common procedure whereby an investigation is ordered into the whole of the affairs of a company. The holders of "interests" as defined in section 76 of the principal Act are given the right to apply for the appointment of an inspector.

Another important change in the law is effected in the proposed section 169 which provides that a company may apply to the Minister for the appointment of an inspector by the Governor to investigate its affairs, if the company so resolves by special resolution. Under the existing

section 170, a company may by special resolution appoint its own inspector without any application to the Governor.

The Eggleston Committee recommended that the power to appoint an inspector should be vested solely in the Governor. The powers conferred upon an inspector by the Act are extensive and the Eggleston Committee considers that any company seeking to invoke these powers should have to satisfy the Governor of the need to appoint an inspector in the same way as would a minority of shareholders.

Section 174 contains new provisions which are designed to afford further protection to persons examined by an inspector, by providing that such a person is entitled to be represented by counsel who is permitted to address the inspector and to examine his client in relation to any question put to his client by the inspector. It provides also, on the recommendation of the Eggleston Committee, that a person examined by an inspector should be entitled to a witness fee.

Section 178 deals with the inspector's report and proposes some important changes in the law. The section prohibits an inspector from including in his report any recommendation relating to the taking of criminal proceedings, or any statement that, in his opinion, a specified person has committed a criminal offence. If an inspector holds such an opinion, he is required to state that opinion in a separate report to the Minister. Those provisions were recommended by the Eggleston Committee.

Section 179 of the principal Act, which applies only in relation to investigations into share ownership, empowers the Minister to impose certain restrictions on shares or debentures if it appears to the Minister that there is difficulty in finding out the relevant facts about those shares.

Under proposed new section 179B which re-enacts the existing section 179, the Governor—if satisfied that an investigation has failed to reveal particulars of dealings in or the ownership of shares, debentures or interests by virtue of the failure or refusal of a person to comply with the requirements of an inspector—may make orders as follows:—

(a) Restraining the exercise of voting rights;

(b) prohibiting the disposal or acquisition of securities;

(c) prohibiting the payment by the company of money in respect of those securities;

(d) restraining the registration of transfers of those securities; or

(e) restraining the issue of further shares to any person.

Takeovers: The Bill proposes to replace the existing section 184. which regulates takeovers, by a new part VIB containing a more extensive code. It is also proposed to replace the existing tenth schedule to the Act which contains the requirements with which a takeover offer must comply.

Basically, the proposed provisions are designed to ensure a fair and equal treatment of shareholders in companies engaged in takeover situations.

The legislation is not designed to discourage takeovers but to ensure that shareholders will know the identity of the bidder, that shareholders and directors have a reasonable time to consider the proposal, and that the bidder will supply sufficient information for shareholders to be able to value properly the offer being made and that, as far as is practical, each shareholder will have an equal opportunity to participate in the takeover offer.

Mr. Lewis: Can you say to which clause in the Bill that is related?

Mr. T. D. EVANS: It purports to repeal section 184 of the existing Act and to enact a new part which, I believe, will be known as part VIB.

Although the changes proposed are extensive they really effect no change in principle. Some of the new provisions are designed to extend the takeover controls to meet the techniques which have been developed for achieving takeovers outside the existing legislation.

In accordance with the recommendations of the Eggleston Committee's report there has been an extension of the coverage of the takeover provisions in several major areas. The existing provisions are limited to offers that would give the offeror one-third of the voting power in the offeree company. The Bill adopts as a criterion for the operation of the legislation 15 per cent. of the voting power instead of one-third as is presently required to constitute a takeover offer.

First-come first-served bids are brought within the scope of the takeover code.

An offeror includes a natural person—the existing provisions relate only to corporate offerors. Offers of two or more persons jointly are takeovers and come within the scope of the new code. Bluffing offers are sought to be controlled.

Separate provisions are made in respect of the compulsory acquisition of shares which have been the subject of a takeover scheme, leaving the existing provisions in section 185 to apply to other types of schemes.

The proposed part VIB makes it clear that the law in force in the State where the offeree corporation is incorporated shall be the law governing the takeover scheme, thus eliminating a doubt that exists under the present law.

Clause 39 of the Bill contains a transitional provision to the effect that if a notice under the existing section 184 (2)

(a) was given before the amending Act commences, the Act in force prior to the amending Act shall continue to apply to that scheme.

I finally pass with a great deal of pleasure to the part of the Bill relating to miscellaneous provisions. Part VII of the Bill contains a considerable number of proposed miscellaneous amendments. They give effect to recommendations that have been made in the course of the review by the Standing Committee of Attorneys-General of the uniform Companies Act during the past few years. Some of the proposed amendments are of a general revision nature designed to correct existing anomalies or deficiencies in the Act, and many are minor matters clarifying or enlarging existing provisions. I do not at this stage propose to refer to all of the matters in part VII in detail. However, I will refer to some of the more important matters included in the proposed new part.

Clause 47 which contains minor amendments for the clarification of section 9 also includes a provision giving the Companies Auditors Board a discretion to register persons who satisfy specified conditions—particularly relating to that person's practical experience in accountancy—and to refuse to register either as auditor or liquidator, persons who are not resident in a State or Territory of the Commonwealth.

Clause 54 repeals and re-enacts section 25 of the principal Act which relates to the conversion of companies from one class to another. The purpose of the amendment is twofold—

(1) To allow existing exempt proprietary companies to convert to unlimited companies so that they can qualify for exemption not to appoint an auditor. That change of policy has been previously referred to by me when dealing with the accounts and audit provisions proposed by clause 17 of this Bill. It is anticipated that a number of existing exempt proprietary companies will wish to convert to unlimited status to enable them to qualify for the exemption. To ensure that a member of a limited company cannot be forced to accept unlimited liability for the debts of the company, the proposed new section provides that the change of status can be effected only if all members assent thereto.

(2) The new section 25 will empower a no-liability company to convert to a limited company.

Clause 58 seeks to amend section 76 of the principal Act in its application to miscellaneous types of investments which are not in the nature of shares or debentures.

The purpose of the amendment is to bring an interest in certain types of partnership agreements within the meaning of an "interest" under section 76 of the Act. The Bill would also provide for the prescription of other partnerships or other classes of partnerships in which no need for protection arises, thereby excluding such partnerships from the ambit of the section.

The rapid growth of syndication schemes and the collapse of some of these schemes in Western Australia have demonstrated the need for statutory control over the fund-raising activities of promoters of such schemes.

Members will be aware that there is usually keen competition for funds being solicited from the public in investment schemes, whether those schemes take the form of company flotations, debenture, mortgage stock or unsecured note issues, unit trusts, or mutual funds. However, in each of those instances the companies legislation requires the preparation, registration, and issue of a prospectus containing sufficent information for the investor to make a reasonable assessment of the chances of success of the scheme and, accordingly, the security of his investment.

However, at the present moment interests in the nature of partnership interests are commonly promoted and vigorously advertised, but no means exist for controlling the nature and content of the advertisements and, probably more importantly, there is no obligation to prepare and issue a prospectus or to execute a trust deed to protect investors' interests.

Thus at the moment not only do promoters of partnership interests enjoy freedom, at the expense of investors' security, from those requirements applicable to all other modes of public investment, but also the very fact that they do not have to issue a prospectus and secure the execution of an approved trust deed puts them at a competitive advantage.

All other mainland States have already enacted identical or similar amendments to section 76 of the uniform companies legislation, and there is real cause for believing that if similar legislation is not enacted in this State promoters from other States will resort to Western Australia for the purpose of promoting schemes of doubtful soundness.

Another important amendment is proposed in clause 102 of the Bill. Section 292 of the principal Act sets out the order in which preferential debts are payable in a winding-up. The Standing Committee of Attorneys-General agreed to increase from $600 to $1,500 the amount of wages and salaries to which an employee of a company is entitled in priority and to remove the qualifying period of four months in respect of which wages and salaries are entitled to priority, the effect of which will

be that wages and salaries will be entitled to a priority of $1,500 irrespective of the period for which they have remained unpaid. It is also proposed to remove the existing priorities limit of $2,000 in respect of workers' compensation due to an employee of a company in these circumstances.

A further amendment is proposed to the section to ensure that wages and salaries earned between the date of the presentation of the petition for a winding-up and the date of the making of the winding-up order are entitled to priority to the same extent as wages and salary earned preceding the presentation of the petition to wind up a company. The expression "floating charge" is defined and the effect of that definition is that the priority extended to wages and salaries over the holder of a floating charge is not defeated by the crystallisation of the floating charge on a date prior to the commencement of the winding-up.

Clause 115 proposes a new provision, the enactment of which was agreed to by the Standing Committee of Attorneys-General in July, 1970. The section is designed to answer constant criticism of the existing law which does nothing to prevent a person who was a director of a company that failed, from forming a succession of companies and incurring further debts in the names of those companies.

The section seeks to empower the Registrar of Companies to apply to the court for an order prohibiting a person from taking part in the management of a company for a period not exceeding five years.

The court, before making an order, is required to satisfy itself that the person had been concerned with the management of two or more companies that have failed and that the failures were due wholly or in part to the manner in which those companies had been managed.

When the uniform Companies Bill was in course of preparation, consideration was given to the inclusion of a provision in the Bill whereby a person who had been a director of a company that failed to pay more than 50c in the dollar to its unsecured creditors could not act as a director of another company for a period of five years without leave of the court. That provision, however, was abandoned since it would have reacted harshly against a person who had joined a board for the purpose of endeavouring to save the company from total collapse. If the company failed in spite of that person's effort he would be forced to resign all other directorships held by him.

Such a position is unlikely to arise if section 374H is enacted. The registrar would not seek an order of the court except in appropriate cases and the court could be relied upon to ensure that persons did not suffer injustice. On the other hand, the new provision would be useful in protecting the public against irresponsible or unscrupulous persons who incur debts in the names of companies and take full advantage of the limited liability principle to the detriment of the creditors and employees.

As previously mentioned, this Bill follows substantially the same form as similar legislation in Victoria, South Australia, Queensland, and New South Wales and it is most important from the point of view of the business and commercial community that the legislation in this State should not differ greatly from that passed elsewhere. I do not suggest for a moment that the dictates of uniformity require this Parliament in any way to surrender its power to decide what the law should be. However, when dealing with legislation such as this which operates across State borders and affects persons in other places it is important that the legislation should be and is consistent, and that any changes made should occur only when Parliament considers the matter of fundamental importance.

I trust that the House will pass this Bill so that Western Australian company legislation will be in a form similar to that in the majority of other States. Members may have guessed that I am very pleased to commend the Bill to the House.

Adjournment of Debate

MR. R. L. YOUNG (Wembley) [12.26 p.m.]: With fear and trepidation I move—

That the debate be adjourned.

Mr. Graham: You made a speech. You cannot speak again now.

Mr. Bickerton: That is your speech.

Motion put and passed.

RESERVES (UNIVERSITY LANDS) BILL

Second Reading

MR. T. D. EVANS (Kalgoorlie—Minister for Education) [12.27 p.m.]: I move—

That the Bill be now read a second time.

This is a small Bill and members will be delighted to know it is accompanied by a very small speech.

Mr. O'Neil: And a map?

Mr. T. D. EVANS: The Murdoch University is to be established on land held in trust by the University of Western Australia under the terms of the University Endowment Act, 1904-1927.

The purpose of this Bill is to excise the proposed site from the endowment lands of the University of Western Australia and enable it to be vested under the provisions of the Land Act, 1933-1971, in the Murdoch University Planning Board, which board, members will recall, is also the subject of a Statute.

The Bill also provides for the University of Western Australia to retain its interests in the pine trees planted on the land as set out in a deed of agreement between the university and the Forests Department. I commend the Bill to the House.

Mr. O'Neil: Do you have a map of this area?

Mr. T. D. EVANS: I can have one tabled.

Debate adjourned, on motion by Mr. Lewis.

ALUMINA REFINERY (MITCHELL PLATEAU) AGREEMENT ACT AMENDMENT BILL

Second Reading

Debate resumed from the 14th September.

SIR CHARLES COURT (Nedlands—Leader of the Opposition) [12.29 p.m.]: The legislation before us is something of a bitter pill for this Parliament to have to swallow.

The Government's decision was, as the Minister no doubt knows, a tremendous shock to the people in the Kimberley. It is a serious blow to the genuine concept of major decentralisation based on regional development. In this particular case it is more than the long-term development of a major project because the company was negotiating for a diversified development around the Mitchell Plateau project. Its intention in negotiating with the previous Government—and no doubt understood by the present Government—was to undertake a very diversified type of operation extending far beyond bauxite mining, beneficiation, and alumina. It was to be the centre of northern Kimberley development so as to complete the three sheet anchors needed in the Kimberley; namely, in the West, the North, and the East Kimberley regions.

In fact, one of the great attractions of the negotiations with Amax was the fact that it was a company which is far-seeing in these things. The company is headed by a man named Ian MacGregor, and he has always shown a desire to be neighbourly in this matter and interest himself in the total development. In fact, one of the points of concern to the company was that the development was to be very isolated and the company knew that if it could not attract, simultaneously, some other diversified activities, it would finish up as a very isolated "company" town in the worst sense of the word.

The fact that the company was prepared to diversify into forestry, fishing, agriculture, and pastoral pursuits was of mutual advantage to the company and the Government. I say, "mutual advantage" because the company would have been able to attract a better type of work force had it been known that diversified activities were available for the families of the workers—and for the workers themselves who worked in the bauxite/alumina project. In other words, the workers would not feel that they had to work for the Amax bauxite project with no other prospect of employment unless they left the area.

As I have said, some of the diversified activities which the company had in mind were fishing, agriculture, forestry, and pastoral pursuits. Some of the projects were to be undertaken on the company's own account, and some in conjunction with other people. Some were to be through negotiated arrangements. For instance, I understand the object of the company was to interest a specialised fishing company which was to use Admiralty Gulf as a base. That would have provided a diversified industry either in conjunction with or under an understanding with the company. Naturally, such a venture would have the full support of the Government of the day.

A further field in which this project was to be of value to the Kimberley was the fact that Amax has always endeavoured to find a means of taking some interest in the Ord scheme as a part of the total development of its agricultural and pastoral complex, and also as a form of insurance because of the unlimited quantities of water which will be available for pasture and other development at the Ord. That combination was, to my mind, very laudable and very much to be encouraged.

So far as the pastoral activities are concerned the company had, of course, acquired—or was in the process of acquiring—the pastoral lease which surrounded its operations. That was for a twofold purpose. Not only could the company undertake pastoral pursuits and, later on, agricultural pursuits, but it would be its own neighbour. Operators of this kind have found that they can get into all sorts of bother trying to undertake large-scale mining operations when they are surrounded by a hostile leaseholder or freeholder. All in all, that was a very desirable approach and one which the previous Government encouraged. I would be surprised if the present Government did not also encourage that approach.

We, on this side, are not unmindful of the problems confronting Amax and its joint venturers in respect of the Mitchell Plateau project. However, I want to say that here is the crucial difference between the present Government and a Liberal-Country Party Government. We do not accept the problems of Amax at Mitchell Plateau were insurmountable. We realise they were considerable but we have never accepted them as being insurmountable.

I know that during our term in government we periodically discussed the problems associated with the Mitchell Plateau project. Representations were made by us in relation to this project because we understood the problems involved.

We all know that the Australian investors, on all levels, showed a complete indifference to investment in this particular project. I explained this point at considerable length and in detail to the parliamentary group which went to the Mitchell Plateau in, I think, 1970. At that stage we were still trying to preserve a 20 per cent. Australian component. Some people within Australia, in the financial world, did commendable work in trying to incorporate an Australian component.

Mr. MacGregor put forward a very imaginative proposition to Australian investors who were sensitive to the fact that this was not a "get-rich-quick" proposition. It was a long-range project involving enormous capital with no prospect of any dividends during the first few years. In fact, I think I worked it out that it would take about seven years before the project would get past the "break-even" stage and into the "dividend-paying" stage.

I want to come back to my earlier point because I believe the Government has taken the easy way out. I will refer to two specific incidents in the life and development of the north, which are very important and give some background and some substance to the statements I have made. I think we are inclined to forget the long period of trial and tribulation suffered by the Mt. Newman project in its original stage, and it is well to record the history of that venture.

Mt. Newman was to be 50 per cent. Amax investment, and 50 per cent. C.S.R. The further the project advanced, and the more that was known about the cost structure of the development, the more it became apparent that the Australian partner could not finance the 50 per cent. interest in the project, strong though it was and reputable though it was. A number of combinations were "tried for size", to see whether we could get the Australian component to something like 50 per cent., because that was the objective of all of us. This proved to be impracticable so far as the original partner was concerned.

The head of C.S.R. (Sir James Vernon) worked extremely hard in conjunction with the senior people of Amax. The Commonwealth Government became involved with the State Government. Discussions took place over something like 21 months and they were frustrating. Nevertheless, they were aggressive negotiations. It is now history that B.H.P. was finally induced—together with the major financial institutions, such as the A.M.P. and the like—to come into this project. We achieved a very desirable result by finishing up with a 60 per cent. Australian component.

Mr. J. T. Tonkin: But not without paying the price of tying up an iron ore reserve for 50 years.

Sir CHARLES COURT: I do not know what the interjection has to do with what I have said. Of course it is tied up for longer than 50 years.

Mr. J. T. Tonkin: You gave B.H.P. a 50-year reserve.

Sir CHARLES COURT: I now realise the point the Premier is getting at. It has nothing to do with the Mt. Newman agreement.

Mr. J. T. Tonkin: Yes, it has quite a lot to do with it. It was a condition under which they entered the agreement.

Sir CHARLES COURT: The 50-year agreement the Premier is talking about relates to Roy Hill.

Mr. J. T. Tonkin: No, it does not. It was associated with Mt. Newman. It was one of the conditions under which they went into Mt. Newman.

Sir CHARLES COURT: Whenever I mention the Australian company of B.H.P. the Premier reacts in the same way as his predecessor reacted. There is no secret about this reserve. It was an agreement brought to Parliament, and it put Roy Hill "on ice" for 50 years. Why?

Mr. J. T. Tonkin: Yes, why?

Sir CHARLES COURT: To protect the Australian steel industry at a time when there was a tremendous amount of criticism about the iron ore reserves which were being made available to overseas companies.

Mr. J. T. Tonkin: It was a decision to get B.H.P. to come into Mt. Newman.

Sir CHARLES COURT: I am sure that if the Premier researches this matter—

Mr. J. T. Tonkin: I know, without researching.

Sir CHARLES COURT: —and if he looks at the various B.H.P. agreements—involving Yampi, Koolyanobbing and Deepdale—he will find the answers in regard to this question.

Mr. J. T. Tonkin: I know.

Sir CHARLES COURT: I would like to ask the Premier whether or not he objected to the 50-year period?

Mr. J. T. Tonkin: My statement was that you did not go and get this arrangement without paying a price, and that applies to what we have done.

Sir CHARLES COURT: I do not accept that Roy Hill has anything to do with it at all, but even if it has—to pacify the Premier—it was a small price to pay to secure one of the great projects of the world.

Mr. J. T. Tonkin: It was a price?

Mr. Graham: There is an admission.

Sir CHARLES COURT: If it was—to pacify the Premier—

Mr. J. T. Tonkin: Yes, it was.

Sir CHARLES COURT: —surely it was a small price to pay for protection to the Australian-owned steel industry.

I am always so bewildered that the Labor Party, which always makes such great protestations about Australian ownership, reacts so sharply as soon as I talk about B.H.P.

Mr. J. T. Tonkin: You were not talking about B.H.P. We were talking about the price to be paid for a different agreement.

Sir CHARLES COURT: I was talking about B.H.P. I made the point that the only way to preserve the Australian equity in Mt. Newman at a figure as high as 60 per cent. was for B.H.P. to become a partner.

Mr. J. T. Tonkin: They would not, had you not been able to obtain agreement.

Sir CHARLES COURT: Roy Hill was a different project altogether. If the Premier takes the trouble he will find out that Roy Hill was not such a prize. Even if it was, I do not apologise. It was a good thing to do to protect something for the Australian steel industry.

Mr. J. T. Tonkin: When we do something similar with regard to the Mitchell Plateau, it is wrong.

Sir CHARLES COURT: The Premier has not yet done something similar. He has sold out for a mess of pottage. The Mt. Newman project, in a remote area, is a going concern—

Mr. J. T. Tonkin: Of course.

Sir CHARLES COURT: —with strong partners.

Mr. J. T. Tonkin: Alcoa, too, will be a going concern in the third stage.

Sir CHARLES COURT: Let us come back to the point. I am trying to illustrate the difference in approach. Let us take another of these projects which was not given a chance to get off the ground.

Mr. J. T. Tonkin: Rubbish.

Sir CHARLES COURT: Many people attempted to sabotage it—I am referring to the Robe River project. The project took over three years of Government-initiated negotiations. The Government was spearheading the negotiations.

Mr. J. T. Tonkin: That will stand looking into, too.

Sir CHARLES COURT: Of course it will. We are very proud of it. Does the Government realise what a mess it would be in had Robe River not been under construction when the Government took office?

Mr. May: That is right, because there was nothing else there. There was not a thing in the pipeline.

Sir CHARLES COURT: Robe River was the product of positive negotiations. The Premier knows how many people set out to stop this project. In some cases they set out to sabotage it, but the then Government said that it was vital to the area. The project went forward and it is a great one.

This is the difference in approach about which I am speaking and I think it is as well to remind ourselves that it is possible, with Government initiative in these matters, to be able to do something which might otherwise fall flat. Both Mt. Newman and Robe River could have fallen flat if the Government in conjunction with the partners—the joint venturers—had not got off their tails and done something about this, within the State, interstate, and internationally. I think this is inevitable in the modern concept if results are to be achieved.

In these complex types of operations when one tries to bring people together like a jigsaw puzzle, one starts off with one group and can finish up with an entirely different group. This is the point we must understand. One of the techniques of modern government in this type of development is to go out and negotiate these projects, not only with the participating companies but also with the financial institutions behind the scenes as well.

I want to move onto another point arising from the one I have made—

Mr. J. T. Tonkin: You tried to make.

Sir CHARLES COURT: —which upset the Premier. In the course of introducing the Bill, I think the Government should have told us exactly what it has done by way of direct negotiations, interstate and internationally, to see whether it can keep the pieces of this project together.

All we have recorded publicly is an admonition by the Minister for Development and Decentralisation of one of the Japanese partners, because it expressed some views about the problems of getting the industry going within two years. All he did was to say they were playing the game a bit rough, or words to that effect. This is no way to coax a complex and marginal type of operation into being. I think we are entitled to know from the Government just what sort of negotiations were undertaken.

Sitting suspended from 12.45 to 2.15 p.m.

Sir CHARLES COURT: Before the luncheon suspension I was covering the field of the negotiations that had taken place in respect of two difficult projects in order to instance the difference between the more positive approach that is taken by a Liberal-Country Party Government and the approach taken by the present

Government. I had reached the point of raising with the Government the query as to what it had done in a positive way over the last 18 months in not leaving the company to its own devices but working with the company in seeking out, if necessary, not only new markets but also new joint venturers, as well as giving some assistance at Government level.

The problems in this particular project have always been concerned with the very heavy amount of infrastructure that is inseparable from the establishment of a major project including a big town in a remote area. Some members will recall when the original legislation was introduced reference was made to Regional Development Authority machinery which was put into the parent Act by way of an experiment. I must admit that up to the time of the change of Government we had not had much success with this experiment, but the fact is the machinery was put there as a basis for endeavouring to develop a technique whereby Commonwealth participation could be arranged.

I think it is appropriate to mention this matter at this time because I am of the opinion that even a modest gesture in this particular field could have weighed the scales in favour of the Mitchell Plateau project going on; for instance a contribution at the Commonwealth level in respect of power, some assistance with the port development, and the like. I will refer briefly to the Regional Development Authority machinery because there is a misunderstanding in the minds of most people, including financial writers, about the representations that have been made and the policy that has been advocated in respect of infrastructure.

In my experience, most of the companies have not been seeking a gift. They have been seeking access to money which is of a cheaper variety than the ordinary commercial and industrial money, and they have been prepared to service the infrastructure. This, of course, is quite unique because when the Government becomes involved in a community expenditure such as that on education, railways, water supplies, and so on, in most cases the Government has to carry a fairly substantial deficit in servicing those funds. Some of those expenditures are straightout social costs where the Government of the day accepts completely both the capital costs and the operating costs. Others are partially self-servicing. Others in fact service themselves—for example, metropolitan water supply, sewerage, and drainage, where the policy has been at least to make it break even. However, in the main, most of these infrastructure services are supplied at considerable cost to the taxpayer.

In the concept of the R.D.A. in the original agreement, this principle did not apply. The parent company was committed to backing the investment with a guarantee right back at the parent company level so as to make it possible for the Government of the day—at the Federal level or at some other level, for that matter—to feed in the funds for the necessary infrastructure, to take this burden off the normal industrial and commercial costs, but at the same time to service the funds. There is provision for a 42-year lease which was to be guaranteed by the parent company, thereby placing no financial burden on the community, either as to operation or capital costs.

In fact, if at the end of that period the project was still a success and the township was still thriving, the situation would arise whereby the community would actually own the infrastructure with no outlay in the final analysis. The Government could then renegotiate an arrangement with the then occupiers of the town and the users of the facilities such as power, water, the harbour, and the like. I make these comments because I believe the time has come for the nation to rethink these agreements. We saw a clear indication of this when the Deputy Prime Minister was in Perth recently. He spoke in a very encouraging way to the Perth Chamber of Commerce at Subiaco. Either the Premier or the Deputy Premier was present at this meeting, but I am sure everybody present would agree it was heartening to hear such a positive statement at a national level about the possibility of assistance with this type of project in the future.

The question we raise with the Government is: To what extent were positive and specific—I do not mean general—representations made to the Federal Government in respect of this project before the final decision was made to put it on ice for eight years, and possibly 12 years? I believe it is possible for both the Pinjarra and the Mitchell Plateau projects to go ahead.

I acknowledge that Alcoa is a very fine company. It is the largest and oldest of its kind in this industry. Of course, Amax is also very large and very experienced. It has the advantage that it has operated in many countries, in very difficult political situations, and in difficult terrain. It has shown great tenacity. These companies are two good "horses"—for want of a better phrase. I believe the difference is that now they are being ridden by a Labor Government whereas previously they were ridden by a Liberal-Country Party Government. This accounts for the different approach.

I say that I believe it is possible for both projects to go ahead for these reasons: Given some encouragement and by keeping the consortium together, we could have retained the tonnage which was generally accepted as the basic tonnage necessary to get the Mitchell Plateau project off the ground. It is not a new innovation to be talking about 1,500,000 tons.

Originally we talked about much lower tonnages, but as is common with all the big mineral and metal projects today, the tonnages have to be escalated to accept the costs.

Once the underpinning of Amax tonnage is taken out of this, the whole tonnage potential collapses—not only for today, but for many years to come. Attempts should have been made to keep the partners together with the big base tonnage which Amax was to feed in as a cornerstone of the whole project. On the other hand, we have Alcoa—the biggest and oldest company of its kind in this industry—with a very strong growth rate.

Whilst other metal industries, and particularly steel, have suffered a slowing down and levelling out on a world basis temporarily, aluminium sales continue to rise, in spite of the claimed excess capacity. If we study the figures for the world capacity and potential in the next 12 months to two years, it is apparent that more capacity will be needed. This has been our argument with the Government over the last few months: We believe there is a need for a greater capacity. It may be that Alcoa has some spare capacity in another part of the world, but that is not the key.

The Pinjarra project was based on the concept of a breakaway from Kwinana—decentralising the industry and oriented on the Bunbury area, eventually. This project is to go to something like 3,500,000 tons in due course. The Government can argue that its decision will result in the target tonnage being reached a little earlier. However, we say there is a good argument for some very solid negotiation to get both these projects off the ground. One project should not be put on ice for a long period with the idea of obtaining replacement tonnages at Pinjarra.

Mr. H. D. Evans: Is 3,500,000 tons the envisaged maximum for Pinjarra?

Sir CHARLES COURT: That is the ultimate—of product, not bauxite. We indicated this to Parliament when the legislation was originally presented, and for this reason a number of factors were built into the project.

Mr. Gayfer: How does that compare with world standards?

Sir CHARLES COURT: The project will be the biggest of its kind, eventually. It was to go in steps of 200,000, preferably with two units at a time with a total of 400,000 tons a year. This seems to be the policy which is followed in all such projects in the world today, because single 200,000-ton units are not proving as economical as they were seven or eight years ago owing to the acceleration of costs.

I would like to refer to the history of the introduction of Amax to the bauxite field in our State, because it has a degree of pertinence in respect of the decision which has been made. Amax is a very big fabricator of aluminium. In recent times it has become customary for this industry to integrate backwards, and Amax then became interested in the smelting of alumina into aluminium. It then had to buy alumina somewhere else—in fact, it has been a big buyer of alumina from Kwinana for a long time.

The final leg in this integration programme was to move into the bauxite field. Most of the big aluminium companies need to have some security with part of their requirements coming from reserves under their own control. This was the basic philosophy in negotiating with Amax for its first major access, in its own right, to bauxite deposits. It was part of the backwards integration which made the negotiations attractive to the company, and of course, attractive to us.

I would like to move to another point, and that is the Premier's criticism of me in one of his weekly columns in connection with the original agreement. I suppose it is one of the purposes of the weekly column to deal with issues of this type. However, I feel he wrote rather cynically and did not deal fairly with the position.

The Hon. J. T. Tonkin: Oh yes he did, and it was very pertinent, too.

Sir CHARLES COURT: We will deal with that at the appropriate time.

Mr. J. T. Tonkin: We will deal with it all right!

Sir CHARLES COURT: I just wish to make this point to the Premier before he goes off the deep end, because he does seem rather testy today. I just want to make a point.

Mr. J. T. Tonkin: I just want to keep you on the straight and narrow, and that is hard to do.

Sir CHARLES COURT: The Premier has been trying very hard but he has never been able to find me wrong when I am stating the position in respect of these matters.

Mr. J. T. Tonkin: Are you trying to tell me that you do not exaggerate?

Sir CHARLES COURT: Yes, I am.

Mr. J. T. Tonkin: I don't believe you.

Sir CHARLES COURT: Let the Premier tell me where I have exaggerated.

Mr. J. T. Tonkin: I will tell you.

Sir CHARLES COURT: If I may just have the floor for a moment, Mr. Speaker, because the honourable gentleman is showing signs of wear at the moment, I will make this point: In the original agreement the important factor was that in any negotiations for extensions of time that took place the Government was in a position of strength. It is important that we understand this, because the whole philosophy of it was that there had to be

a series of checkpoints, so that at given times, if any company wanted an extension after a certain period it had to justify to the Government of the day that it should have that extension.

Any Government would normally be reasonable about the situation and would, of course, weigh up the circumstances in the light of the economic position, the market, the finances, and so on. Companies had to accept that the Government of the day would be reasonable. However, this is the great difference. The Government has granted this extension on an eight-year basis. If the company pays its rents—which is not a very great burden over the period of the extension—it automatically gets an extension for a further four years, and that is the end of it. However, under the old order, whenever the company wanted an extension it had to make application and demonstrate—and this is what I would like the Premier to understand—"to the satisfaction of the Minister." There was no "maybe" about this.

The company had to demonstrate "to the satisfaction of the Minister," and in some other cases—in some other cases only—if there were a dispute it went to an arbitrator, but at least the Government of the day and the citizens of the day had the satisfaction of knowing there were a series of checkpoints; that it was not entirely at the discretion of the company. This makes a mighty difference, because when we look at substituted clause 4 on page 5 of the Bill, we find that 4 (1) reads as follows:—

> The Company will at such times—

It is not the Government, but the company. Continuing—

> —and to the extent that it deems necessary, . . .

and so on. Then, in clause 4 (3), we find the following:—

> The Company will, at such time as it deems necessary, employ and retain expert consultant engineers . . .

and so on. Then we go on and we find that when the company wants an extension beyond 1980—that is, after the eight-year period—it has to give a detailed report to the Government. The following appears in paragraph (c) of clause 6 of the agreement in the current Bill:—

> . . . the Company submits a detailed report to the Minister that in the opinion of the Company—

It is not "in the opinion of the Minister." Continuing—

> —development of the bauxite reserves within the mining areas is not then economically feasible or is not feasible due to an insufficient number of participants for the project, and the Company requests a deferral of its obligations up to the 30th day of June, 1984, then by that date the Company will where not already done submit to the Minister—

Mr. May: There is a difference here, you know. Normally, when a company has to report to the Government this is because it is still endeavouring to prove an area, but this company has already proven its area. The only reason it cannot get off the ground is because of the current economic situation.

Sir CHARLES COURT: The Minister is partly right, but he is not right when we consider the period under the old agreement. At this stage it has proved its area, but a situation could arise where the company was in economic and financial difficulties and it wanted a further deferment under the old agreement. This is a crucial difference. If we take our minds back to the old agreement—and I am referring to page 17 of the 1971 agreement—it says, "to the satisfaction of the Minister." That is shown every time the words occur in clause 5. Then again, in clause 5 (b) it says, "The Company demonstrates to the satisfaction of the Minister."

Mr. May: This is in regard to the actual deposit.

Sir CHARLES COURT: No it is not.

Mr. May: The company has already proven to the Minister that it is a viable proposition if the economic situation is favourable.

Sir CHARLES COURT: With all due respect, the Minister is not with me on this one. I am not talking about the proving period. If we refer to clause 5 in the 1971 agreement, which was the revised version of the provisions in the 1969 agreement, we find that it refers to economic and financial considerations and not to the actual viability of the deposits themselves—not to the technology of the deposits.

This is a question of the company wanting an extension of time for financial and economic reasons. That is the difference. In the early stages of these agreements it is simply a question of whether there is sufficient ore to make a viable proposition.

Mr. May: Does not this prove my point that it does not demonstrate to the Minister, but to Parliament, which is of far greater importance?

Sir CHARLES COURT: That is not so. The Government has not given us any demonstrable proof that the project is viable or otherwise. It has just said it is not viable at this point of time, and we have to accept that at its face value.

Mr. May: I think that is rather obvious.

Sir CHARLES COURT: For one reason, yes, but for another reason, no, and I am trying to make this point. The Minister for Mines is missing the point I am trying to make—that is, from now onwards the

company does not have to prove anything to anyone. It has only to pay its rental and for eight years its areas are sacrosanct, and also for another four years, if, in the opinion of the company it is entitled to get an extension for four years, because it is still not viable to proceed with this operation.

There is good reason for concern here, because 12 years is a mighty long time. With goodwill, and with some encouragement from the Government, and maybe a little infrastructure assistance at Commonwealth level, that period could be reduced, but the main prop has been taken out of this exercise, because the main prop was the Amax domestic tonnage which was underpinning this operation, and therefore the company now has to have other customers and start off from scratch.

The two matters that are worrying me are, firstly, the escalation of cost, because we would be completely irresponsible and unrealistic if we did not assume that costs were going to escalate in Australia. There are pressures for increased wages, and as the pressures are greatest in remote areas, this is the greatest single factor in the escalation of cost. However, there is another factor that is intruding today, and that is there is a tremendous amount of research going on in the world for alternative sources of alumina. If any of these methods of research are successful, it will, of course, completely change the economics of the location so far as alumina supplies are concerned.

If, for instance, a cheap method for the extraction of alumina is discovered, the economics of alumina production and the significance of the available sources of alumina would be completely changed. Furthermore, the question of environmental protection will be easier to handle, because only a small proportion of the alumina will be taken out of the total mass of the deposit and therefore the mining area can be rehabilitated in a way previously not thought possible. This is the way a situation can be completely changed overnight so far as alumina resources are concerned.

For this reason I have always been sensitive about getting these projects moving. It is a good idea, if possible, to endeavour to get a rapid expansion of alumina mining. This is one of the reasons that I was anxious to see the Mitchell Plateau project put in train, because that is a low-grade deposit judged by Weipa standards, but fortunately it is a deposit from which alumina is fairly easily extractable, and this is a compensating factor.

However, being so remote it is certainly not an outstanding prize in terms of world bauxite deposits and for this reason it is another good incentive from the Government's point of view to get this off the ground, and as quickly as possible. Two factors are working against us. One is the escalation of costs, and the other in the possibility through new technology, of completely different sources and amounts of alumina being available to the world.

Mr. Fletcher: How can you logically blame the Government if financiers find the project unattractive?

Sir CHARLES COURT: I have been trying to make the point that ways and means are available. Some people said that Robe River and Mt. Newman would never get off the ground, but they are. Why? It is because of intense negotiation, consultation, and co-operation between the Government of the day, the companies, and the financiers.

Mr. Hartrey: And there was a boom atmosphere at the time.

Sir CHARLES COURT: That is where the member for Boulder-Dundas is wrong. There was no boom atmosphere in the Mt. Newman situation. In fact we had not really got the message across to the world about how much iron ore would be needed. This must be considered in the right atmosphere and there was certainly no boom when Robe River was being negotiated and so many people were trying to stop it. However, that project is off the ground.

Mr. Fletcher: But it was teetering on the edge, even during your regime.

Sir CHARLES COURT: None of these things are easy. A sum of $300,000,000 does not grow on trees for anything or anyone; and I am trying to make the point that if the Government worked hard enough and had the goodwill of all concerned it could still tip the scales either in favour of or against projects.

I know that when we hear the evidence from these people, at first glance we would say that it is bad luck; we must grab what we can for Pinjarra and trust to luck that the future will look after Mitchell Plateau. In the meantime the extra money to be gained in rent at Mitchell Plateau is "peanuts" compared with the economic benefits of getting a project of this kind off the ground.

Imagine what it would do to the engineering industry of this State if the project were to be commenced next year. The confidence gained immediately as a result of the news that the project was to commence would be immense. It is not necessary for the work to start before any benefit is derived.

The other point which worries me about the deferment is the fact that we are talking about an escalation of tonnage now. What will be the demand to make this viable in, say, seven years' time? If it is 1,500,000 tons now, and there is talk about 2,000,000 tons then, surely it will make it that much more difficult; and in the meantime we have fragmented the tonnage Amax would inject into the project.

In the course of his speech the Minister made one or two comments to which I would like to refer quickly. He said that these definite extensions on the Mitchell Plateau project had to be made in lieu of the uncertain deferment provisions under the existing agreement, and also for the immediate expansion of the alumina refinery capacity at Pinjarra. I am firmly of the opinion that this is not correct because under the existing deferment arrangement the Government of the day had control. This is the point. It was the Minister who had to be satisfied, but now we do not have a single checkpost between now and 1980.

The Minister referred to the cyclic downward fluctuation in growth of world alumina consumption which has been a major contributing factor in the consortium's inability to attract further consumers. I know there has been some overcapacity temporarily, but I am still of the opinion that within 18 months or two years at the latest there will be an over-demand and not a surplus capacity.

This is the target and this is the point I believe could have been negotiated with a firm as big and powerful as Alcoa in respect of Pinjarra. I am not suggesting we want to deny the Pinjarra development; we need them both.

I do not want to labour the rest of the points in the Minister's speech. I think I have covered most of the arguments. I believe the development in the Kimberley has been placed in jeopardy. We have not yet been told by the Minister in sufficient detail exactly what the Government did to try to keep this project alive now so that it would be continually under review instead of being on ice until 1980, without any checkposts in the meantime. We have just not heard from the Minister as to what action was taken by the Government to try to induce some infrastructure from another source to weigh the scales a little in favour of Mitchell Plateau; or what in fact is the world alumina situation.

Our estimates are that there will be a shortage of capacity by 1974, and therefore there will be a mighty scramble again, or another project such as Gladstone or some other overseas ventures will have moved in and gained the capacity to corner that market and we will miss out for the second time.

We do not propose to vote against the Bill, but we felt some obligation to make our thoughts known. As I mentioned at the commencement of my speech, it is a bitter pill to swallow. It is a great shock to the people of the Kimberley who were placing so much store on this project getting off the ground within the next two years. I do not think we can underestimate this effect because the people need some encouragement and something of this kind to give them a new dimension to their development to bolster what is going on in the West and East Kimberley regions.

I sincerely hope that despite this agreement, this or some other Government will be able to put together a consortium with Amax to break this *impasse* of eight or 12 years to get this project off the ground much sooner because it is a vital one.

MR. RIDGE (Kimberley) [2.47 p.m.]: I know of no other projected enterprise in the Kimberley region which has aroused as much enthusiasm and interest in the area as has the bauxite alumina project; and it was with some justification the people in the area became enthusiastic because it was to be by far the biggest project ever to be undertaken in the region. We hoped it would herald a new era by breaking down some of the problems associated with isolation. I believe it would have prompted improvement in communications, transportation, port facilities, roads, and similar services. Perhaps more important is the fact that it would have opened up an entirely new region of the State to development which, up to the present, has been quite out of the question.

The company concerned has earned a reputation right throughout the world as making a very real contribution towards the enrichment of people's lives by sensibly developing natural resources in harmony with recreation and conservation; but, hand in hand with the development of the industry in the Kimberley, it offered a prospect of great diversification, and this was referred to by the Leader of the Opposition when he said that the company was interested in encouraging forestry, fishing, agriculture, and pastoral pursuits. It has, I believe, already purchased two pastoral properties in the Kimberley. It appears to be a policy of Amax not to allow a town to be completely reliant on the industry it is conducting; and in encouraging private enterprise to participate in the project I believe the company was trying to ensure that just another company town was not established.

It probably would have been one of the most stable communities in the north, because the area is naturally attractive and the proposed townsite amenities would have been far in advance of anything we presently have in the area in the established townsites.

I believe it would have generated good and steady employment for people in the area, including Aborigines, because the company has already indicated a desire to assist in providing employment for these people. Coupled with this, it would have been of immense benefit to the State so far as tourism is concerned; the country from Derby to Gibb River and from Gibb River to Admiralty Gulf is attractive and seems to compare favourably with any other area in Australia, particularly outback areas.

Members can see there was some justification for the people being enthusiastic about the project. I believe it would have had a very great impact on the lives of many people in the region.

Only today I have looked at previous debates on this subject and at other sources from which I have been able to gather some information. I find that originally the alumina refinery was planned to have a design capacity of 600,000 tons of alumina a year. As I understand it, this figure was based on long-term development, because the initial capacity was to be 200,000 tons in the first year of operation and it was to progress to 600,000 tons over the course of 10 years.

About this time the company engaged some consultants of world renown—Bechtel Pacific—to conduct a feasibility study on the proposition based on refining 600,000 tons of alumina. The consultants conducted the study and suggested that, by virtue of the isolation of the area and in view of the fact that building costs were so high, it would not be feasible to proceed with this venture on the basis of 600,000 tons. To the company's credit, it turned around and said to the consultants, "Look at it again, but this time we will double the estimate and make it 1,200,000 tons of alumina a year."

At the same time, the company went about forming a consortium of people who would be interested in participating in this venture. As I understand it, the project was to get off the ground based on this figure.

Now we find that despite the fact the company could use or write orders for about 950,000 tons of alumina, it is an uneconomic proposition to proceed with this venture until the company is in a position to produce, use, or sell 1,500,000 tons annually.

What will be the situation when we reach the figure of 1,500,000 tons? Will we find that it will not be economic to carry on until the figures of 1,700,000 tons, 2,000,000 tons, or 2,200,000 tons are reached? It seems to me to be the old story of the dog chasing its tail.

Also, despite the Minister's emphasis of the desirability of having an output of 1,500,000 tons, I note that nothing in the schedule to the amending Bill varies clause 9 of the schedule to the 1971 agreement, which provides for the company to construct a refinery of 200,000 tons capacity in year one and of not less than 600,000 tons capacity by the end of year 10.

We have already demonstrated it is not economic for the company to carry on with the project if the capacity is only to be 600,000 tons. I think all members are aware of this and the company has already stated it.

My interpretation of this is that we could wait for anything up to 12 years, and then have a refinery built with the original design capacity of 200,000 tons. Surely in view of the fact that this magical figure of 1,500,000 tons is the justification for this Bill being before us today, it would have been desirable to amend clause 9 by obligating the company to construct a refinery of greater capacity.

In his second reading speech the Minister implied that by delaying the Mitchell Plateau project, he was giving it the opportunity of being far bigger than was originally envisaged, but the Minister was not prepared to back up his words with action. I would have been happy had the Minister included a clause in the amending agreement to place the company under an obligation to construct a refinery capable of handling more than the 600,000 tons originally intended, because it has been agreed that this figure is not economic.

How do we make a project bigger by delaying it? The only way I can see it being bigger is by cost escalation. This does not seem to be the way to encourage enterprise.

The Minister said that the agreement might be considered as only a deferment of the commencement of the alumina refinery at Mitchell Plateau, and he went on to say that there was nothing to prevent Amax from commencing operations next year, or within two or three years. I agree entirely. There is nothing in the Bill to prevent Amax from proceeding within the next couple of years, but I am sure the Minister, for one, cannot be hopeful of, or sincere about, the prospects of this by virtue of the fact that he has freed the company of its obligations for eight years. In my book eight years is a long time to wait. Then, as if eight years is to flip past at some supersonic speed, the Minister has included a clause in the amending agreement whereby, at the option and request of the company, a further four-year deferment shall be granted. Consequently it is to take eight years; possibly the company has another four years if it wants that period; and it will take three years to build the refinery.

We could wait 15 years before we see the refinery built. I will be an old man by then. I would have preferred the Minister to set a realistic figure of three or four years—perhaps five at the outside—and make the agreement subject to renewal on a year-to-year basis. This would have been far more acceptable to the Parliament and to the people in the Kimberley than the prospect of waiting for perhaps 12 to 15 years.

It is all very well for the Minister proudly to claim that his Government has successfully negotiated additional development in Western Australia. The Minister could have added that the upgrading of the Alcoa refinery at Pinjarra is being undertaken at the expense of the Kimberley project. There is no doubt whatsoever in my mind that the Kimberley project would have had a far greater impact

on the State's unemployment figures. After all, the Mitchell Plateau project would have involved an expenditure of $350,000,000 compared with an expenditure of $25,000,000 at the Alcoa refinery at Pinjarra.

People in the Kimberley cannot wait for 12 years for this development. The area needs it urgently and needs it now. It is the most forgotten part of Australia. If the State Government does not have the "get-up-and-go" to do something about this, to look for participants for the venture, and to get it off the ground as quickly as possible, I for one will be glad to see the people of Western Australia change the Government as soon as possible.

Mr. May: You do not know what you are talking about.

MR. RUNCIMAN (Murray) [2.59 p.m.]: I am in a position slightly different from that of the Leader of the Opposition and the previous speaker in respect of this matter. I can well appreciate the disappointment of the member for Kimberley about the deferment of the Amax project. It is, I hope, only a deferment.

Those members who visited the Mitchell Plateau approximately three years ago were most impressed with the possibilities of the area, when we contemplated the refinery, the amount of money involved, and the building of a town in that remote area. It was a most exciting thought and we hoped and believed that the project would proceed. The feasibility study had been carried out and it appeared that it was set for development. However, that was three years ago.

I can also appreciate the feeling of disappointment the Leader of the Opposition must have. I firmly believe that if anybody could have got the Amax project off the ground so that we would have had two projects, he is the person who could have done it because of the work he has done with other companies and the successes he has achieved over the last 12 years in getting these industries off the ground.

It would have been wonderful if we could have had them all—Amax at Port Warrender, the extension of Alcoa, the project in the Quindanning-Boddington area, and not forgetting Pacminex. These were all mighty projects, and we were very happy with the previous Government and the then Minister for Industrial Development who were able to persuade Alcoa to build a refinery in the Pinjarra area. It was a matter of decentralisation and it meant a tremendous amount not only for that district but also for the whole of the south-west.

I can therefore well appreciate the disappointment of the Leader of the Opposition that we cannot have the Mitchell Plateau project as well as the extensions to Alcoa's alumina refinery. The two appear to be not possible. We must remember that when those developments began there seemed to be an almost insatiable demand throughout the world, but that situation very quickly changed.

I was very interested to read a news release earlier this year by the Chairman of Alcoa of Australia (Sir James Forrest) who, when talking about the industry, said—

> This industry now faces a very real threat from excess metal available internationally at cut prices, and the prospects for 1972 have to be viewed with this in mind.

I think that is the real reason for Alcoa not being able to extend and Amax and the other companies not being able to get off the ground. If a market existed, I feel sure these developments would have taken place; but the demand does not exist at the present time.

Sir James Forrest went on to say he had unbounded faith in the long-term future of the alumina industry and the company, but I believe it is necessary to have this development at the present time and to make it possible for Alcoa to go on with its extensions, which were expected. Right at the very start we expected that by now we would have been reaching a production of 420,000 tons of alumina a year. The town and the whole district were geared for that development, but unfortunately only one unit has been opened.

I have been in touch with representatives of Alcoa during the past six months in an endeavour to find out their planning for the future and whether there was any chance of the extensions proceeding. Incidentally, I had it in mind to approach the Premier and the Minister for Development and Decentralisation to see whether there was any way in which the present Government could do something to make it possible for the company to go on with its extensions because of the great importance they would have in the economy of the State at the present time. I think we should be considering the present time. It is very nice to think about the future and to plan for the future, but the present time is more important when so many people are unemployed and there is a downturn in many business interests throughout this area. I think the Government has done the right thing, but at the same time there is great disappointment regarding the Amax situation. It is to be hoped that project will not be long delayed.

It is true we had a build-up with the early development of Alcoa at Pinjarra. We expected a great deal. As I said, we expected a capacity of 420,000 tons, but it did not eventuate. When it began, Alcoa was quite confident it would be able to go ahead, but that was not to be.

Mr. May: Why was it not to be?

Mr. RUNCIMAN: For the simple reason that it could not sell alumina.

Mr. May: There was no market?

Mr. RUNCIMAN: That is right. That is borne out by what Sir James Forrest said in his news release some months ago.

Mr. May: You ought to have a talk to your leader.

Sir Charles Court: There is a possibility of generating markets—

Mr. May: A possibility!

Sir Charles Court: —if it is done properly.

Mr. Graham: Court knows; Forrest does not.

The ACTING SPEAKER (Mr. A. R. Tonkin): Order! The member for Murray has the floor.

Mr. RUNCIMAN: The company had plans to build something like 400 homes for its employees. Only 200 homes were built, and only 100 of them are occupied at the present time. Construction firms which had come to Kwinana from the Eastern States in the early stages—I refer to Forwood Down—told me they had come to Kwinana only for a short period; but they are still there. They hoped when they went to Pinjarra they would be able to continue indefinitely. That was expected, and it can be understood why there was a let-down when it was found Alcoa was not able to go ahead with the extension of the refinery.

There was talk of a population of 25,000 in Pinjarra and the development that must go with it, but many people felt it would never happen. However, that is what we were geared to. The local authority had taken that factor into consideration in its planning, but because of the downturn in which we seem to have come up against a blank wall as far as development is concerned, there has been a feeling almost of pessimism in the town. This should not be so because, after all, an industry employing 350 people in a country town is a big industry. There is not a country town in Western Australia that would not give anything to have an industry like that. The people of Pinjarra thought they would get something much bigger, and the planning had been made for a large increase in population.

The effect has been felt not only in the Pinjarra area but also in the rest of the south-west, which was tied up with the project. The new development, with Amax—the world's greatest purchaser of alumina—going in with Alcoa, will make possible a big upsurge in employment and development throughout the south-west. The indications given by the Minister in his second reading speech bring us back to where we started because it is what we expected. It seemed this development would not take place, but now it will take place, and I would like to pay a tribute to Alcoa for the work it has done and the way it has fitted into the district.

The company has co-operated with all organisations in the area, and in many cases has shown preference for local people in regard to employment. Many people from Pinjarra, Mandurah, and surrounding areas hold permanent positions with Alcoa. This is good for the region. The company is very popular in the area. It is one of the largest of its type in the world and I believe we are indeed fortunate in having it operating in this part of the State.

Mr. Rushton: Was not the site negotiated by the previous Government?

Mr. RUNCIMAN: Yes. I have already paid tribute to the previous Minister for Industrial Development, who was largely responsible for the company commencing operations at Pinjarra. We are aware of that, and we appreciate it.

I felt that I should rise to say a few words in support of the Bill, and to express my pleasure that the proposed extensions to the refinery are to go ahead so that we will now see the development we expected two years ago. This will be good for the area, quite apart from the extra employment opportunities. I believe a large number of smaller industries will be attracted to the area. It is a delightful district in which to live, and I am sure the tendency will be for more people to live in the Pinjarra-Mandurah region as time goes by.

I appreciate the fact that the Mitchell Plateau venture has been deferred, and I hope the world situation so far as alumina is concerned improves considerably and that the other companies also will be able to get off the ground. However, in the meantime I am sure this undertaking will be a great success. I believe it will do much for the people of this State not only in the future, but right now. I believe that is most important.

MR. J. T. TONKIN (Melville—Premier) [3.12 p.m.]: I have every confidence that the Minister for Development and Decentralisation will deal adequately with the case presented by the Leader of the Opposition, who seems to be bent on introducing contention in regard to everything this Government does, whether or not it is for the good of the State.

Sir Charles Court: We have a responsibility to point out the facts.

Mr. J. T. TONKIN: Yes, but not to introduce contention when obviously the action is for the good of the State. I want to deal with one or two aspects of this matter personally, leaving the rest to my

able lieutenant. It should be remembered that with regard to the Amax agreement for the Mitchell Plateau it was quite impossible for anybody—even the Leader of the Opposition—

Mr. Graham: No, he would be different.

Mr. J. T. TONKIN: —to state definitely what would be the commencing date for the company, because it was subject to so many provisions which could go to arbitration, one after the other. So it was quite impossible for anyone to say what would be the commencing date within two years or four years of a certain year.

Sir Charles Court: But it was always under the control of the Government, you know.

Mr. J. T. TONKIN: Oh, no, it was not—

Sir Charles Court: Yes it was.

Mr. J. T. TONKIN: —because it had to go to arbitration on any one of five or six contentions. When a matter goes to arbitration it is not within the control of the Government.

Sir Charles Court: You are overlooking one very important factor: that in the original agreement a limit on dates for extension of time was provided so far as even an arbitrator is concerned.

Mr. J. T. TONKIN: Oh, no, it was not.

Sir Charles Court: Yes it was. Do you want me to read it out to you?

Mr. J. T. TONKIN: No it was not, because every date—and the Leader of the Opposition cannot deny this—depended upon the commencing date.

Sir Charles Court: They always do in these agreements.

Mr. J. T. TONKIN: The commencing date was subject to a number of points which could go to arbitration.

Sir Charles Court: That is normal.

Mr. J. T. TONKIN: Whether or not it is normal does not prove the honourable member's point that it was within the control of the Government.

Sir Charles Court: It does.

Mr. J. T. TONKIN: It might in the opinion of the Leader of the Opposition, but it does not in my opinion; because once a matter goes to arbitration it is not in the control of any other party—or it should not be.

Sir Charles Court: It is still subject to the agreement.

Mr. J. T. TONKIN: It is not under the control of the Government, and the Leader of the Opposition said it is.

Sir Charles Court: I give up trying to convince you.

Mr. J. T. TONKIN: It is of no use the Leader of the Opposition trying to dodge the point. The commencing date which had first to be determined settled the dates for the other things which had to be done; and the commencing date was dependent upon a number of circumstances. If there was disagreement, then the matter had to be referred to arbitration; and when a matter is referred to arbitration it is taken from the control of the Government—or at least one hopes it is.

Sir Charles Court: It did not go beyond the agreement. The arbitrator can only arbitrate within the terms of the agreement.

Mr. J. T. TONKIN: Look at the agreement; what occurred is precisely what I said.

Sir Charles Court: I have looked at the agreement.

Mr. J. T. TONKIN: Well, look at it again.

Sir Charles Court: You have lost control of this until 1980, and even then you will not get control.

Mr. J. T. TONKIN: I pointed this out at the time the agreement was originally before the House. I quote from page 3124 of the 1968-69 *Hansard*, where I had this to say—

> Nothing will happen until we reach the commencing date, and I point out that the company can pull out at any time up to the commencing date. It can say to the Government, "We are finished," and that is the end of it. The Government has no power to enforce anything, to require anything; and the company has this right up till the commencing date, which could be years away.
>
> It is very important that we should understand something about this commencing date. Firstly, this date is subject to approval by the Government, or determination by arbitration, of each and every one of the detailed proposals which are set out in pages 12, 13, 14, 15, 16 and 17 of the Bill. Each and every one of those proposals has to be either approved or determined by arbitration before we reach the commencing date. The commencing date is the date on which the last of those proposals is approved or determined.

Mr. Speaker, I ask you: under those circumstances—not knowing how long it would take for the arbitrator to determine each of the questions—who but the Messiah could say what would be the commencing date?

Sir Charles Court: Just look at clause 5 (5) and you will find that your argument is completely debunked.

Mr. J. T. TONKIN: There is no need to; what I have said is the truth.

Sir Charles Court: You just look at it; it debunks your argument.

Mr. J. T. TONKIN: The Leader of the Opposition adopts one attitude when in Government, and another when in Opposition. With regard to the Newman agreement which he lauded this afternoon—and upon which he prides himself for having used his expertise to bring things to fruition—

Sir Charles Court: To assist to bring them to fruition.

Mr. J. T. TONKIN: —and this could have been done in regard to Amax—the Leader of the Opposition when he was the Minister made the following remarks which are to be found at page 1908 of the 1964 *Hansard*:—

> The significance is that the company can request an extension of time beyond the 31st December, 1964, within which to make iron ore contracts; and provided it demonstrates to the satisfaction of the Minister that the company has complied with its obligations—

Sir Charles Court: "To the satisfaction of the Minister."

Mr. J. T. TONKIN: Yes.

Sir Charles Court: Which you have removed from your agreement, by the way.

Mr. J. T. TONKIN: No, we have not.

Sir Charles Court: Yes, you have taken it out.

Mr. J. T. TONKIN: No, the company must comply with the obligations or it will lose its leases.

Sir Charles Court: You have taken out those words. I want to make that point.

Mr. J. T. TONKIN: The Leader of the Opposition wanted to make many points, but he failed miserably in each case.

Sir Charles Court: You cannot deny the fact that you have taken out the words.

Mr. J. T. TONKIN: May I continue with my speech and remind the Leader of the Opposition of what was contained in the agreement?

Sir Charles Court: Yes. I will recite it for you, if you like.

Mr. T. D. Evans: There is a trotter by the name of Court Talkin!

Mr. J. T. TONKIN: I would like members to pay heed to this, because this applies absolutely to the company covered by the agreement when it came to us and asked for some alternative arrangement in the circumstances. It was able to show to our satisfaction that it had done the very things mentioned in the then Minister's speech. To continue with his speech—

> —has genuinely and actively but unsuccessfully endeavoured to make the iron ore contracts on a competitive basis, and reasonably requires an additional period for the purpose of making iron ore contracts, then the Minister will grant such extension.

He did not say the Minister "may" do so or give consideration to the question; he said the Minister "will" grant the extension, provided the company can show—

Sir Charles Court: Show to the satisfaction of the Minister.

Mr. J. T. TONKIN: This would be a question of fact.

Sir Charles Court: Which you have now taken out of your agreement.

Mr. J. T. TONKIN: No. Before we got to the stage of taking anything out of the agreement, when the company said it was not in a position to proceed with the Mitchell Plateau proposition for the present and wanted a deferment, does the Leader of the Opposition think we said, "All right, here it is"? We asked the company to satisfy us on the facts that it was not in a position to meet its obligations.

Sir Charles Court: Even if you did that you still have clause 5 (5) (b) of the agreement which fixes the limit of any further extension.

Mr. J. T. TONKIN: I am talking about whether or not it was a wise policy in all the circumstances to allow the company to defer its obligations. We said to the company, "What do we get in exchange?" What we got in exchange is what the member for Murray has applauded, and rightly so. We did not give away something for nothing.

Sir Charles Court: Not much you did not. You would have got the Pinjarra extension in any case if you handled the negotiations rightly.

Mr. J. T. TONKIN: Here is the Messiah again!

Sir Charles Court: What did you do to help to get contracts? Have you done as much as Queensland did?

Mr. J. T. TONKIN: Rubbish! Does the Leader of the Opposition mean to tell me that Alcoa would go into an arrangement with its competitor to allow the competitor to obtain alumina from its Pinjarra refinery, if it was in a position to go along on its own having regard for the state of the market?

Sir Charles Court: Amax has been a customer of Alcoa at Kwinana for a long time.

Mr. J. T. TONKIN: It suited Alcoa and Amax.

Sir Charles Court: They have been customers of one another at Kwinana for a long time.

Mr. J. T. TONKIN: They are also strong competitors. What is more, one regards the other as a fairly tough customer.

Sir Charles Court: So it should.

Mr. J. T. TONKIN: This was no friendly get-together; this was a hard business deal forced upon them because of circumstances.

Sir Charles Court: And you are giving a deferment of 12 years.

Mr. J. T. TONKIN: I emphasise that the very provisions which the then Minister, and now the Leader of the Opposition, included in the Mt. Newman agreement took cognisance of the possibility of the company having difficulty in obtaining contracts. This is the basic requirement of any large-scale operation in the world today: the companies will not move and we cannot expect them to move.

Sir Charles Court: We tried to tell you that when we were in Government, but you would not believe us.

Mr. J. T. TONKIN: Do you believe us now?

Sir Charles Court: Of course. What is more, Newman is off the ground, and it is a very big project.

Mr. J. T. TONKIN: So is this one. The basic requirement is that companies must have the contracts before they can be expected to put their money in. The Leader of the Opposition, as the then Minister, gave the Mt. Newman company every opportunity under the agreement to have its obligations deferred from time to time until it could come up with a contract.

Sir Charles Court: Yes, under the control of the Government.

Mr. J. T. TONKIN: What is the position in regard to the Amax Mitchell Plateau project?

Sir Charles Court: A 12-year deferment.

Mr. J. T. TONKIN: It is not until the company is able to obtain a contract that it will be able to go into operation on an economic basis. What the company said was this, "We want the opportunity to defer activities until the world situation improves. We are most anxious to get into operation on the plateau at the earliest possible date. It is not our desire to go to the full limit of the period to be granted to us before we undertake this operation, but immediately the world situation improves—and the sooner the better—we will go ahead with this project." The company has said to our satisfaction, and I am sure to the satisfaction of any fair-minded person, that the state of the market and the escalation of costs taken together do not make this a viable proposition at the present time.

Sir Charles Court: Why did you have to give the company 12 years without checkpoints?

Mr. J. T. TONKIN: We did what the present Opposition would have done if it were the Government at the present time. I have not the slightest doubt about that. We have made an arrangement under which it is possible for the third stage of the Pinjarra refinery to be proceeded with, and for substantial employment to be provided, while still leaving the prospect of the Mitchell Plateau project to go ahead when the time is ripe and when the operation becomes economic. The Leader of the Opposition can argue as much as he likes, but those are the facts of the matter.

I repeat that anyone who is not bent upon contention, but who is considering fairly the best interests of the State, will regard the arrangement which has been made as a most satisfactory one. My fear from time to time was that it might not be possible to bring Amax and Alcoa together under the arrangement which was finally obtained—

Sir Charles Court: That was the least of your worries.

Mr. J. T. TONKIN: —and that in the end we would finish up with no additional stage at Pinjarra at all and with the complete abandonment of the Mitchell Plateau proposal.

Sir Charles Court: You did not answer the question as to why you gave a deferment for 12 years.

MR. GRAHAM (Balcatta—Minister for Development and Decentralisation) [3.28 p.m.]: We would be surprised and, indeed, disappointed if we had not had to listen to the fulminating contribution of the Leader of the Opposition, as we did earlier this afternoon. He has developed for himself a reputation of being the champion knocker of Western Australia. There is not a project or move of any sort whatsoever instituted by this Government, despite the tens of millions of dollars which may be involved and the fact that it is designed to assist the State, and particularly its unemployed, that has not been knocked by this prophet of calamity, who should have some regard for the welfare of the State of Western Australia.

I do not know what has gone on in his head. His frame of mind was evident several years ago when we read posters which appeared in the Nedlands electorate bearing the inscription, "Nedlands needs Court." Of course that was his estimation, and apparently his whole complex and outlook is that nobody else is capable of doing anything. He has told us, for instance, what he could do to solve the present economic situation in the Commonwealth of Australia which at this point of time is experiencing the highest rate of unemployment that it has experienced in the last 20 years. He has claimed that if he were given three months or six months he would solve the economic problem. Of course, all that is tommy rot.

Sir Charles Court: I referred to Western Australia.

Mr. GRAHAM: If people took the Leader of the Opposition at his face value then I am sure the Prime Minister and the Federal Treasurer would have hopped on the next plane to come to Western Australia to interview this genius!

Sir Charles Court: I was not talking about the Federal level, but about Western Australia.

Mr. GRAHAM: I am talking about Western Australia. Here we faced the situation of an industry of certain planned dimensions being extended at Pinjarra, and then being bogged down.

Another potential industry of considerable proportions in the Kimberley was also bogged down. However, the Leader of the Opposition embarks on an exercise of criticising this Government because we were able to arrive at a situation where one venture is a certainty to go instead of having two doubtful propositions. This exercise will involve some $25,000,000 and employ 1,000 workmen directly. Another 200 or 300 workmen will be employed indirectly. However, we have this sort of exhibition and this irresponsible approach by the Leader of the Opposition.

Of course, as is the wont of the Leader of the Opposition, he uses extravagant terms—looking for headlines—talking about a "bitter pill" and a "serious plight." You, Mr. Speaker, and I know—and all sensible people know—that it was not this Bill, and not the arrangement entered into by the Government, which was the bitter pill or the serious plight, it happened to be the international economic situation which made it impossible for either of the companies to go ahead with development. Both companies were in this position when the Leader of the Opposition was in Government.

We have arrived at an arrangement which is not irresponsible. I might say that the company wanted a period of 10 years, with an automatic five-year option, and requested a further three years by negotiation with the option of a further two years by further negotiation or arbitration. In other words, a period of some 20 years. The arrangement entered into by the previous Government was that an amount of $250 per annum should be paid in respect of mining areas. Of course, we increased that amount substantially: 20 times that amount initially, and 100 times that amount in the final years during which the company wants extended occupancy.

Sir Charles Court: This, of course, is only "peanuts."

Mr. GRAHAM: In connection with Alcoa, the company wanted a longer period in which to commence building works, and during which to build up operations at Pinjarra, but we were able to reduce that time substantially.

Sir Charles Court: It is still twice the time it takes to complete a unit.

Mr. GRAHAM: These are some of the things we have added to the original proposition. The original proposition was to extend Alcoa by 200,000 tons but we were able to negotiate the quantity up to 400,000 tons, and everybody knows what that will mean.

What we have done has been appreciated by some other speakers, but not by the Leader of the Opposition. This is not a matter of arranging for any delay whatsoever, as I said when I introduced the Bill to amend the agreement. The company is free to start tomorrow if it so desires. But before entering into construction it would have to have large contracts of some duration. Alcoa would not agree to spend $25,000,000 on extensions to its works and then commission them for only a year or so before the works became idle.

Obviously, common sense dictates there has to be some period. The Amax company has spent $7,600,000 on its site at the Mitchell Plateau, and that money is earning exactly nothing at the present moment. Surely there is some incentive for the company to go on with the project, apart from the fact that it will be paying money to us.

As Mr. Ian McGregor said when he addressed members of Cabinet at the ceremony for the signing of the documents, in his association with the company he had not been defeated in a single project and it was not his intention that the one in the Kimberley in Western Australia should be the first. If there was one thing he wanted before vacating his office it was to see a start on the project, and a start at the earliest possible moment. However, it was ridiculous to think that that would be possible at present under current circumstances.

This is not a matter of delaying things for eight years or 12 years, or for any other period. I only wish to goodness the Leader of the Opposition would show a little more compassion for this State and its welfare. When one reads the local newspapers one gets the impression that everything is ruined and that nothing is happening. An article appeared in *The Financial Review* of the 1st September, this year, under the heading "Mitchell Plateau alumina plant start likely in 3 years." The article, in part, was as follows:—

> The chairman and chief executive officer of Amax, Mr. Ian MacGregor, predicted that the world demand for alumina could revive sufficiently in the next few years for production to begin at the plateau by 1977 or 1978.

That is what that responsible gentleman said, and that is a possibility. The Bill now before us does not do anything to interfere with such an arrangement. It will be possible for the company to move. However, the agreement originally introduced by the Leader of the Opposition was

not as clear-cut as he imagines. I will quote a version in connection with the original agreement, and the version is not mine. It is that of officers of the department. I asked the officers what the position was under the current agreement. I ask members not to forget that the agreement was signed in 1968, and what I am about to read will show that the company could remain in its present position without doing anything until 1978—a period of 10 years. It does not matter how loudly the Leader of the Opposition may scream.

Sir Charles Court: That does not happen to be right.

Mr. GRAHAM: Perhaps I had better quote the information supplied to me by the Acting Co-ordinator of Development and Decentralisation.

Sir Charles Court: For whom I have a great respect.

Mr. GRAHAM: The wonderful Leader of the Opposition would have all the answers.

Sir Charles Court: The Deputy Premier should look at clause 5 (5).

Mr. GRAHAM: I will look at it if the Leader of the Opposition can restrain himself. He may, not from me but through me, learn something from the information supplied to me by the Acting Co-ordinator of Development and Decentralisation. A minute supplied to me on the 29th August, 1972, includes the following:—

> The effect of Clause 5 (5) (b) and (c) would be that the Company could anticipate continuing its occupancy of the reserves until December 31, 1977, by which date the State could give a 12 months notice of determination.
>
> Hence, at this time, we believe the Company is able to maintain occupancy of the Temporary Reserves at a rental of $50 per T.R. (5 in all) until December 31, 1978, the earliest date by which the Agreement could be terminated.

And so members can get some appreciation of the claptrap which comes from the other side of the House.

Sir Charles Court: It does not happen to be right.

Mr. GRAHAM: When the Leader of the Opposition was a member of the Ministry he had available to him the official records and files. The situation is now reversed and he can be found out on about every second occasion he talks. He talks through his cheek, or somewhere else, and he has certainly not given information with the degree of authority that he would have people believe.

I do not know what he has done in connection with this matter, but he tries to pretend that we have given away the situation which previously existed under his Government. However, he, himself, was in a position of strength and, therefore, was able to do something but did nothing. Good lord, with the current situation of the world market what position of strength is there now?

Nothing was happening at Pinjarra, and nothing was happening at Mitchell Plateau. This Government has been able to negotiate an agreement which has not prejudiced the Mitchell Plateau project. The agreement will bring to fruition the continued expansion of the refinery at Pinjarra.

Sir Charles Court: The Minister will have no chance of reviewing the matter at the Mitchell Plateau until 1980.

Mr. GRAHAM: The Leader of the Opposition said that approaches should be made to the Commonwealth to see what it could do. It so happens that the honourable member did make an approach to the Commonwealth.

Sir Charles Court: I made several.

Mr. GRAHAM: The matter was held over, notwithstanding its urgency, until six days after the State election was held—that is to say, after the 20th February of last year. A letter was received from the Prime Minister, dated the 26th February, 1971.

We have some statesman-like words signed by no less a gentleman than Mr. J. G. Gorton himself. One must mention that fact, because the leaders of the Liberal Party are inclined to change so rapidly. The extract from the then Prime Minister's letter reads as follows:—

> We have looked carefully at the information provided by both State and company officials, including information on the possibility of other substantial economic development stemming from the bauxite/alumina project. However, we see no reason in this present instance to depart from the normal policy of requiring the developer to finance the infrastructure.

Sir Charles Court: That is all right.

Mr. GRAHAM: That is the attitude of the Commonwealth Government. Only a few weeks ago I was in consultation with the Minister for National Development (Sir Reginald Swartz) who, incidentally, was called to the aid of the party—and it must not be forgotten that we have a Federal election coming up very shortly, as was indicated by the Minister himself. Sir Reginald Swartz informed me that the Commonwealth has no policy of decentralisation which, of course, conforms with what the ex-Prime Minister (Mr. J. G. Gorton) says in regard to this matter. It is against the policy of the Commonwealth Government to do this.

Sir Charles Court: It is not.

Mr. GRAHAM: I would like to know what resources the State has, because it is known to all of us—and not the least to the Leader of the Opposition—that it costs in the vicinity of $2 on infrastructure for every dollar spent on the industry itself. Accordingly this one would cost, in round figures, some $360,000,000, and would involve the State in an expenditure of the best part of $240,000,000 for the provision of the infrastructure.

That amount would, of course, be completely and utterly impossible to find and anyone with a modicum of common sense would be aware of that fact and that the State was unable to participate in the areas relating to the iron ore ventures in the Pilbara.

Sir Charles Court: I merely asked whether you had taken this up as a specific request.

Mr. GRAHAM: I have, and since the request was made the international situation has deteriorated. Here was an opportunity to get something, because we were told that there was no necessity or obligation on the part of Amax to obtain its further alumina supplies from Western Australia. Amax was under no obligation whatever; it could have done its shopping around the world.

Sir Charles Court: It would have lost its rights to the Mitchell Plateau had it done that.

Mr. GRAHAM: Of course it would not have done so.

Sir Charles Court: Of course it would. You have not read the agreement.

Mr. J. T. Tonkin: In which clause does this appear?

Sir Charles Court: In clause 5.

Mr. GRAHAM: I have quoted something from clause 5, but it looks as though we are going back to the kindergarten stage. I hate to do this, and assume the role of a schoolmaster because what the Premier has said concerning the terms of the legislation is 100 per cent. correct. Mention has been made of clause 5 (a) and 5 (b) subclause (5), and so on. The words are clearly written in clause 7 of the agreement which states—

> 7. (1) Subject to the approval or determination by arbitration as herein provided of each and every of the detailed proposals and matters referred to in Clause 5 hereof—

I pause, and repeat—

> ... of each and every of the detailed proposals and matters referred to in Clause 5 hereof the date upon which the last of those proposals of the Company shall have been so approved or determined shall be the commencement date for the purposes of this Agreement.

So every single line that appears in those many pages that constitute clause 5 is subject to arbitration.

Sir Charles Court: You never cease to amaze me.

Mr. GRAHAM: But here we have the Leader of the Opposition merely continuing to talk—all he does is talk, talk, talk—with confidence-plus, even though he has been proved to be completely wrong from the official records which, fortunately, happen to be in our hands at this time.

Sir Charles Court: The only official record that matters is the agreement.

Sitting suspended from 3.45 to 4.05 p.m.

Mr. GRAHAM: To continue I will recapitulate the situation.

There were two concepts. The first one was of a giant processing establishment at Pinjarra which, for reasons I feel everyone appreciates, was unable to be consumated. Work ceased when only a fraction of the refinery was completed, and then only a portion of the completed refinery was used.

The second point is that a company with a world-wide reputation spent in excess of $7,500,000 on the Mitchell Plateau project and it was still unable to get it off the summated. Work ceased when only a fracground. During the period before its establishment, as far as I can see the costs will exceed the earlier estimates by approximately $100,000,000.

It was obvious to the late Government that the company was in difficulties because of the tremendous burden of infrastructure. Accordingly an appeal, unfortunately unsuccessful, was made to the Gorton Liberal-Country Party Government. This had some unfortunate repercussions, one of which was that some of the partners decided to pull out. The decision was made that 25 per cent. of the project was to be left for Australian participation—there were no takers. This was reduced to 10 per cent., but still no takers. To this day there are no takers. These are the facts of life.

I would have thought that a responsible Leader of the Opposition would have confirmed that the international scene was such as to have influenced both these projects as well as projects in other countries and in other industries. He should have been delighted that, notwithstanding those facts, the State of Western Australia was able to derive some advantage, particularly at a time when things were not nearly as happy and rosy in our State as we would wish. Therefore, it is not a question of sacrificing the Kimberley for somewhere else, and any assertion along those lines is palpably untrue.

I can well appreciate the feelings of the member for Kimberley. I have a mental picture of him getting out a pair of scissors to cut out his comments in *Hansard*. He will then forward them to the *Northern Times* or somewhere else to get a little personal mileage out of his utterances. There is nothing wrong with that; he has been doing it since he became a member and other members do it.

Mr. Rushton: Have you ever done it?

Mr. GRAHAM: No, although this may surprise the honourable member.

Mr. O'Neil: He has no-one to write to.

Mr. GRAHAM: I leave it to the good sense and judgment of, first of all the reporting staff, and secondly, the sub-editors or the person deciding such matters.

I want to repeat that the negotiations were not particularly easy. The agreement which was ultimately adopted was a very different document from the original proposition submitted to us by the company. I feel it will be of satisfaction not only to the member for Murray and people living in his area, but also to the whole of Western Australia to realise that a sum of $25,000,000 will be invested, mostly to be spent in Western Australia, and the benefits will flow throughout the entire community.

I repeat, it is not true to say that this will mean a deferment of eight years and four years—a total of 12 years. It will not be a deferment of 20 years as sought by the company. Under the present agreement it is possible for the project to be deferred 12, 20, or 50 years. I have pointed out that the Government, even if it wanted to, would be unable to get rid of this company until 1978—a period of 10 years from the signing of the agreement. The company is anxious to commence the moment it is possible to do so. Mr. Ian MacGregor used some very optimistic words and stated that the alumina refinery at the Mitchell Plateau could be in operation in 1977 or 1978—his words, not mine.

However, somebody, in his customary role, is going around with buckets of iced water to throw over the idea of any venture or proposition designed to stimulate activity in our State. This person has visited many parts of the world, his name is well known, and having been a Minister of the Crown it is obvious that some note will be taken of his remarks—however irrelevant, however erroneous. Therefore, a great deal of damage could be done to Western Australia. I have a feeling, and it is becoming stronger and stronger, that his vanity is such that he is seeking deliberately to cap off his career by becoming the king of Western Australia—the Premier of Western Australia.

Mr. O'Connor: This is what you tried to do. Look at the message you sent to England.

Mr. GRAHAM: I have no ambition to become the king of anywhere. I will not sacrifice my State in an endeavour to scramble to the highest office the State can offer, in a parliamentary sense.

Mr. O'Connor: You sacrificed your State on the steps of Parliament House.

Mr. GRAHAM: I do not see the relevance to that remark to the Bill. The people at that meeting were out of work, or were fearful of being out of work. These people came to Parliament House to speak to a representative of the Government. I cannot see anything offensive to the parliamentary machine in this type of communication between the Government and the people.

Mr. O'Connor: Fancy standing beside a communist on the steps of Parliament House!

Mr. GRAHAM: I have been known to stand next to a liberal.

Sir Charles Court: That is a very interesting observation—you place a liberal below a communist.

Mr. GRAHAM: People of many different persuasions, political, religious, and national, may stand for causes with which one disagrees. To be seen in close proximity to any of these people does not necessarily mean there is a common denominator. There were several hundred people at this meeting and I suppose they were people of many different complexions. However, this has nothing to do with the Bill before the House. When members of the Opposition are holding forth in Forrest Place, for instance, their audience would be made up of people with many different viewpoints.

Mr. Thompson: Not up on the platform with us.

Mr. GRAHAM: This was not a political meeting in that sense. These people were industrial workers who were concerned about the economic and employment situation.

Mr. Jones: He had a good following from members of the Opposition, too, if I recall correctly.

Mr. GRAHAM: I say very seriously that utterances, whether responsible or irresponsible, are heeded in other parts of the world, particularly when they are made by people who are well known and who have travelled widely. Undoubtedly a great deal of damage has been done. I have hurriedly scribbled down a few of these utterances which suggested—

> there was something wrong with the Government's move which resulted in an agreement for $4,500,000 to be spent in Carnarvon;

There is something wrong with the Government's move which was responsible for $25,000,000 being spent at Pinjarra.

There is something wrong with the Government because of a $7,000,000 contract in connection with the power transmission lines.

Mr. O'Neil: Everything is wrong with that.

Mr. GRAHAM: Of course there is something wrong with it, in the eyes of the Opposition. To continue—

There is something wrong with the steps taken by the Government to set aside special funds to be used urgently for the purpose of assisting people who are unemployed.

There is something wrong, if members care to re-read what appears in *The West Australian* this morning.

The Australian Development Authority is making sounds which are favourably disposed towards Western Australia, particularly towards participating and playing a part in the negotiating and financing of giant projects in Western Australia, and having relationship to the infrastructure—a word invented and used so often by the Leader of the Opposition.

Sir Charles Court: It is not my invention.

Mr. GRAHAM: What happens? We see headlines in the Press condemning this authority which was set up by the former Leader of the Country Party and which he regarded as being a monument to him, which it could well prove to be. I believe that this authority has a tremendous part to play in the development of Australia, and no part of the Commonwealth has greater need of its assistance than the State of Western Australia.

For the edification of the Leader of the Opposition, I am pleased to be able to say that I have had, in recent weeks, some fruitful talks with Sir Alan Westerman who heads that organisation. Yet here we have the Leader of the Opposition prepared to kick the organisation where it hurts most in his desire to achieve—as he thinks—some political advantage on his road to fame and glory. He is prepared to discredit that organisation which could be responsible, directly of indirectly, for some hundreds of millions of dollars being spent in this State for the purpose of providing the basic infrastructure which could have the effect—and it would be designed to this end—of making it possible for numerous ventures to get off the ground, not one of which, in the existing circumstances, is in the race to get off the ground because of the terrific burden of infrastructure.

However, if such assistance were provided within a reasonable time, each project could latch onto those facilities and each could make a payment which would be sufficient to service and fund the money that was invested. This is the concept, and this is the sort of thing the Leader of the Opposition is spurning and seeking to discredit. I repeat that if he feels he can gain one political inch over the present Labor Government he will take steps to this end, irrespective of the consequences to the State and its people. I think it is time he adopted a greater sense of responsibility than he has displayed since he became Leader of the Opposition.

Western Australia deserves something better than it has got from him. I am aware it is the duty of the Opposition to be the watchdog of the people, to be alert, to be critical and analytical of all the Government's actions. It is the duty of the Opposition to put forward not only obstructive, but also constructive suggestions. However, there has to be a sense of proportion; there has to be some regard for the interest of the State. The Opposition cannot play around willy nilly, as the Leader of the Opposition has, and I am afraid his actions have become somewhat infectious among some of his lesser lights, because they are proceeding to act in the same manner.

I hope and trust it will not be necessary for me or anybody else to speak in this vein in the future, and that the Leader of the Opposition will come to his senses, and come down to his correct size, because if he persists with his present attitude then it will be necessary—I am not expressing any personal opinions—from files, documents, and records, to prove, or to establish in the mind of the public, some of the things they are entitled to know.

I do not think that, in connection with this Bill, or in connection with any exercise, it should be necessary to go through records to prove the incompetence, the mismanagement, and the circumstances that have been created as a result of the grave misjudgment on the part of former Ministers. But I can say it is very tempting to do that because all the records are crystal clear. Nevertheless I will say no more in respect of that.

I have been given an indication from the Opposition that it does not intend to oppose the passage of the legislation, and therefore this is a good exercise for members in making their speeches, because there is no opposition to the measure. I commend the Bill to the House.

Sir Charles Court: The best thing that can be done for this State is to get rid of your Government.

The SPEAKER: Order!

Question put and passed.

Bill read a second time.

(Continued on page 3563)

QUESTIONS (29): ON NOTICE

1. TOWN PLANNING

Kelmscott Scheme No. 4: Objections by Shire

Mr. RUSHTON, to the Minister for Town Planning:

(1) Does the Shire of Armadale-Kelmscott have further channels open to it to redress its objections to features of the planning and development of the M.R.P.A. No. 4 Kelmscott scheme, e.g., block sizes, road systems and now a State Housing Commission development which appears to be unmindful of the good examples of Orelia and Calista development?

(2) Now that he has overridden the local authority's objections to the M.R.P.A. scheme closing Westfield Road and Third Avenue by planning to direct the traffic through the residential area, will he explain the logic of this decision, having regard for the growing need for residents to travel to the Kelmscott high school, shopping centre, transport and cultural centre?

Mr. DAVIES replied:

(1) Yes, the council can make representations to me. The layout prepared for this area is considered to reflect a reasonable compromise of the many interests in the locality. The road closures it proposed were agreed to by the shire council at a meeting on 9th February, 1970. It was only after surveys and servicing of the land had been carried out some 18 months later that the council sought to delete these closures. Regarding the State Housing Commission development, I understand that houses have been built similar to those erected by the commission in its other estates, including Kwinana. It should also be borne in mind that the commission bought by negotiation fully-serviced home sites offered to it by land-owners in Kelmscott when the general public seemed uninterested in the locality.

(2) I consider that amendments to the road pattern would not be in the long-term interests of the community. The Kelmscott neighbourhood will provide housing for about 8,000 people. The layout was designed to ensure, as far as possible, a reasonable standard of amenity and safety in an area where previously a rural subdivision and road pattern existed. One of the main objectives of the layout is to exclude from the neighbourhood cross-region and other traffic having no business in the residential area. While this may result in relatively few families in the rural sector being inconvenienced to some extent, I believe this decision will benefit the far greater number of future inhabitants who will live in the Kelmscott neighbourhood.

2. EDUCATION

High School Uniforms

Mr. MENSAROS, to the Minister for Education:

(1) Is it a fact that the Director-General of Education or his department received a request for a ruling on compulsory use of high school uniforms?

(2) Has such request been received by a body calling itself a students union?

(3) What was the department's reply and/or ruling to such request?

(4) What is the department's attitude to wearing school uniform in high schools where the parents and citizens' association decides upon the kind of uniform and recommends its wearing by students?

Mr. T. D. EVANS replied:

(1) to (3) The department receives many requests for rulings on the wearing of school uniforms. However, no such request has been received recently from either the student union or any similar organization.

(4) The department supports schools and parents and citizens' associations in encouraging students to wear school uniforms.

3. NARROGIN SCHOOL

Buildings and Additions

Mr. W. A. MANNING, to the Minister for Education:

(1) On what date was the oldest portion of the present Narrogin primary school (Williams Road) erected?

(2) On his recent visit was he satisfied with the—
(a) building;
(b) grounds;
(c) toilet facilities?

(3) When was the first stage of new cluster-type building erected?

(4) When will the work proceed to finality?

Mr. T. D. EVANS replied:

(1) Files in the department do not show the exact date.

(2) No. However, the school has been listed as a high priority in 1973-74 for renovation and resiting of the girls' toilet block.

(3) 1970.

(4) It is anticipated that the second half of the new cluster-type building will be erected in the 1973-74 schools building programme.

4. EDUCATION

Student Unions: Regulations

Mr. MENSAROS, to the Minister for Education:

(1) Is it still a fact—as stated in his reply to part (2) of question 24 on 18th November, 1971—that there are no regulations under the Education Act which cater for the formation, aims or working of student unions?

(2) If not, what regulation caters for such union(s)?

(3) Is there a "Western Australian Secondary Students Union" or any other such union in existence?

(4) If so, is it acknowledged or recognised in any way by his department?

(5) If (3) is "Yes" what is the constitution, aims and activities and who are the office bearers of such union?

Mr. T. D. EVANS replied:

(1) Yes.

(2) The department is unaware of the existence of any regulation which caters for such a union.

(3) Yes.

(4) It has no official status as far as the Education Department is concerned.

(5) Departmental records do not contain this information.

5. ROCKINGHAM-KWINANA HOSPITAL

Finance and Second Stage

Mr. RUSHTON, to the Minister for Health:

(1) From what source is the Rockingham-Kwinana hospital to be financed?

(2) Have the offers been declined from the Shires of Rockingham and Kwinana of use of their borrowing powers for construction of this hospital?

(3) Is the second stage of this project to be built by private tender and contract or day labour?

Mr. DAVIES replied:

(1) Loan funds.

(2) Yes.

(3) Tenders will be called.

6. ALBANY, BUNBURY, GERALDTON, AND NORTHAM HOSPITALS

Cost and Labour Force

Mr. RUSHTON, to the Minister for Health:

(1) Over what period and at what cost were the Albany, Bunbury, Geraldton and Northam hospitals built?

(2) Which, if any, of these hospitals were built by day labour?

Mr. DAVIES replied:

(1) Albany—
Cost $2,216,180.
Foundation stone laid 28-3-1958.
Officially opened 1-3-1962.

Bunbury—
Cost $2,597,396.
Contract let 18-11-1963.
Officially opened 9-7-1966.

Geraldton—
Cost $3,059,590.
Contract let 17-1-1964.
Work completed 31-7-1966.
Officially opened 1-10-1966.

Northam—
Cost $3,772,107.
Work Commenced 9-2-1968.
Work completed 7-9-1970.
Officially opened 23-10-1970.

(2) Albany.

7. LAND DEVELOPMENT

Protection of Flora

Mr. BATEMAN, to the Minister for Lands:

(1) Is there any legislation to provide specifically for the protection of trees and bushland where areas are being developed for—

(a) housing;

(b) industry?

(2) If no legislation does exist would the matter be given some consideration?

Mr. H. D. EVANS replied:

(1) Not to my knowledge.

(2) No. Areas being so developed are mainly freehold land.

8. STATE HOUSING COMMISSION

Merredin Office

Mr. BROWN, to the Minister for Housing:

(1) When will the regional State Housing Commission office at Merredin be operative?

(2) What number of staff will be involved in its operation?

(3) What will be the area administered and supervised from this office?

Mr. BICKERTON replied:

(1) Anticipated to be operational at the beginning of November, after completion of staff induction period.

(2) The initial staff will number seven increasing to fifteen when the office becomes fully operational as a Regional Office.

(3) The area to be administered by this office is yet to be finalised but will probably cover the area from Northam eastwards to Kalgoorlie and Pithara in the north, to Narrogin in the south.

9. MIDLAND JUNCTION ABATTOIR

Output, Sheep Importation, and Work Force

Mr. BROWN, to the Minister for Agriculture:

(1) What has been the average weekly kill of sheep and lambs at the Midland abattoirs for the past 12 weeks?

(2) How many sheep have been imported into Western Australia by the Midland Junction Abattoir Board this year?

(3) What will be the maximum daily killing capacity of the Midland abattoirs for sheep and lambs and when is it expected this will be reached?

(4) What is the figure for the total work force employed at the abattoirs—

(a) 12 weeks ago;

(b) at present;

(c) when maximum capacity is reached?

Mr. H. D. EVANS replied:

(1) Sheep	....	18,884
Lambs	....	9,449
Total	....	28,333

(2) 653.

(3) 12,500 per day.

It is expected that it will be approximately five weeks before this level is reached, subject to availability of stock.

(4) (a) 952.

(b) 871.

(c) When maximum capacity is reached on the mutton floor, the board's total work force (excluding office staff) will be approximately 970.

10. POWER STATION

Japanese Proposal

Mr. RUSHTON, to the Minister for Electricity:

(1) Are the Japanese still interested in building a power station in Western Australia?

(2) If so, what are the present developments?

Mr. MAY replied:

(1) and (2) The State Electricity Commission has not yet signified its intention to augment its generating capacity. Until this is done and a specification of requirements issued, it is not possible for any party to assess its capacity to make an offer.

11. POWER STATION

Site North of Perth

Mr. RUSHTON, to the Minister for Electricity:

(1) What progress has been made in the purchase of the site in preparation for the power station north of Perth?

(2) What is the acreage and cost of this site?

(3) Will he please table the Environmental Protection Authority report upon this project?

Mr. MAY replied:

(1) Negotiations are taking place with the syndicate who own the land.

(2) Acreage 3,200 approximately. Cost yet to be negotiated.

(3) Following completion of the current negotiations the Environmental Protection Authority report will be tabled.

12. LOCAL GOVERNMENT

Rating of Residents and Review

Mr. RUSHTON, to the Minister representing the Minister for Local Government:

(1) Does the Minister intend to legislate to have persons over 18 years of age pay a tax or rate to local authorities, as he suggested last year?

(2) If so, when will this be introduced?

(3) Has the Minister had a review of local government carried out?

(4) If "Yes" to (3), who carried out the review, and what were the findings?

Mr. TAYLOR replied:

(1) No change is contemplated in respect of rating. More specific information is required concerning the question relating to tax.

(2) Answered by (1).

(3) A review of metropolitan municipal boundaries was initiated in September 1971 and is still in progress.

(4) The Local Government Boundaries Commission is conducting the review.

13. NEW INDUSTRY

Announcement in Telcvision Programme

Sir CHARLES COURT, to the Premier:

With reference to the statement he made on the Channel 7 close-up programme 21st August, 1972 that a major project would be announced for Western Australia within the next month, is he now prepared to indicate the nature of the project?

Mr. J. T. TONKIN replied:

No, not at this stage. There has been a little unexpected delay, but there is no reason to believe the industry referred to will not come to Western Australia as expected. Definite information is anticipated to be within the knowledge of the Government by the end of next week.

Mr. O'Connor: Have you any idea of its value?

Mr. J. T. TONKIN: It is several millions of dollars.

14. ENVIRONMENTAL PROTECTION

Conservation Committees

Mr. RUNCIMAN, to the Minister for Environmental Protection:

(1) Who are the members of the Peel Inlet conservation committee?

(2) What progress has been made by the committee in the 18 months of its inception?

(3) Is it intended that an annual report be made available?

(4) How many similar conservation committees are there in Western Australia?

(5) Is any report produced of their activities?

(6) To which Minister are these committees responsible?

(7) Is any change contemplated in the status of the Peel Inlet conservation committee?

(8) If so, can he give details?

Mr. DAVIES replied:

(1) The chairman is Chairman of the Swan River Conservation Board.

Members representing the Murray Shire Council, Mandurah Shire Council, Waroona Shire Council.

A district health inspector.

Representatives of the Minister for Works.

Representative of the Department of Fisheries and Fauna.

Representative of the users and those generally interested in the waterway.

(2) The committee has been reviewing the conservation requirements of the Peel Inlet.

(3) No.

(4) A comparable committee is the Leschenault Estuary Conservation Advisory Committee.

(5) No. The minutes of meetings are forwarded to the appropriate Minister.

(6) As a result of a recent Cabinet decision these committees are responsible to the Minister for Environmental Protection.

(7) A study is currently being made of this matter.

(8) No, not at the present time, since the matter is still being reviewed.

15. EDUCATION

Curriculum Branch

Mr. MENSAROS, to the Minister for Education:

(1) Could he please give the number of persons employed on the curriculum branch of his department during each of the last five years?

(2) Could he give the dates and duration of the branch's meetings since 30th June, 1971?

Mr. T. D. EVANS replied:

(1) 1968—Superintendent + 15
1969—Superintendent + 16
1970—Superintendent + 21½
1971—Superintendent + 17
1972—Superintendent + 25

The above figures are as at the 1st March in each case. Since March, 1972, the staff has increased by four.

(2) The curriculum branch does not hold meetings as a branch but the separate syllabus committees meet within its jurisdiction. In addition to these meetings, officers of the branch attend a large number of meetings of other committees. The number of syllabus committee meetings since 30th June, 1971, totals 139. Details of dates are tabled.

The information was tabled (see paper No. 365).

16. HARVEY AGRICULTURAL HIGH SCHOOL

Residence for Supervisor

Mr. I. W. MANNING, to the Minister for Education:

What progress is being made with the provision of a dwelling for the assistant farm supervisor at the Harvey Agricultural High School?

Mr. T. D. EVANS replied:

The Public Works Department has been requested to proceed with the purchase of land adjacent to the farm school so that the erection of an assistant farm supervisor's house may be carried out as quickly as possible by the State Housing Commission.

17. WAR SERVICE LAND SETTLEMENT

Living Expenses

Mr. STEPHENS, to the Minister for Agriculture:

(1) Has there been any approach by the Rural and Industries Bank as War Service Land Settlement credit authority in this State to the Commonwealth War Service Land Settlement authorities for an increase in the $1,500 per annum set aside for living expenses in the working expenses loan made to settlers receiving their working expenses from the credit authority?

(2) If not, would he agree that as the figure of $1,500 has not been raised since 1966 this has imposed an intolerable strain upon war service land settlers with children to feed, clothe and educate bearing in mind—

(a) the increased cost of living;

(b) the condition regarding loans which require all proceeds to be paid into his account with the R. & I. Bank;

(c) the figure represents the personal return of a man charged with earning up to $20,000 gross income;

(d) it is less than the annual pension of an aged pensioner couple?

(3) Will he instruct the credit authority to prepare a case for submission to the Commonwealth authority to increase the living expenses loan to at least the minimum wage or that of a married farm couple?

Mr. H. D. EVANS replied:

(1) No.

(2) Bearing in mind that—

(a) War Service Land settlers are generally of an age group now which leaves few children to feed, clothe and educate and that in any case allowances are available from the Education Department in certain circumstances;

(b) pig and poultry proceeds and income from sideline dairy produce are never claimed despite the requirement that all proceeds come to a settler's account.

(c) it would be an exception rather than the rule for any settler on working expenses to have a declared income of $20,000.

(d) $1,500 allowed for living expenses is in addition to—

Housing
Telephone
Fuel
Power
Light
Meat
Medical
Personal transport and
Transport costs,

so that no comparison can be made with the pension of an aged pensioner couple.

No, despite the increased cost of living.

(3) As the release of surplus proceeds has never been denied to a settler for personal needs if his account position is satisfactory, no good purpose would be served by an approach to the Commonwealth.

18. CATTLE

Brucellosis: Compensation

Mr. STEPHENS, to the Minister for Agriculture:

(1) During the period that all brucellosis reactors were compensable—September, 1971 to April, 1972—

(a) how much was paid in compensation;

(b) how much was returned to the fund from sales of the slaughtered animals?

(2) Has he any information showing the effect if compensation were increased to include herds with up to 6% reactors and, in particular—

(a) the estimated increase in compensation payable;

(b) bearing in mind the increased Commonwealth grant, the estimated amount that the levy would need to be increased to cover the additional cost?

(3) In the Denmark shire how many herds have been tested for brucellosis and how many have been certified free from the disease?

Mr. H. D. EVANS replied:

(1) (a) $590,770.

(b) $339,094.

(2) (a) It is not possible at this stage to accurately estimate the increase in compensation payable should compensation be broadened to include herds with up to 6% reactions. The question of compensation is under review. Western Australia is the only mainland State currently compensating for brucellosis.

(b) Answered by (a).

The Commonwealth Government has advised that it will not assist with compensation.

(3) Eight herds.

Nil certified free from the disease.

19. *This question was postponed.*

20. LAND DEVELOPMENT

Sacred Heart School and High School, Rockingham

Mr. RUSHTON, to the Minister for Lands:

(1) Will he please make available to me a plan showing the situation of the new Sacred Heart school at Rockingham in relation to Rockingham high school and showing the roads or road reserve for entry into this new school?

(2) If there is provision for power lines, freeways, railways, etc., near this school site, will he indicate these reserves?

(3) When will the Crown grant for this Sacred Heart school issue to enable final financial arrangements to be completed?

Mr. H. D. EVANS replied:

(1) and (2) Yes. The plan is submitted for tabling.

(3) A Crown grant in trust will be issued when the requirements of the M.W.S. Board and the Shire of Rockingham in relation to services have been met and survey examination completed. Meanwhile right of entry will be given.

The plan was tabled (see paper No. 366).

21. GOVERNMENT EMPLOYEES

Purchase of Goods: Discounts

Mr. BLAIKIE, to the Treasurer:

(1) Can Government employees purchase goods, electrical or otherwise, through their unions with a Government purchase order?

(2) If so, is a similar entitlement extended to private retailers, through their wholesalers, and if not, why not?

Mr. J. T. TONKIN replied:

(1) No.

(2) Answered by (1).

22. MINISTERS OF THE CROWN

Overseas Visits

Mr. BRYCE, to the Premier:

(1) In the term of the previous Government which Ministers went on official visits overseas?

(2) In each case—

(a) what country/countries were visited;

(b) what was the purpose of the visit;

(c) what was the total time spent out of Western Australia?

Mr. J. T. TONKIN replied:

(1) and (2) To supply the information sought would require research out of all proportion to the importance of the question. Information concerning the Hon. Sir Charles Court and the trips he made abroad in his capacity of Minister for Industrial Development and the North West would fill a number of pages of foolscap. Other Ministers in the previous Government also travelled abroad from time to time.

23. MINING ACT

Operative Date, and Regulations

Sir CHARLES COURT, to the Minister for Mines:

(1) Does he still anticipate having the new Mining Act operative by 1st January, 1973?

(2) If not, what date has he in mind?

(3) If 1st January, 1973 is still the date, what plans has he for preparation and promulgation of the regulations which are a substantial and vital part of the machinery before the legislation can operate?

Mr. MAY replied:

(1) At the present rate of progress of the Bill through this House, it is extremely unlikely that the new Mining Act will be operative by 1st January, 1973.

(2) In view of the answer given to (1) above, it is not possible to state a date with any degree of certainty.

(3) Substantially answered by (1), but dealing generally with the question of preparing regulations it is proposed to use, at the earliest appropriate time, the services of a number of experienced officers of the department full time on this work.

24. WATER SUPPLIES

Cowaramup Reticulation Scheme

Mr. BLAIKIE, to the Minister for Water Supplies:

Will he give detail of when work is to commence, the estimated cost of the project and projected completion date of the proposed Cowaramup water reticulation scheme?

Mr. T. D. EVANS (for Mr. Jamieson) replied:

Site work will be commenced as soon as formalities now in course are finalised. Estimated cost is $50,000. It is planned for the works to be in operation early in 1973.

25. ELECTRICITY SUPPLIES

Accidents

Mr. NALDER, to the Minister for Electricity:

(1) How many accidents have been been recorded in electrical industries (such as the manufacture and repair of television sets, radios and tape recorders) annually over the past five years?

(2) How many of these accidents proved fatal over the same period?

Mr. MAY replied:

(1) Information for the categories specified is not available.

(2) No fatal accidents in the last five years in this area.

26. AGRICULTURAL EDUCATION

Stern Report

Mr. LEWIS, to the Minister for Education:

Referring to question 13 of Wednesday, 20th September, is he in a position to disclose the name of the officer who is to advise the Education Department in implementation of the Stern report on agricultural education?

Mr. T. D. EVANS replied:

Mr. W. K. Waterhouse, M.Sc. (Agric.) Dip. Ed.

27. TEACHERS' TRAINING COLLEGES

Capital Expenditure

Mr. MENSAROS, to the Minister for Education:

What was the amount of capital expenditure incurred during the financial years 1969-70, 1970-71, 1971-72 and anticipated to be spent during 1972-73 on each of the teachers' colleges, viz., Churchlands, Claremont, Graylands, Mt. Lawley and Nedlands on—

(a) buildings;

(b) other than buildings?

Mr. T. D. EVANS replied:

			Actual Expenditure						Anticipated Expenditure	
			1969/70		1970/71		1971/72		1972/73	
			Buildings	Other than Buildings	Buildings	Other than Buildings	Buildings	Other than Buildings	Buildings	Other than Buildings
			$	$	$	$	$	$	$	$
Churchlands College	Teachers'	Training	Nil	25,000	Nil	8	1,002,947	108,765	961,965	274,078
Claremont College	Teachers'	Training	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Graylands College	Teachers'	Training	6,945	256	24,305	Nil	503	33,777	Nil	Nil
Mt. Lawley College	Teachers'	Training	372,248	1,426	1,191,382	130,444	1,220,963	98,957	726,520	143,792
Nedlands College	Teachers'	Training	2,188,336	331,583	20,635	23,001	11,689	2,596	7,511	Nil

28. EDUCATION

Free Books Scheme

Mr. RUSHTON, to the Minister for Education:

(1) Will he reconsider his refusal to ask W.A.I.T. to evaluate certain aspects of the Government's free book scheme and even broaden the inquiry, especially because of the precedent of the Government backing the survey into family spending habits?

(2) Has he an evaluation of the various methods of subsidising education as it relates to books and supplies for each phase of a student's education and will he table it?

(3) Will he explain how the production of school books by the department, reducing a selection and choice by the teacher, benefits the education received by the student?

(4) Towards some assessment of the cost of the Government's free books and supplies, what has been the expenditure to date on gearing up for compilation, production and supply for this scheme, specifically on salaries, wages, power and light, materials, buildings (including Government Printer and storage), and equipment?

If parents had been subsidised to this figure the cost would have been in the region of $1,350,000.

(5) What has been the quantity of each item produced to date?

Mr. T. D. EVANS replied:

(1) No. The Education Department has adequate expertise and resources to carry out any evaluation which may be required.

(2) No. An analysis of school book lists was made and a figure in the region of $9 per pupil appeared to be an average. This figure varied widely depending upon the grade, the availability of a book hire scheme, the school's reliance on text materials and the district.

For at least $500,000 less than this, schools will be provided with a wealth of material designed for use in the local environment by local teachers and written by selected professional people who are aware of the needs of Western Australian students. No further investigation was considered necessary.

(3) Selection and choice by the teacher in the past have been circumscribed by the ability of parents to pay. As a result schools have been forced to choose books which they might not otherwise have done. The materials which are being produced are not designed to be used as the sole source of information and additional commercial materials are available through the reading, library and teaching aids grants. The learning strategies in these materials are not based on the idea of an all inclusive text book and this will enable teachers to take account of modern educational practices such as individual research and inquiry.

This is one important respect in which students will benefit from the new scheme.

(4) A detailed break-down of costs is not possible or meaningful. As an example, the cost of supplying dictionaries in 1972 was over $30,000 less than schools would have paid for the same books; atlases were over $14,000 less than the same books at school prices and reading materials cost more than $85,000 less than the same books would have cost had they been purchased by the schools.

If the same books had been purchased by the parents they would, collectively, have cost $175,000 more than has been paid by the Government. The present question does not take this major saving into consideration. Cost of buildings, machinery, etc., at the Government Printer, is allowed for in the cost of books charged to the Education Department and, thus, should not be separately charged.

(5) Two books have been printed in sufficient quantities for one year, i.e. 25,000 copies. Thirty other books have been written and another ten are nearing completion.

I might add that as the questions asked by members opposite indicate that this scheme—this innovation on the part of the Government—has generated hostility on the other side of the House I challenge the Opposition to indicate to the public whether or not it would terminate the scheme if returned to office.

Sir Charles Court: We would make sure that the textbooks were impartial. That can be more important to parents than the cost.

29. MINISTERS OF THE CROWN

Overseas Visits

Mr. WILLIAMS, to the Premier:

(1) In the term of the present Government which Ministers have been on official visits overseas?

(2) In each case—

(a) what country/countries were visited;

(b) what was the purpose of the visit;

(c) what was the total time spent out of Western Australia?

(3) (a) What visits are intended to be taken during the next six months;

(b) what country/countries are to be visited;

(c) what will be the purpose of the visit;

(d) what will be the total time spent outside Western Australia?

Mr. J. T. TONKIN replied:

(1) and (2) Official visits already undertaken—

Minister	Country	Purpose	Period
Hon. J. T. Tonkin....	Japan	Iron ore projects	16 days
Hon. H. E. Graham	Japan, U.S.A., Canada, U.K., Italy, Yugoslavia.	Iron ore projects and investments	24½ days
	Indonesia	Trade promotion	5½ days
Hon. T. D. Evans	Papua/New Guinea	Tourist Ministers' conference	7½ days
Hon. D. G. May	Japan	Trade relationships	14 days
	Japan	Iron ore contracts	14 days
Hon. C. J. Jamieson	South Africa, Brazil, U.S.A., Canada	Meeting of International Road Conference in Brasilia. Study of highway, underground railway projects and area transit systems	19 days
Hon. R. Davies	United Kingdom	Guest of British Govt. to visit hospitals and institutions	39 days
Hon. A. D. Taylor....	U.K. and Switzerland	New towns development and attendance at international labor organisation conference	27 days
	Malaysia	Pacific Asia travel association conference	22 days
	Sweden	International organisation of consumer union conference	19 days
Hon. R. H. C. Stubbs	New Zealand	Inspection of penal institutions....	9 days
(3) Proposed visits :			
Hon. H. E. Graham	Japan, S. Korea, China, Hong Kong, Thailand, Singapore and Indonesia	Lead W.A. commerce and industry trade mission	25 days
Hon. D. G. May	West Germany and Liberia	Research in the direct reduction of iron ore and use of natural gas. Investigate applicants for Fuel and Power Commissioner	21 days
Hon. H. D. Evans ...	New Zealand	Australian Agricultural council meeting	Unknown

QUESTIONS (5): WITHOUT NOTICE

1. BRICKLAYERS

Shortage

Sir CHARLES COURT, to the Premier:

(1) What is the estimated shortage of bricklayers in Western Australia—
  (a) metropolitan area;
  (b) country areas?

(2) How many unskilled and semi-skilled workers would be directly dependant for their employment on this number of bricklayers?

(3) What other building trades are held up or slowed down because of this shortage of bricklayers?

(4) What action has the Government taken to overcome the shortage of bricklayers, and to avoid further union advertising and other action to recruit either Western Australian bricklayers for other States or discourage bricklayers from coming here?

Mr. J. T. TONKIN replied:

(1) (a) Approximately 50 bricklayers.
  (b) No general shortage, although there is considerable work at Bunbury and Albany and there may be some delays.

(2) Thirty bricklayers' labourers.

(3) All other trades except stonemasons are held up for short periods through the shortage.

(4) At the last meeting of the State Migration Advisory Committee it was recommended that the Commonwealth should start to recruit bricklayers again at the rate of 10 per month, such to be subject to review at frequent intervals.

2. ARMADALE-KELMSCOTT DISTRICT MEMORIAL HOSPITAL

Heart Preservation and Resuscitation Equipment

Mr. RUSHTON, to the Minister for Health:

Reverting to my question 23 on the 20th September, as the public function of the Armadale-Kelmscott Lions Club is to be held on the 30th September when results are to be announced of the recent fund-raising fair to assist in the provision of heart preservation and resuscitation equipment for the Armadale-Kelmscott District Memorial Hospital, will he advise me now, or by the 29th September, whether—

(1) The department will accept the equipment.

(2) The extent it is prepared to subsidise the purchase.

(3) He will make the decisions quickly to enable the cardiac monitor, D.C. defibrillator and biochart recorder to be on display at the function?

Mr. DAVIES replied:

(1) Yes, the department will accept the equipment.

(2) Fifty per cent.

(3) Not applicable.

3. RURAL RECONSTRUCTION ASSISTANCE

Refusals: Reconsideration

Mr. McPHARLIN, to the Minister for Agriculture:

In view of the dramatic increase in the price of wool, and the change in the wheat production and marketing situation, will consideration be given to those farmers who applied for and were refused rural reconstruction assistance if they were to reapply?

Mr. H. D. EVANS replied:

Yes. This prerogative has been available always. However, present prospects are not necessarily the basis for long-term assessment.

4. BRICKLAYERS

Shortage

Sir CHARLES COURT, to the Premier:

Arising out of the answer he gave to my earlier question, if I understood the Premier correctly he said that requests had been made for a certain number of bricklayers to be recruited each month, but he did not answer my question as to what action had been taken about the unions concerned to avoid a repetition of the situation we had whereby the unions were advertising for bricklayers to go to South Australia. In particular, I was wondering whether the Premier had talked to the unions and asked the reason for the advertisements, and whether they proposed to advertise again?

Mr. J. T. TONKIN replied:

I advise the Leader of the Opposition that appropriate discussions have taken place and it is anticipated that further discussions will take place with a view to preventing the situation to which he refers.

5. HOUSING

Naval Base at Cockburn Sound: Personnel

Mr. RUSHTON, to the Minister for Housing:

Referring to his statement in this morning's issue of *The West Australian* headed "S.H.C. will pick Navy home-sites"—

(1) How many vacant building blocks are there in:

(a) Kwinana,

(b) Rockingham?

(2) Has the commission objected to the Government over its announced intention of developing a new residential area at Naval Base?

(3) If "Yes" to (2), will he table a copy of the commission's objections?

(4) If "No" to (2), how is the development of 1,300 acres for housing at Naval Base not extremely adverse to the commission's asset and investment at Kwinana whereas the building of 70 houses at Rockingham would be?

(5) Is it now Government and commission policy that preservation of the commission's investment should hold a greater priority than the people's welfare?

Mr. BICKERTON replied:

(1) to (5) Whilst the honourable member gave me some notice of his intention to ask this question, as it requires some investigation I suggest that he place it on the notice paper.

QUESTIONS ON NOTICE

Statement by Speaker

THE SPEAKER (Mr. Norton): I wish to advise members that questions on notice for Tuesday, the 3rd October, will close at noon on Thursday, the 28th September.

ALUMINUA REFINERY (MITCHELL PLATEAU) AGREEMENT ACT AMENDMENT BILL

In Committee

The Chairman of Committees (Mr. Bateman) in the Chair; Mr. Graham (Minister for Development and Decentralisation) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Section 3A added—

Sir CHARLES COURT: So that the Deputy Premier can remain calm, I mention that I want to raise a matter of drafting. Periodically we must give him a

chance to let off steam and he has had his outing for this month.

Clause 3 proposes to amend the principal Act by adding a new section 3A as follows:—

> 3A. The Variation Agreement is ratified.

I shall raise a question for the Deputy Premier to check with the draftsman. Section 3 (2) of the Act which was passed in 1971 reads—

> (2) Notwithstanding any other Act or law the Agreement shall, subject to its provisions, be carried out and take effect as though those provisions had been expressly enacted in this Act.

It is a fact that in the agreement, which now becomes the second schedule, clause 2 (3) says—

> (3) On the said Bill commencing to operate as an Act all provisions of this Agreement shall operate and take effect notwithstanding the provisions of any Act or law.

I had always felt that once a provision of this nature was included in an agreement that was sufficient, but the draftsman always insisted on including in the Bill another provision similar to section 3 (2) of the original Act which I have already read to the Committee.

As a layman, I understand section 3 (2) relates only to the 1971 agreement and not to the agreement in the second schedule. I do not make an issue of this, but I have mentioned it in passing, because it may be necessary to include a similar provision in another place.

Mr. GRAHAM: It would be less than modest of me to presume to be qualified to give a legal interpretation. I thank the Leader of the Opposition for raising the matter. I will have it checked and I hope I will be able to satisfy him at the third reading stage.

Clause put and passed.

Clause 4 put and passed.

Clause 5: Second schedule added—

Sir CHARLES COURT: I wish to refer again to a point which was the subject of considerable argument during the second reading stage. It is important that the Committee has a proper understanding of the position.

For the sake of making this point I refer to clause 4 of the second schedule. I would not like the officers of the department to be placed in an invidious position in view of the fact that one, in particular, has been named and his comment read out.

The point which seems to have escaped the Ministry, and it is vital to the argument which we raise, is that in the revised agreement the Government has opted out completely, in a number of places, from any checkpoints in respect of the operations of the agreement right up to 1980. If the company—not the Government—so elects, this could be up to 1984. The point the Government brushed aside as if it were of no significance at all, is that in the previous agreement, and consistent with the drafting followed by the previous Government in its negotiations, a series of checkpoints were introduced. The point the member for Kimberley made was that had the new measure provided for a shorter period with a right of renewal, subject to certain reviews, it would have been more palatable than a straightout period to 1980, and possibly to 1984.

I invite the attention of the Minister and the officers in the department to clause 5 (5) of the 1971 agreement, which is contained on page 17. This subclause reads—

> (5) If the Company should in writing and within the time later in this subclause mentioned request the Minister to grant an extension or any further extension of time beyond the 30th day of June, 1972 (or such later date if any previously granted or approved by the Minister) within which to arrange finance—

I emphasise the word "finance" because the Minister for Mines and, I believe, with respect, the co-ordinator, were getting this provision of the measure confused with the state of a project when one is dealing with proposals for harbours, towns, and mining operations. The crucial factor is the question of finance. This is what determines whether or not a project will go forward at a certain time. The vital words which follow are—

> —and demonstrates to the satisfaction of the Minister—

Clause 5 (5) (b) states—

> (b) if an extension is granted under paragraph (a) of this subclause—

The Committee should bear in mind that this is contingent entirely upon the Minister's opinion. To continue—

> —then provided the Company demonstrates to the satisfaction of the Minister that it has again used its best but unsuccessful endeavours to arrange such finance the Minister will grant a further extension for such period as may be warranted in the circumstances—

The paragraph goes on to mention arbitration if the parties concerned do not agree on the period of extension. There follows a restrictive factor; that is, not exceeding—

> (i) three years on request made within one month before the 31st day of December, 1972; and
>
> (ii) if an extension is granted under sub-paragraph (i) of this paragraph then for not exceeding a

> further period of two years on request made before the expiration of period of extension granted under the said sub-paragraph (i).

There are some further qualifications about the company having met its obligations, but these are basic.

I come back to my point. This is something we want to register and place beyond any doubt. I am not speaking in a contentious atmosphere, but there was good reason for making the previous agreement subject to checkpoints.

I suggest to the Government that if it has further negotiations of this type, it is a good principle to retain periods of review instead of giving a period of eight years with a further period of four years at the discretion of the company. It is only plain good sense to ensure that the Government of the day can, at certain times, call for certain information. It can review that and then express its own opinion.

I come back to the words I have quoted —"to the satisfaction of the Minister." This is a bit of a risk for the company but in most cases I have found companies are prepared to accept it because we are dealing with a set of circumstances where their performance is under study and test, and it is fair enough that the Minister of the day should have the responsibility and the right to express a judgment on this point. It is a set of circumstances entirely different from those which now exist in the agreement and to which we took exception.

Mr. GRAHAM: I suggest the circumstances are entirely different from those which prevailed when the original agreement was drawn up. I repeat that the company has spent more than $7,500,000. It has established beyond doubt that there are ample resources of bauxite available in the area. It has satisfied itself that there can be an economic and financially viable proposition in that area. We know it has the desire and determination to proceed. All that is holding up progress is the lack of markets. As soon as the markets are available no prodding on the part of the Government will be required.

This is a reputable company and undertakings were recently given to the Premier and a number of his Ministers by Mr. Ian MacGregor and other representatives of the firm reassuring us of the company's earnestness in the matter. So I do not think we need have any doubts whatsoever.

The only outstanding point appears to be that raised by the Leader of the Opposition. It is true that the 1971 agreement, being a re-enactment of an earlier one, says "if approved by the Minister" or "to the satisfaction of the Minister," but I point out and repeat that this is governed by and is subject to clause 7 of the agreement, which sets down clearly and unequivocally that each and every one of the detailed proposals and matters referred to in clause 5—and to which the Leader of the Opposition referred—are subject to arbitration "as herein provided," and the provision for arbitration appears in clause 19.

Sir Charles Court: With respect, not every one is subject to arbitration. Clause 7 deals with the matters that are subject to arbitration. It does not say every matter is subject to arbitration.

Mr. Graham: I will read it again slowly. It says, "Subject to the approval or determination by arbitration as herein provided of each and every of the detailed proposals and matters"—

Sir Charles Court: That is right—"as herein provided" and "referred to in clause 5 hereof."

Mr. J. T. Tonkin: What does that mean?

Sir Charles Court: It means the matters that are arbitrable. It does not mean every matter.

Mr. GRAHAM: It says "each and every."

Sir Charles Court: Carry on with the next words. Consult your legal friend on your left.

Mr. GRAHAM: The clause continues—

> —the date upon which the last of those proposals of the Company shall have been so approved or determined shall be the commencement date for the purposes of this agreement.

Sir Charles Court: I will not attempt to convince you because you are obviously not open to to conviction, but I am telling you some matters are subject to arbitration and some are not. Clause 7 deals with the matters that are in fact subject to arbitration where provided in the agreement.

Mr. GRAHAM: It does not say that. It says "each and every of the detailed proposals and matters referred to in clause 5." Clause 5 is the one that is repeatedly referred to by the Leader of the Opposition.

Sir Charles Court: Where a matter is subject to the determination of the Minister, it is not arbitrable. That is what I am trying to get across. There are some matters in subclause (5) of clause 5 that are subject to the satisfaction of the Minister, and he alone in his own mind can make a decision. I think the Attorney-General will agree to that. It is a different thing when you are dealing with another matter that is subject to arbitration.

Mr. GRAHAM: I am not qualified to give a legal interpretation. To me, the meaning is clear and unmistakable. In any event, it makes no difference to me. We have an amended agreement to provide certain things. The reasons for those provisions have previously been outlined, and they do not necessarily have any detrimental or delaying effect whatsoever. A

period was necessary because it is not now a matter of a business arrangement between the Government and Amax. There is also an arrangement between Amax and Alcoa, and the three of us have come together. In order to proceed with a heavy capital outlay, and to ensure there will be some business—in other words, some bauxite passing through the enlarged refinery—a definite term must be laid down; otherwise it would not have been possible to have an agreement.

As I said before, this is a far better proposition than the one which was initially before the Government, but we did a lot of hard bargaining. Incidentally, we were not successful in getting very far until Mr. MacGregor himself came out from the United States of America and we were able to talk to him across the table. We felt we had quite a good proposition under the circumstances; and those circumstances are that there is a lack of markets for the product and there were also two propositions, neither of which was getting off the ground. We were able to get one of them off the ground without any detrimental effect on the possibilities of the second becoming established.

That is the position, irrespective of what happened before or what may happen. We have done it in this way because of the necessity for it, and we are asking Parliament to agree to the proposition or arrangement that was determined by the three parties which conferred.

Sir CHARLES COURT: I again invite the attention of the Ministers to subclause (5) of clause 5, because there are matters that are subject to the satisfaction of the Minister. Once a matter is subject to the satisfaction of the Minister, it is in his mind and he makes the decision. I will read the words—

> (b) if an extension is granted under paragraph (a) of this subclause then provided the Company demonstrates to the satisfaction of the Minister that it has again used its best but unsuccessful endeavours to arrange such finance the Minister will grant a further extension.

Provided he is satisfied. If he says, "I am not satisfied," he does not have to do anything. I should have a rough idea what the words mean because they were the subject of much bitter argument, not only on this occasion but also on other occasions. It was a question of retaining a checkpoint or retaining control of the operation.

Mr. Graham: If you said you were not satisfied, what would happen then?

Sir CHARLES COURT: If the Minister said he was not satisfied, that was the end, but if he said he was—

Mr. J. T. Tonkin: Why was it there?

Sir CHARLES COURT: —satisfied there was a need for an extension—let me finish—

Mr. J. T. Tonkin: Why was it there?

Sir CHARLES COURT: Because the Minister had made a determination that they had not used their best endeavours.

Mr. J. T. Tonkin: But there is provision for arbitration on that.

Sir CHARLES COURT: No.

Mr. J. T. Tonkin: Yes, there is.

Sir CHARLES COURT: No.

Mr. J. T. Tonkin: My word there is!

Sir CHARLES COURT: We have been through this sort of thing with the Premier for years and years. Would he just listen for a minute?

Mr. J. T. Tonkin: I am listening, but what is in this clause is subject to a later clause.

Sir CHARLES COURT: If the wording is "subject to the Minister" the Minister has to be satisfied. If he says, "I am not satisfied"—

Mr. T. D. Evans: Then there is arbitration.

Sir CHARLES COURT: No. Just a minute!

Mr. J. T. Tonkin: I know—you want it all your own way.

Sir CHARLES COURT: I just want to read the words in the agreement. I think even the Deputy Premier will agree we are entitled to read the words in the agreement.

Mr. J. T. Tonkin: You are entitled to read the *whole* agreement. You might get away with that in a kindergarten, but not here.

Sir CHARLES COURT: Mr. Chairman, may I just state the case because that is all I want to do? I am trying to be helpful and get this legislation out of the way.

Mr. J. T. Tonkin: Helpful to yourself!

Sir CHARLES COURT: We will be here all night if the Premier has his way.

Mr. J. T. Tonkin: No we will not.

Sir CHARLES COURT: If the Minister is satisfied he grants an extension. This is the point where arbitration comes into it.

Mr. J. T. Tonkin: Will you state unequivocally at this stage that if the Minister is not satisfied there is no provision for arbitration? Will you say that?

Sir CHARLES COURT: In this particular instance, yes.

Mr. J. T. Tonkin: You say "Yes." That is all I want.

Sir CHARLES COURT: I am not trying to convince the Premier, I am just trying to record—

Mr. J. T. Tonkin: I wanted you to record something.

Sir CHARLES COURT: —that the Government has surrendered the checkpoints. What the Minister of the day will decide is not for me to say. If the Minister is satisfied, a time is then fixed. If the company cannot agree with the Minister, it can go to arbitration. Even then the agreement has placed a restriction on the arbitrator that he cannot go beyond a certain date. In fact, neither can the Minister. This was so that we would not have a "Kathleen Mavourneen" situation.

Under the new agreement there are no checkpoints at all until 1980. If the company so elects there will be no checkpoints until 1984. I do not say that the company will try to leave it until then, because it has invested a large amount of money. However, I feel the Government has overlooked an important point. There may be a discovery of a new mineral in this area, and I instance the huge potential reservoir of natural gas within 100 miles of this port location. However, the area would be tied up to the company if the Government wanted to develop facilities to service the new potential.

I suggest that it is not a bad thing to have checkpoints. However, the Government is committed to the agreement, and we have to let it go through whether we like it or not. I want the viewpoint of the Opposition to be recorded, even if the Government and its officers dispute the validity of our suggestions.

Mr. J. T. TONKIN: The Leader of the Opposition does not do himself credit by continuing to take this line. I would say that every member of this Committee is capable of understanding plain English. On some occasions we have to seek a legal interpretation, but the legal interpretation will finally rely upon the words in the Statute.

Clause 7 of this agreement is subsequent to clause 5, and it is axiomatic that latter clauses govern earlier clauses. Clause 7 reads as follows:—

> Subject to the approval or determination by arbitration as herein provided of each and every of the detailed proposals and matters referred to in Clause 5 hereof . . .

How can anyone say, "But in clause 5 there are some things which are not covered and are not subject to arbitration"? This is what the Leader of the Opposition is trying to make this Committee believe.

Sir Charles Court: It happens to be correct.

Mr. Hartrey: It is not right. You are completely wrong.

Mr. J. T. TONKIN: I ask members to look again at the wording of clause 7. If these words are not all-embracing, I do not understand plain English. The Leader of the Opposition is trying to say that some matters are not covered by that provision. I do not think the Leader of the Opposition would ever get anyone to agree with him.

Sir Charles Court: The companies do. That is why they are so anxious to have this passed. This is what the Premier has overlooked.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

ACTS AMENDMENT (ABOLITION OF THE PUNISHMENT OF DEATH AND WHIPPING) BILL

Second Reading

Debate resumed from the 19th September.

MR. MENSAROS (Floreat) [5.16 p.m.]: In all sincerity I hope, and I feel no member would disagree with me, that this Bill and the implied question of capital punishment rates as one of the most serious questions to come before the House. Therefore, it deserves a very serious study and consideration by every member before coming to a conclusion. Consequently, it deserves a debate which is void of cynical and witty interjections.

This subject deserves the solemn and serious concentration of members, and the arguments of all speakers should be heeded with open minds.

It was rather unfortunate that I was not here during the earlier debates on this question, but I have read the speeches in *Hansard*. I am sorry to say that my wishes were not fulfilled as the debate did not follow along these lines.

I submit that this is not primarily a political matter. Although political parties are perfectly entitled to form policies on this question, as indeed they have, it is not in line with or contrary to the philosophies or policies of any political party. Indeed, if we describe the philosophies of political parties as free enterprise or capitalism against socialism, conservatism against radicalism, or in any other way, we do not find the solution to this question is inherent in any of them. In fact, countries which were governed for a considerable time by parties of one or other political philosophy have adopted different attitudes to this question.

To give an example of this, France, Belgium, and Eire have retained capital punishment despite the fact that they have had socialist Governments for a considerable time. On the other hand, West Germany and Austria, both under capitalist Governments, have abolished capital punishment. As we know, there are right wing and left wing dictatorships, some of which have retained and some of which have abolished capital punishment.

I further submit that this question is one in regard to which we must consider the facts and arguments, combined with our ethical views, and then apply the arguments in a strictly inductive fashion, excluding sentiments. We should not, as we unfortunately sometimes do, set the goal first and then, by a deductive reasoning, gather the facts and the propositions which we believe will support the foregone conclusion.

I also think, contrary to the opinion of many, that this is not a question upon which people are entirely unbending and incapable of changing their minds. If we do not accept that right and wrong are absolute terms, and never depend on time, place, or changing circumstances—and I suggest that we as parliamentarians are the last to accept this—then we can indeed change our minds on this question if sufficient argument is forthcoming. Indeed, many experienced and learned men have done so. To give only one example, Lord Denning in England was a retentionist, but became an abolitionist.

I have attempted to deal with the question according to those introductory remarks, which I believe to be true and correct.

Since the introduction of this Bill I have reread some of the studies I made many years ago, and I have perused entirely new debates and theses on the subject. At this juncture I might suggest that members would be well advised to read not only the debate in the Senate to which the Leader of the Opposition has referred, but especially the debate which took place in the House of Lords, during which very good and considered arguments were presented by both sides. If I may say so, I think the latter debate provides an excellent example of the level at which parliamentary debates can be conducted.

I had views on this question when, as a post-graduate I was interested in and, indeed, studying criminology; but now, almost like the devil's advocate I try to marshal all the counter arguments to retention to arrive at a new considered opinion.

When I do this I find we are confronted with two problems at present. One is, of course, the question of capital punishment, and most members who have spoken in the debate dealt with this. The other is the question of whether we can in all conscience accept the Bill as it is. I suggest that these are two different questions.

The first question is not purely one of moral considerations, but rather one of social or—to put it another way—socio-ethical considerations.

Let us examine some of the most frequently used arguments for abolition. The first, of course, is: Can it be condoned that the answer to illegal killing is legal killing? In other words, has society the legal right to take life? To answer this question we must be sure whether, when proposing to abolish one form of the legal taking of life—that is, the execution of a convicted criminal—we are at the same time proposing to abolish all other remaining types of legal killing. I am not asking whether we are morally condemning legal killings, but whether as a logical consequence we are prepared statutorily to do away with the remaining existing types of the legal taking of life.

For instance, is it proposed to repeal all statutory reference to self-defence as a legal means of taking life?

Mr. Hartrey: No.

Mr. MENSAROS: This is a very important question, and it has great bearing on the argument I am about to develop. From the interjection of the honourable member, one can assume that abolitionists are not necessarily proposing to do that. If they are, they would have to consider the consequences—the security and the traditional right of the individual, and the security of society itself, as well as the principle of the maintaining of order by the police or any other force and their moral in maintaining order.

I, personally, in the absence of any good arguments put forward to support that contention, am not prepared to accept it. I would say that self-defence is necessarily to take life, in extreme circumstances.

However, apart from self-defence there are other forms of legally taking life. Abolitionists, as a logical consequence, would have to propose not only to exclude self-defence of the individual, but also the self-defence of a whole nation. I could not detect any such proposition in any of the arguments on this subject.

Mr. Hartrey: We don't entertain any such idea.

Mr. MENSAROS: This is the way I am developing my argument. I am dealing with the argument as to whether it is ethical to take life legally, and I am dealing with other forms of the legal taking of life, apart from the execution of a convicted criminal. The self-defence of a whole society is another form.

I do not think it is suggested that we should do away with the legal right of a nation to defend itself by entering into a just war. I am not now dealing with the question of whether we should condone or condemn a war; I am merely posing the question as to whether, when all diplomatic means have been exhausted, a nation is entitled to defend itself by means of war.

Other types of generally accepted and never disputed legal killings occur in the apprehension of fugitives either in the civil sphere or in the theatre of war. For instance, would anybody suggest that the organised ambush arising from the tragedy in Munich was immoral, even though it was set up to kill terrorists who had not even been convicted? This is a method of accepted legal killing.

I further suggest that if we accept the argument that we cannot allow any form of legal killing, we would arrive at a very untenable conclusion. What happens if a person tries to take another's life and does not succeed because his intended victim kills him in self-defence? In that case the action of the intended victim is all right at law, even as far as abolitionists are concerned. However, if that person succeeds and takes the life of his intended victim, abolitionists say that the State should not have the right to take that person's life.

To my mind, if I may use the words of the member for Mt. Hawthorn, that is very lopsided moral logic.

Mr. Hartrey: It is not logic at all.

Mr. MENSAROS: There is a further often-repeated argument; and this is the Christian aspect. It is said that a good Christian cannot morally accept capital punishment. I would agree with the member for Mt. Hawthorn that those churchmen who sustain that view possibly do so because they follow A.L.P. policy rather than sustaining it on theological grounds.

Why is it, then, that Christianity is based on one of the most bestial types of capital punishment; that is, crucifixion? Why is it that one of the murderers on the cross said, "We have got what we deserved"? Why is it that the Almighty Himself made no complaints? If capital punishment—a form of society protecting itself by whatever means it thinks necessary—were to be condemned according to Christian ethics, then the Scriptures would indicate that Jesus Christ condemned this method of capital punishment. Yet the whole of Christianity is revolving around the crucifixion in 33 A.D. Therefore this argument that capital punishment is anti-Christian cannot properly be sustained.

Mr. Hartrey: That is a funny sort of argument.

Mr. MENSAROS: At the beginning of my speech I asked that we should deal with this question in a serious manner.

Mr. Hartrey: That argument is not serious, it is funny.

Mr. MENSAROS: One of the other arguments that has been put forward against capital punishment is that the advanced countries of the world have abolished it. I suggest that although there is some truth in this statement, it is not altogether true. The United Kingdom has temporarily abolished capital punishment, but the United States of America has not. Some of the courts of the United States were asked only to interpret the Constitution. They did not say that capital punishment was right or wrong. They simply had the job of interpreting the Constitution which they did and came down with their verdict.

In this group of arguments belongs the one which the member for Mt. Hawthorn invoked; namely, that the Declaration of Human Rights in the United Nations Charter is against capital punishment. With all due respect to that honourable member I tell him that this is simply not true, and I was surprised that the learned member could come to such a conclusion from articles 3 and 5 which he cited.

If anyone cares to read articles 3 and 5, it will be seen that, from what the member for Mt. Hawthorn has cited, it states, in article 3, that "everyone has the right to life, liberty, and the security of the person." It is recognised, of course, that everyone should enjoy these rights to life and liberty, but how one can stretch this to embrace capital punishment, is beyond me. If the member for Mt. Hawthorn states that there should not be any capital punishment because a person is entitled to his life, the conclusion should be that we should not have any punishment at all, because a person is entitled to his personal liberty as well. That is the logic of that argument.

In referring now to article 5 of the Declaration of Human Rights, one finds that it states—

> No-one shall be subjected to torture or cruel inhuman or degrading treatment or punishment.

This, of course, comes to a question as to what method of interpretation is used; whether the type of capital punishment we have in this State comes within this category. I do not want to argue about this. Different views have been expressed. For example, the views expressed by the member for Boulder-Dundas and those expressed by the member for Subiaco were entirely different.

To my mind one of the best Royal Commission reports on this or any subject was the United Kingdom Royal Commission report on capital punishment. It will be seen from that report, according to the commissioner's findings, that capital punishment as used in this State—that is, hanging by the neck—is more humane than any other form of capital punishment, including the electric chair and the gas chamber. However, because of my limited time I do not intend to go into the details of that report; it is there for members to read.

Mr. T. D. Evans: They also came to another conclusion.

Mr. MENSAROS: The commission did not come to a clear conclusion as to whether to abolish capital punishment or to retain it.

The fourth argument, which I do not think is very convincing in the problem of whether to retain or abolish capital punishment, is that, more and more, public opinion seems to favour the abolition of capital punishment. There is a measure of truth in this; that is, that the trend appears to be leaning that way. In 1947 the result of a Gallup poll taken showed that 68 per cent. of the people questioned

were in favour of capital punishment, whereas in 1967 only 43 per cent. were in favour of it. The member for Subiaco said that, in his opinion, an overwhelming number of people are in favour of it. I do not know.

I doubt whether this measure of public opinion should rank high in our considerations. We all know that the result of a Gallup poll depends on the time it is taken and upon the circumstances pertaining at that time. These are factors that we have to examine, as was rightly pointed out by the Attorney-General. We have to consider the undoubted fact that if a cruel or dastardly murder has occurred, and the offender is apprehended and convicted soon after the offence is committed, public opinion seems to lean towards capital punishment and to sympathise with the dependants of the victim. However, if the offender is apprehended but is not convicted until six months after the offence has been committed, public opinion seems to develop sympathy towards him and changes to be against capital punishment.

We also have to take into consideration that abolitionists are a pressure group who want to change something which exists, whereas those who wish to retain capital punishment are on the defensive and usually are not a very vocal majority.

A further argument for the abolition of capital punishment does not impress me whatsoever, and it comes up in a rather irrelevant way. It is an argument that we heard by way of interjection, and it is what was proposed by the member for Boulder-Dundas. This argument can be summed up briefly by posing the question: Who shall be the hangman to perform the execution? I do not think this is an argument for or against capital punishment, because every citizen has a duty to go to war where he has to commit legal killing. I do not want to be cynical but if this argument is to decide what laws we should have, then one could argue *ad absurdum* that only those who would be prepared to carry out the execution themselves should support the branding and earmarking of cattle and stock. This is an irrelevant argument and one that cannot be seriously considered. The member for Mt. Hawthorn introduced a new argument and I am grateful to him for doing so. He said that it was lopsided to convict the offender who was apprehended and not convict the one who was not apprehended. I cannot agree with the honourable member in this argument, because if we take it to its logical conclusion it could be applied to all sorts of punishment, and therefore we should do away with all punishment because it is equally lopsided to fine an offender or to imprison one who is apprehended and not punish the other who cannot be found. Obviously, no punishment can be imposed on any offender who is not apprehended.

Then, of course, there is the argument of irrevocability which cannot be easily dismissed. Fortunately we find that very few such cases exist, and the Attorney-General, by way of interjection, said there were none in Western Australia, although, by way of a later interjection, he said he does not know whether there were any.

Mr. T. D. Evans: There are none known.

Mr. MENSAROS: Yes, that is correct. However, I am not persuaded that the law should be made only for the very small number of exceptional cases. One of the main arguments used by abolitionists—although it is also used by those who are in favour of the retention of capital punishment—is whether the purposes of punishment are served by capital punishment. One cannot be dogmatic in listing the purposes of punishment which society deals out to those who offend against its rules, but in the main such purposes are—

(1) The expression of society's condemnation of the offence and the offender.

I think this is a more fitting description than the use of the word "retribution" or "revenge." The next one is—

(2) The self-defence of society and its members.

From this, of course, follows—

(3) Society's endeavour to prevent the breaking of its rules—to prevent crime—and therefore this is prevention.

From the individual's point of view, from the offender's point of view—and society is as mindful of him as it is of another member—emerges the question of rehabilitation.

As a negative of this I must deal with one of the main reasons which have been talked about; that is, the deterrent. Out of the reasons which I have listed obviously capital punishment will not serve the cause of rehabilitation; but, of course, at the same time one sadly has to remark that it is a gravely doubtful question as to whether or not imprisonment as an alternative to capital punishment does serve the reason of reformation.

I submit that in many cases to send a first offender to prison does not reform him; on the contrary it makes a criminal of him. With prevention we can discuss at the same time the question whether capital punishment serves as a deterrent; and I would agree with the remarks of the Leader of the Opposition that there is no conclusive argument. Whichever way one looks at the statistics they do not show clearly whether or not capital punishment is a greater deterrent than life imprisonment or other forms of punishment.

I have asked the Attorney-General a series of questions relating to convictions and imprisonment, and I am very grateful to him and his officers for supplying me

with the answers. In these there is one factor which contradicts the statement of the member for Mt. Hawthorn. These figures relate to a period of 29 years, from 1944 onwards, and they show that more than half the number of persons convicted for homicide, not only for murder, had previous records and previous convictions.

I think that local figures are not necessarily different from global figures; hence I asked the Attorney-General questions as to how many of these convicted persons had shorter than five years' residence in this State, but the figures were not available. However, I have some figures which are pertinent to the Commonwealth for a period of 14 years between 1950 and 1964. These reveal there were 451 such convictions in the Commonwealth, the largest portion of which related to New South Wales where there were 217 convictions. Queensland, where capital punishment has been abolished, was next with 84 convictions, and Victoria where capital punishment has been retained had 72 convictions and Victoria of course is a more populous State than Queensland.

The member for Subiaco has supplied similar figures, but I emphasise that I am not basing my opposition to abolition on such figures, because figures can be misleading and they cannot be taken as conclusive. I think the aspect of deterrent has to be examined much more closely. It should be the subject of study—not parliamentary study but study by expert criminologists—to ascertain whether or not an answer can be found from these figures.

I humbly suggest that contrary to the suggestion of the member for Mt. Hawthorn the onus of proof should not be placed on those who do not propose any change in this law, but on those who propose abolition of capital punishment. I suggest that until we can be furnished with clear-cut results of whether or not capital punishment is a greater deterrent we should be given the benefit of the doubt. I go a step further, and I do suggest that whether or not capital punishment is a deterrent it is at least a speculative argument that the abolition of capital punishment would be an incentive or encouragement to commit crimes.

The SPEAKER: Order! There is too much audible conversation.

Mr. MENSAROS: In today's entirely new types of crimes we find organised crime, whether it be perpetrated by the Mafia, by political organisations, or for racial reasons. What I am saying is important, because if a person is sentenced to life imprisonment why would he not be encouraged to attempt to break out of prison even if his action should cost the lives of some warders? The fate of that person cannot be any worse, because of the abolition of capital punishment. He can continue to make such attempts.

I pose this question: which prison in Western Australia or anywhere else would be able to resist a band of terrorists like those who appeared at the Olympic Games in Munich? Which prison would be able to resist 10 persons armed with machine guns who have set out to free their mates imprisoned as a result of organised crime? Without the deterrent of capital punishment they could try this many times, even though those who are trying to free their partners in crime may be apprehended later. After all, they can only be imprisoned; and of course there is the possibility of another band of their partners in crime trying to free them also.

I suggest that we have no conclusive proof as to whether or not it is a deterrent, but we have speculative proof that it could be an incentive for organised crime. I have come to the conclusion, perhaps reluctantly, that quite contrary to the opinion of those who say the enlightened times in which we live require that we abolish capital punishment, in these days of organised crime we are compelled to retain capital punishment.

Mr. T. D. Evans: Of course, your argument has not been sustained by the events of the past eight years. Capital punishment has not been carried out since 1964.

Mr. MENSAROS: I say we have speculative proof that the abolition of capital punishment is an incentive and encouragement to organised crime, which fortunately up to this stage has not been experienced in Western Australia but it has been experienced only recently in the Eastern States.

I say we should retain capital punishment for occasions of dastardly individual crimes but more particularly for organised crimes. Perhaps we could extend it, as the member for Subiaco has suggested, to cover crimes against society, such as drug peddling, and of course for treason where the whole nation is endangered.

We still have the Royal prerogative which has been used many times. From the figures which the Attorney-General has furnished for the past 28 years, on 29 occasions out of the 33 capital convictions the Royal prerogative was used. I think this is the answer to the question raised by the member for Wembley who said that most individual killers did not know what they were doing.

Mr. T. D. Evans: Does it not also mean that the Governments which exercised the Royal prerogative in those instances were not influenced by the arguments put forward in favour of capital punishment?

Mr. MENSAROS: That may be so, but that does not refute my argument. Having dealt with the question of capital punishment I come to the Bill itself. I do not know what time I have left to expound on this: whether capital punishment should be substituted by life imprisonment.

The member for Mt. Hawthorn said that capital punishment has been abandoned by most countries for better and more positive remedies. I do not accept this as a fact, but I would wholeheartedly agree with him that it should be abolished for better and more positive remedies! This is exactly the basis of my opposition to the Bill which does not provide for better and more positive remedies.

Mr. T. D. Evans: Can you suggest any remedies?

Mr. MENSAROS: I will come to that. With due respect to the Attorney-General he has possibly used an interjection which he does not mean seriously.

Mr. T. D. Evans: I am really suggesting it.

Mr. MENSAROS: He cannot expect me to propose detailed suggestions, but what I do suggest is that this question should be the subject of a very lengthy and expert investigation so that we might come up with a solution—possibly entirely revolutionary in comparison with the present system of punishments. The only form of punishment we have apart from capital punishment and fines is incarceration. I submit that the method of incarceration —I am not talking specifically of Western Australia because I am not saying that we have the worst prison conditions in the world—does not provide proper and contemporary punishment. As I pointed out before, it does not serve reformation at all and, in fact, in many cases, it creates criminals.

I have heard many justices of the peace say that corporal punishment would serve the reasons of punishment better in many cases than imprisonment.

I suggest—and this answers the interjections—that we cannot simply do away with what we have and substitute life imprisonment. Some members, like the member for Wembley, think that capital punishment is not severe enough and that an offender should be imprisoned for the term of his natural life without any parole or any other privilege. I do not know whether this is necessarily a solution. There could be many solutions. Many years ago in my studies of various places of imprisonment I saw only one which could be acceptable as a place of punishment, and that was in the middle of Finland. I do not have the time to describe that place but it was an entirely enlightened institution.

Mr. Bickerton: Don't you realise that Britain had a Royal Commission on this? Have you read the findings of that?

Mr. MENSAROS: Indeed, I have even referred to it. I have studied the report of the Royal Commission of the United Kingdom which does not submit a clear-cut recommendation that capital punishment should be abolished.

Mr. Bickerton: To you its findings mean nothing?

Mr. MENSAROS: The findings did not include a recommendation that capital punishment should be abolished.

Mr. Bryce: That was not the purpose of it.

Mr. MENSAROS: Therefore I cannot be convinced from that report. In fact, the suggestion is the whole method of punishment—

Mr. Bickerton: Don't you realise the significance of what is contained on page 18?

Mr. MENSAROS: I do not have the report with me.

Mr. Bickerton: Have a look at page 18 of the report.

Mr. MENSAROS: I shall. We do not have before us any proposition to reform entirely the means and ways of punishment which, as I said, could be revolutionary. One suggestion could be that a person be fined an amount equal to half his assets, or even more. I am suggesting this only as one possible form of punishment. I am saying that all avenues should be explored scientifically by experts. Recommendations should be made concerning our whole penal system. Unless this is done I cannot in all conscience vote for this Bill which does not tackle the whole question. It simply does something negative; that is, it abolishes capital punishment.

Having considered all the arguments in favour of abolition, and having studied the Bill, I am entirely dissatisfied. I certainly could not accept this Bill without an alternative being provided and without a study of the whole penal system having been made. I have read the arguments of the member for Wembley, and I respect them. However, I think the answer to his question concerning why he should not vote for the Bill—he wanted, in fact, a better penal system—

Mr. T. D. Evans: Don't we all.

Mr. MENSAROS: —is that we have no satisfactory alternative.

Debate adjourned, on motion by Mr. Harman.

ADJOURNMENT OF THE HOUSE: SPECIAL

MR. J. T. TONKIN (Melville—Premier) [5.55 p.m.]: I move—

> That the House at its rising adjourn until Tuesday, the 3rd October, at 4.30 p.m.

Question put and passed.

House adjourned at 5.56 p.m.