

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

POSEIDON NICKEL AGREEMENT AMENDMENT (TERMINATION) BILL 2021

Second Reading

Resumed from 15 September.

DR D.J. HONEY (Cottesloe — Leader of the Liberal Party) [4.11 pm]: I rise as the lead speaker for the opposition on this bill.

Several members interjected.

The ACTING SPEAKER: Sorry, Leader of the Liberal Party.

Dr D.J. HONEY: My words of gold will be missed!

The ACTING SPEAKER: Members, can you please take your conversations outside.

Dr D.J. HONEY: Thank you very much, Acting Speaker. I rise as the lead for the opposition on this bill and I indicate at the outset that we support the bill. The Poseidon Nickel Agreement Amendment (Termination) Bill 2021 is an interesting bill in the sense that many companies are desperate to get a state agreement, although speaking with the minister's advisers—I thank the minister for the briefing he gave the opposition on this matter—apparently more companies are seeking to perhaps stay within the act. Nevertheless, state agreements are something that most companies seek because they give them rights. But they also put obligations on the proponents. Nevertheless, in this case a company is seeking to terminate its state agreement and to move its operations under the Mining Act and other substantive legislation that govern mining operations.

In his second reading speech, the Minister for State Development, Jobs and Trade explained the purpose of this bill—that is, to ratify an agreement made on 4 August 2021 between the state and Poseidon Nickel Ltd to terminate the Poseidon Nickel Agreement Act 1971—and offered some history. The history of nickel discovery in the state of Western Australia is fascinating. It coincided with a massive demand for nickel across the world and put Western Australia in the box seat at the time. It allowed a great company, Western Mining Corporation, to blossom. I tell members at the outset that I worked for Western Mining Corporation, although I have no interest in it and it has no interest in the outcome of this bill.

Mr D.J. Kelly: You said you have no interest in them and they have no interest in you.

Dr D.J. HONEY: No; that company has no interest in this bill.

Mr D.J. Kelly: Sorry.

Dr D.J. HONEY: That is it. It probably has no interest in me, minister. That is by the bye. It is possibly true for many, but, fortunately, some people do regard me highly, least of all my children, so I am grateful for that at least!

Mr D.J. Kelly interjected.

Dr D.J. HONEY: That is it, yes.

Nickel was discovered at Mt Windarra about 18 kilometres north-west of Laverton in 1969, and that heralded the start of a really exciting nickel boom. Interestingly, we are going through a second phase of that nickel boom today, because many members in this chamber who have a great interest in renewables may know that although we talk about lithium batteries, a substantial component of many lithium batteries is nickel salts and cobalt salts. To that end, Western Mining Corporation's nickel refinery at Kwinana, which was looking to be sold and potentially shut down, has had a new lease of life as a major production facility. In fact, on a global scale, it will be one of the major producers of nickel sulphate, one of the components that is used significantly in those batteries, so we are going through another boom at this stage. The rate of nickel exploration across the state has exploded. We see a number of hopefuls in that area and a number of new mines starting up, which is very exciting.

The purpose of the initial state agreement was for the development of a nickel mining and treatment project at Mt Windarra. A second nickel mine commenced at South Windarra in 1974. Collectively, the two mines are referred to as the Windarra nickel project, or WNP. I think a little bit of history associated with this is interesting because the name "Poseidon" is fine. There was massive speculation among nickel players and this was used or misused by potential proponents to lure investors to invest in nickel mines, no more so than in the United Kingdom where a lot of investors were very interested in nickel in Western Australia. In fact, there was so much excitement about it that a movie was made called *Nickel Queen*, which was inspired by what was called the Poseidon bubble, when we saw a massive rise in the price of shares. There is some link to this Parliament. In fact, there are a couple of links—one to the federal Parliament and one to the state Parliament—out of that movie. The late Hon Ross Lightfoot, a former Liberal Senator, was an actor in the movie *Nickel Queen*, which starred Googie Withers. Some in this chamber will know who Googie Withers was, although looking at the blank faces, many may not know, but she was a very famous

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actor in her time. A famous pool scene in that movie was filmed at the late Hon Max Evans' house. Hon Max Evans is a former Minister for Finance, Minister Assisting the Treasurer and member of the upper house in this place.

Western Mining Corporation Ltd took 100 per cent ownership of the Windarra nickel project in 1983. The mining of nickel at Mt Windarra ceased in 1990 and at South Windarra in 1991. Processing of nickel sulphide ores from WMC operations at Leinster continued at Mt Windarra until 1993 and processing of gold ore continued until 1994. That means significant processing plants are still at that location. During the 1990s, WMC was taken over by BHP, which became the holder of the nickel assets. In 2005, BHP sold its nickel interest to Niagara Mining, which was subsequently renamed Poseidon Nickel.

The project has not restarted under Poseidon. Poseidon has formally requested the termination of the state agreement to enable it to pursue alternative business options for that land. My understanding from the briefing we received on this matter is that, in fact, the state agreement is restrictive in terms of what the company could do on that site, but if it transitions from the state agreement and is simply allowed to carry out its operations under the Mining Act, it will have more flexibility in the way it utilises that site for the treatment of ores. It will also have the potential to recover values out of the tailings dumps at that site.

The key provisions under the termination agreement were outlined by the minister. I will not go through them in exhaustive detail, but the mining lease will continue under the Mining Act, and Poseidon will have authorisation to conduct mining operations. The bill will require the company to indemnify, and keep the state and agents indemnified, in relation to the operations under the state agreement. That will last for a period of 20 years past the date of cessation of all operations. I will go into consideration in detail for a brief period. One of the areas I am interested in—it is a concern I will talk about a little more fully in a minute—is the capacity of enforcement of that obligation going out for that period. There is a bank guarantee under the existing deed of covenant that will cease. I understand that it will be replaced. Again, I will explore that a bit more during consideration in detail.

The company will be released from some obligations. Importantly, Poseidon will remain liable for its activities and indemnities under the state agreement and the original deed of covenant. As the minister said in his second reading speech, the key purpose of the agreement is to provide Poseidon with greater flexibility to progress the development of its projects under the general laws of the state. That has the potential to create jobs in the goldfields region, which is certainly something we very much support. As I said before, it is often the case that companies want a state agreement because it allows them some privileges that they would not have otherwise. We are obviously seeing the reversal here. The termination of the agreement will give the company flexibility. It can re-treat the waste and use the concentrator for other ores.

Clause 4(2) provides that the company will be released from its obligations under clauses 3.2(a) and 3.2(b) of the deed of covenant. The state will not have any claim against the company in respect of the performance of those obligations. The obligations under the deed of covenant relate to the outstanding rehabilitation identified in the Western Mining Corporation *Windarra nickel project closure finalisation plan*. I understand that the obligations will be resumed in full under the Mining Act and the regulations. I have not seen the deed. We asked for it at the briefing. The good officers are here. They informed me that I would need my best reading glasses to read the deed because the document is many inches thick! Having the greatest faith in our public servants and ministerial advisers, I was happy to live with their assurances that it contains nothing untoward.

I want to take a few moments to talk more generally about the whole issue of closure. It is related to this bill but not specifically related to the detail of it. I was a little hesitant about this bill when I first read it because I was concerned that we have a situation whereby a major mining company, BHP, has sold an operation to a more junior company with far less financial capacity. If there were onerous remediation requirements for that site, that company may not be able to meet those remediation requirements. Again, we were told during the briefing that in this particular case, the re-treatment of the tailings dams will reduce the risk of contamination from that site. In fact, a lot of remediation has already been carried out on the site, and the company should have the capacity to carry out remediation. It will be contributing to the general remediation fund that all mining companies have to contribute to as well. That is particularly important.

Given that we have literally thousands of mine sites in Western Australia, I have a great concern that the state potentially faces enormous liabilities in the future if those mine sites are not remediated adequately, and no more so than for the base metal sulphide deposits. I am concerned about those for two reasons. Typically, in those mines, ore is brought to the surface or ore is mined in open pit operations. It is a mass of ore. That ore is not very reactive and therefore does not release metals in any great concentration. However, when the ore is brought to the surface, it is beneficiated. It is typically ground very, very finely, in many cases to submillimetre size. When that happens, it dramatically increases the surface area and the reactivity of those materials. Materials that were relatively safe from an environmental perspective suddenly have the potential to generate acid mine drainage, which many members

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would have heard about at least. More particularly, when it does that, it liberates metals. Metals such as nickel, cobalt and copper are environmental poisons. They do not go away and they do not evaporate—they persist forever. That is just the law of conservation of matter. If they enter local water streams, it can obviously cause environmental harm. Humans can drink that water. For example, nickel is a class 1 carcinogen. There is a long history of workers working in nickel processing plants being severely affected by a range of specific cancers associated with nickel poisoning. It is something that we should all be concerned about.

Mine closure is not for a month, a year, 10 years or 50 years; mine closure is forever. It is the nature of the surface of the earth that its whole surface is continually recycled. Whenever we talk about mine closure and say that we are closing it forever, it is really a nonsense in the sense that all of that material will eventually be recycled into the environment. There is that risk of contamination. For all of us in this place, I think this is an area that will gain more and more focus over time. I know that the concern about this is not lost on the Department of Mines, Industry Regulation and Safety or government regulators. I do not think we collectively have a good handle on the magnitude of the potential issues in the future. As I said, this material exists forever. Members may hear people talking about a permanent closure or an impermeable cap. Firstly, an impermeable cap technically does not exist and, secondly, whatever it is, it is only temporary. We need to think on a scale of 100 years, 500 years or 1 000 years. In that time, any man-made structure will break down. Potentially, contaminants could be released into the environment that will harm the environment generally and could harm humans, if humans are living in that area. We need to think about the cost of that. Whatever we derive from these operations, if we do not make adequate provision for closure while those mine sites are running and if we do not ensure that those closures are genuinely sustainable over centuries, not just decades when we may be alive, when other people will have to deal with it, the taxpayer will ultimately pick it up. In some cases, it could be overwhelming. Again, I am taking this a little further than I otherwise would, but I think this is an opportunity to expand on this topic.

The other area we need to consider with these mine sites is the actual physical stability of the residue heaps that are left behind. An area that concerns me a lot is the Collie coalfields. The waste dumps in Collie are geologically unsustainable. I will not go on at great length here, but I encourage members to have a look at what has happened with supposedly rehabilitated mine waste dumps in Germany. It is very similar to Collie, member. A popular way of remediating those sites is to smooth down the edge of the mullock heaps and then create a lake.

Mr D.T. Punch: Lake Kepwari.

Dr D.J. HONEY: Pardon?

Mr D.T. Punch: Lake Kepwari is a very good example.

Dr D.J. HONEY: Yes. It is an enormous risk. We heard some time ago in another debate in this place that there is a potential liability there of some \$4 billion for remediation. That is a great concern, given that we hear at least one of the companies mining those coal mines is in difficult financial circumstances. It is unlikely that either of those companies could meet that \$4 billion liability, and it is my great concern that one way or another the state will pick up the cost for the remediation of those sites. I will not go on, but for members listening in the chamber and the member for Collie–Preston this matter should be on the radar for us collectively.

Mr R.H. Cook interjected.

Dr D.J. HONEY: It is the member for Bunbury; I know. He does not have to worry.

Mr D.T. Punch: I was a bit worried about it.

Dr D.J. HONEY: It should be on the radar because this is a very important topic for us. As I say, I am reassured in this case that this change from a state agreement to bring this new operation under the Mining Act and other appropriate state acts will not result in worsening the potential environmental impact from these operations in the future. In fact, what is being proposed should result in improved environmental outcomes, with the added windfall that potentially this can create additional wealth and jobs for the state and royalty income for the state government. On that note, I commend the bill to the house.

MR D.A.E. SCAIFE (Cockburn) [4.31 pm]: It is a pleasure to rise to speak on the Poseidon Nickel Agreement Amendment (Termination) Bill 2021. As the Leader of the Liberal Party has just outlined, we are dealing with a piece of Western Australian history in this bill. The bill touches on not only the great history of mining, particularly of nickel, in this state, but also the Western Australian arts and culture space, because, as the member for Cottesloe touched on, this bill relates to a development that went on to inspire a film produced locally in Western Australia. I will speak on that film in a matter of minutes, but I want to set the scene for the original development of the area covered by this state agreement, which was originally developed by Poseidon Nickel Ltd.

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In the late 1960s, nickel was in very high demand, driven largely by the United States and its allies involvement in the war in Vietnam. At that time, as a result of the Vietnam War, there was a very significant demand for nickel-hardened steel, which was being used by the United States in what was at the time advanced weaponry, munitions and the like. That drove a very significant jump in demand for nickel in the late 1960s. As a result, the nickel price hit an all-time high. In 1969, it recorded a high of, I think, £7 000 per tonne, which in today's money is something like £113 000 per tonne. Nickel was a very, very sought-after commodity at the time.

At the same time, along came an incredible discovery by Poseidon at Mt Windarra. It found an exceptionally high-grade ore that was, essentially, the Lasseter's Reef of nickel deposits. It was reported but nobody believed it. In fact, Poseidon was told to go back and check again, but, sure enough, the discovery was seemingly as good as it possibly could be. The discovery, combined with the incredible demand for nickel at the time, led to what later became known as the Poseidon bubble. It is one of the largest, if not the largest, financial bubbles in modern history. In this case, Poseidon's share price increased by, I think, 13 700 per cent over that time. It jumped from some cents to I think \$280 or thereabouts per share. Stockbrokers and the like said that that figure was too low and the firm was undervalued. I believe those brokers suggested a figure of more like \$580 per share was justified. Those speculators would have set a further 100 per cent increase on the already very, very high price. But as with all bubbles, the Poseidon bubble burst and everything came crashing down rather quickly.

Indeed, by the time Poseidon was in the production phase with nickel at Mt Windarra, the price of nickel had fallen very substantially from the highs and, on further exploration, further along in the production phase, it was discovered that the ore was of a lower grade than initially thought. As a result, Poseidon was, essentially, unable to maintain the incredible promise that it had had. It was laden with debt and once the mine began operating it was unable to service those debts from the profits. Poseidon entered into receivership in 1974. It went from incredible highs in 1969, with demand for nickel and a very high share price, to come crashing down in a matter of four or five years. In fact, Poseidon was delisted from the stock exchange in 1976. The Poseidon bubble was larger by quite some way than the dot-com bubble of the 1990s. I am not a great student of economic history, but I believe there was a bubble in the eighteenth century or thereabouts for tulips of all things. The value of tulips rose by about 5 000 per cent and then came crashing down very quickly. It led to all sorts of economic dislocation in Europe where people were tearing up other crops, other produce, in order to plant, grow and sell tulips. The same kind of economic dislocation that we have seen when these bubbles burst happened on our doorstep in Western Australia as a result of what happened with Poseidon.

Although the Poseidon bubble was short-lived, I think it is worth reflecting on that time in our state's history and the investment and the discoveries made in Kambalda and Mt Windarra that made a great contribution to the development of the nickel mining industry in Western Australia. It really was the start of nickel mining in Western Australia and, indeed, in Australia. As of today, I believe Western Australia is the sole producer of nickel in the whole of Australia. It is a very significant mineral to the global market because, as members may be aware, nickel is a critical component in stainless steel. In fact, some in the resources world have referred to nickel as a one-trick pony because something like 68 per cent or 70 per cent of the world's nickel goes into the production of stainless steel. Obviously, that is a product that people use in their daily lives. Western Australia has led the development of that industry and is a leading supplier of nickel in the global market. The last figures I could find were from 2016–17 and they show that nickel was Western Australia's fourth most valuable mineral export, worth about \$2.3 billion to the Western Australian economy. There is further potential for that industry because Western Australia has the world's largest nickel reserves. I believe Western Australia is estimated to have about 23 per cent of global nickel reserves—almost a quarter of the world's nickel reserves. That means that we have a great opportunity to continue to exploit the demand for that resource in products like stainless steel and, in the future, nickel-based batteries. That is obviously a growing market for nickel, particularly for car batteries and energy storage batteries for things like microgrids. Nickel is a significant component of those, so there is a great future for nickel production in this state.

One of the things that the Poseidon development and bubble led to was the reform of financial regulation in Australia. The Poseidon bubble was such a significant economic and political event that it attracted the attention of the commonwealth because investors from all around Australia and the world were affected by the bursting of the Poseidon bubble. In 1974, the commonwealth Parliament established an inquiry into Australian securities markets and their regulation. The committee released a report titled *Report from the Senate Select Committee on Securities and Exchange: Volume 1*. The committee was chaired by Senator Rae. This report devotes an entire chapter—about 180 pages—to the fallout of the Poseidon bubble. The committee's inquiry exposed the extent of shady and unethical trading behaviour that happened in the context of the Poseidon bubble. I do not use the words “illegal” or “unlawful” because at the time things like insider trading were not unlawful in the Australian securities market. I thought it would be worth taking members to that report. I am not sure that I would call it a gripping read, but it certainly is an interesting read. I flicked through the chapters and found an extract that really captures some of this behaviour that the committee unearthed—excuse the pun! On page 2.36 of the report, the committee states —

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Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

In summary, by the time percussion drilling began on the Poseidon prospect in September 1969, the consulting geologists had bought for Burrill Investments Pty Ltd, their share-trading associate, a total of 50,000 Poseidon shares. In acquiring this holding, Burrill Investments Pty Ltd bought shares from existing shareholders in the company who, at the time they sold their shares, had not been given an opportunity to up-date their assessment of Poseidon's prospects as the result of the work carried out by the geologists. These shareholders who sold their shares also did not know they were selling to a share-trading company associated with and managed by their company's consulting geologists. On the other hand, one of the shareholders' presumed representatives, Mr Shierlaw, did know of the geologists' purchases, and in his capacity as a member of the Adelaide Stock Exchange he acted as the geologists' agent in carrying out much of the buying.

That extract from the report exposes that consulting geologists to Poseidon, who therefore had inside information about the quality of the tenement that Poseidon had pegged and was developing, used that information for their own financial gain to buy shares in Poseidon, knowing that there would then be an increase in the price once their own data was made available to the public. That is a classic case of insider trading, which was not unlawful at the time but which plainly caused concern to the committee. It meant that those consultant geologists were at an advantage compared with the ordinary shareholders, or the other shareholders of the business of Poseidon, who were selling their shares not knowing that there was very likely to be an increase in the value of those shares based on the information that the geologists held at the time.

A series of recommendations came out of that report. They are not solely responsible for the modern regulation of trading securities in Australia, but that was certainly part of the history of regulating the trading of securities and making conduct like insider trading unlawful. We can see that the Poseidon bubble had a great effect on not only the development of our nickel mining industry, but also the economy and a very significant effect on the regulation of financial markets in Australia.

As the Leader of the Liberal Party alluded to, the Poseidon bubble also had a significant impact on arts and culture in Western Australia because it led to the production of the film known as *Nickel Queen* in 1971, I believe. The plot of the movie did not accurately reflect exactly what happened in the Poseidon bubble, but it was certainly based on what happened. It essentially tells the story of an individual who starts rumours of a great nickel discovery in Australia and in Western Australia. The titular nickel queen stakes her claim upon hearing these rumours and is used as a tool by our speculator to promote this great investment to gullible investors. In the movie there is no incredible discovery, so the investors are fleeced of their money when they invest in the nickel company. Unfortunately, there is not a happy ending for anybody in *Nickel Queen*, although I believe our titular nickel queen ends up reconciling with a childhood sweetheart. I think that is her happy ending, but our speculator and promoter is exposed as a fraud and is run out of town. That is probably a metaphor for what happened at the time. Many people were probably run out of town as a result of the incredible losses suffered when the Poseidon bubble burst. It is a great piece of Western Australian history because the government of the day took a keen interest in it. In fact, it included cameos from the then Premier, Sir David Brand, and the then minister for resources, Charles Court, who went on to become Sir Charles Court. It also included a series of plugs for the companies that had helped finance the film. The great history of product placement and advertising in the film industry was alive and well at the time *Nickel Queen* was produced.

[Member's time extended.]

Mr D.A.E. SCAIFE: On noting the impact *Nickel Queen* and the Poseidon bubble had on the development of the Western Australian film industry, I think it is worth reflecting on the fact that the industry is still with us now. It is part of the government's economic diversification strategy. We have obviously had an announcement around the building of a film studio in Fremantle, up the road from my electorate. It goes to show that the history of our mining industry has really touched all parts of our economy.

I would like to acknowledge, in that respect, the great work that is done by the Cockburn Community and Cultural Council in promoting arts and culture in the Cockburn electorate. I would particularly like to shout out to Mr Bill Wallington, who is the president of the council. He does a fantastic job running that council, just about single-handedly, with a small group of volunteers. It recently held an exhibition, on 3 October. Conditions have obviously been very challenging for the council in the past 12 to 18 months with COVID-19, but I really want to congratulate it on running a fantastic exhibition. I was very fortunate to have been down there as the presenter of the awards at the conclusion of the exhibition. It was great to meet many of our local artists in person. I particularly congratulate Toby Leek and Jean Martin. I actually bought one of Jean's pieces from the exhibition. It is a beautiful piece of Woodman Point, which is hanging proudly in my office at this very moment. I would also like to acknowledge Maggie Di Re, who is a real pillar of the Cockburn community. She had a stall at the exhibition and has always been very welcoming to me. Thank you, Maggie, for being such a great contributor to our community. I would like to mention two other local artists. One is Sandy Gaskett in Coogee, whom I have commissioned to

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Hammat; Mr Roger Cook

produce a local artwork for my office. She does beautiful impressionist paintings of Coogee, Coogee beach and the surrounds. I would also like to acknowledge Juanetia Knapp, one of our local traditional owners and a Noongar elder. Her very large painting is hanging proudly in my electorate office, really with pride of place. Thank you, Neta, for your service to our community and for your promotion of the arts and of traditional owners and their contribution to the artistic history of Western Australia. On that, I will check whether the member for Mount Lawley looks ready to go. I commend the bill to the house.

MR S.A. MILLMAN (Mount Lawley — Parliamentary Secretary) [4.52 pm]: I thank the member for Cockburn for his contribution. I also have a work by Neta Knapp hanging in my office, member for Cockburn. It was put together by the community of Mt Lawley in the lead-up to the 2017 election.

Mr D.A.E. Scaife: One of my constituents.

Mr S.A. MILLMAN: There you go! I did not know that. She is well represented in this place.

I rise to make a contribution to the debate in support of this very important piece of legislation. I have said it before but it bears repeating that the McGowan Labor government, over the last five years, has really concentrated on putting in place the proper regulatory framework in order to enable our world-leading, world-class, globally significant mining industry to succeed. It is a regulatory framework that is predicated on attention to detail and working collaboratively with industry. The situation that arises, as was spelt out very clearly by the member for Cockburn, which I do not need to go over, concerns the Poseidon Nickel Agreement Amendment (Termination) Bill in which the arrangement will transition from a specific state agreement to the general mining law of Western Australia. By doing so—by changing the regulatory framework that governs this resource—it will provide the mining company the opportunity to go back over the tailings and diversify its operations by trying to extract a valuable resource from the material that it has on site.

When I think about the importance of nickel generally, my mind turns to the work that the McGowan government has done, during both its first and second term, in promoting our future battery strategy, based on our critical minerals strategy. I will refer to a statement that was made in the lead-up to the 2021 election, on 30 October 2020, by the Minister for Mines and Petroleum, Hon Bill Johnston. I quote —

- AMEC's Critical Minerals prospectus reveals investment opportunities in Australia
- Critical minerals include nickel, cobalt, lithium and rare earth elements

Mines and Petroleum Minister Bill Johnston today launched the Association of Mining and Exploration Companies' ... Critical Minerals Investment Opportunities prospectus.

The prospectus provides an informative investment guide to numerous critical minerals projects that are exploring, developing and producing throughout Australia.

Demand for critical minerals, particularly battery minerals, has grown exponentially and this is expected to continue to increase in the next decade.

It has been reported that the global lithium value chain is expected to grow from \$165 billion to \$2 trillion by 2025.

Nearly half of the 42 companies profiled are based in WA including Australian Vanadium, Chalice Gold Mines, IGO, Mineral Commodities, Neometals, RareX, Pilbara Minerals, Tungsten Mining and Venturex Resources.

This is what the minister said at the time of launching the prospectus —

“Congratulations to AMEC for putting together this very informative guide on investing in Australia's critical minerals industry.

“Western Australia is well-equipped to meet the global demand for critical minerals. Western Australia is the best location to meet the demands for the ethical and sustainable production of critical minerals.

I will come back to this point later in my contribution, but I want members to bear that in mind. Western Australia is a great location to meet the demands for the ethical and sustainable production of critical minerals. The minister continues —

“Our State already has all the minerals you need to make batteries and it was recently confirmed that building a battery cathode manufacturing hub in WA is feasible.

“The McGowan Government is supportive of WA's mining industry, particularly developing projects that create WA jobs and diversify our economy.”

That was in October 2020. I understand that the member for Swan Hills will be making a contribution to this debate, so I do not want to cut too much across the material that I am sure she will traverse because she is passionate

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about our future battery strategy and, in particular, about a diversified energy grid. It is something she has spoken of often. As Chair of the Economics and Industry Standing Committee in the term of the previous Parliament, the member for Swan Hills chaired an inquiry into microgrids. In the meantime, I will refer to the *Strategy update: Western Australia's future battery and critical minerals industries*. This update was provided in November 2020 for the period November 2020 to November 2022. I refer to this because the legislation we are debating today was brought forward by the Minister for State Development, Jobs and Trade, who is also responsible, in part, for the Department of Jobs, Tourism, Science and Innovation. That is the department that is supporting Western Australia's future battery and critical minerals industries. This is what the Minister for Mines and Petroleum said —

This Strategy Update outlines the Western Australian Government's ongoing commitment to the development of the state's future battery and critical minerals industries.

Since the launch of the Future Battery Industry Strategy in January 2019, the WA Government has worked across government and with industry to implement the strategy's vision and objectives. We have attracted significant investment in local mining and processing projects, expanded our contribution to the global battery supply chain and created local jobs.

Market challenges and supply chain disruptions have prompted a refocus of the strategy's implementation activities to support the changing needs of industry and position WA to respond to global partners seeking alternative suppliers of battery and critical minerals and materials.

The WA Government has committed funding to attract the establishment of local operations in battery precursor manufacturing, the next step for the state in the battery value chain. This will cement WA as a destination for value-add activities and advanced chemical manufacturing and help unlock further opportunities to grow the industry.

It is imperative that we seize this opportunity to support sustainable development of the industry and I am confident our planned next steps will continue to progress the government's vision for Western Australia to host a world-leading, value-adding industry by 2025.

I am making this point about the future battery industry because there was an article by Stuart McKinnon on page 20 of *The West Australian* today about the Wodgina lithium mine in the Pilbara titled "MinRes lithium charge-up: Shut Pilbara project back". Let me pause to reflect on the comments contained in the strategy. There has never in my lifetime been such a disruptive event to the global economy as the COVID-19 pandemic. It has fundamentally reset the way in which the global economy works. Any commentary in *The New York Times*, *The Economist*, *The Wall Street Journal* or the *Financial Times* would have us think that we were living in an entirely new paradigm. The McGowan government, between 2017 to 2021 and again since it was re-elected in 2021, has focused on doing the right things that a government should be doing—that is, making sure that the government provides the support, assistance and regulatory framework required for companies to pursue their entrepreneurial endeavours. But when I read articles like "MinRes Lithium charge-up" in *The West Australian*, I know that the regulatory regime is in place. The article states —

The Wodgina lithium mine in the Pilbara will spring back to life next year on the back of soaring prices for the battery metal.

Wodgina, which is a joint venture between US chemicals giant Albemarle —

A firm that would be familiar to many people here, particularly those down in the south west because of the incredible investment that it is making in the member for Bunbury's region —

(60 per cent) and Mineral Resources (40 per cent), will be ramped up in a staged process to meet market demand.

The mine, 120km south of Port Hedland, was shuttered in November 2019 on a glut of supply and weak prices for lithium.

This is where strategic vision and foresight is needed. The article continues —

MinRes said on Monday the mine would be restarted in the third quarter of calendar 2022, producing from one of three 250,000 tonne-a-year processing lines, or a third of its total capacity.

"When market demand is sufficient, additional processing lines may be recommenced," the company said in a statement.

"The start-up and initial operating phase at Wodgina is expected to create 200 new full-time jobs."

I am going to come back to that point later. It continues —

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Under the terms of the joint venture, MinRes will provide crushing and camp services at Wodgina while Albemarle will market the output.

MinRes managing director Chris Ellison said the mine's placement on care and maintenance in 2019 had never dented the joint venture's confidence in lithium's long-term positive demand fundamentals.

"As we said at the time and repeat today, in Albemarle we have the best partner to deliver maximum and sustainable value from world-class assets like Wodgina," he said.

"Lithium is one of Mineral Resources' two core commodities, alongside iron ore, and we have worked very hard over the past five years to establish long-life operations for both."

Chris Ellison, a leading Western Australian, is speaking passionately and with conviction about his belief in the future of the mining industry in Western Australia. This leading Western Australian is speaking passionately about how he can work with global partners to secure the supply of a critical resource, which marries so nicely, neatly and well with a government strategy that has been in place since we were elected. When we talk about our critical minerals and future battery strategy, the regulatory requirements are already in place.

But it is not just about the deposits that we have already discovered, because this government does not support just the mines that are up and running; as well as doing the work for today, we have to make sure we do the work for tomorrow. That is why I was very pleased to see the Minister for Mines and Petroleum, Hon Bill Johnston, in August 2021 announce that applications for the next round of EIS co-funded resource grants was open. I am quoting from the press release —

The State Government today announced applications for Round 24 of the Exploration Incentive Scheme (EIS) co-funded drilling program and Series 2 of the co-funded Energy Analysis Project (EAP) program have opened.

The competitive grants program offers refunds up to 50 per cent for innovative exploration drilling and EAP projects ...

At the completion of Round 21 drilling across the 2020–21 financial year, 69 per cent of projects with EIS funding completed drilling, exceeding the historical average of 59 per cent.

Just think about that for a second, members. In the midst of a COVID-19 global pandemic, an incentive scheme is driving up exploration activity, which is leading to new mines coming onstream and new resources stimulating economic activity. The press release continues —

For Round 23, \$6.3 million was offered in co-funding drilling grants, this includes an additional \$1.3 million from the McGowan Government's WA Recovery Plan, and \$261,000 for EAP projects throughout Western Australia.

Minister Johnston states —

"Despite COVID-19, the mining industry has demonstrated its resilience in maintaining its role as the major contributor to Western Australia's economy.

"Exploring for these minerals and commodities ensures Western Australia stays at the forefront of mineral exploration.

"Western Australia is a major employer of people in the mining industry, with more than 140,000 workers. It's integral the McGowan Government continues to support exploration."

I reiterate: this government provides the necessary support and assistance, and the appropriate regulatory framework to enhance the capability of our mining sector.

As though that were not enough, on 5 August 2021, the minister announced that the McGowan government would increase EIS funding in the pre-budget announcement and that funding for EIS would increase by \$25 million, from \$10 million per annum to \$12.5 million. The press release states —

Starting in 2021–22, the increase in EIS funding will further incentivise investment in Western Australia's mining industry.

As part of the WA Recovery Plan, the EIS received a one-off funding of \$5 million in 2020-21, which temporarily increased the EIS budget from \$10 million to \$15 million.

For the past two ... rounds, the Department of Mines, Industry Regulation and Safety has received a significantly higher number of applications.

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Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

There are a significantly higher number of applications. These incentives that are being put into the market are driving more market activity, more exploration, creating more jobs and identifying more opportunity. It continues —

Previous EIS success stories include the discovery of the Nova nickel mine, the Tropicana gold mine, Gruyere gold mine and most recently the Bellevue Gold project.

A recent independent study, covering the first 10 years of the EIS, reiterated the robust economic benefits of the EIS, with every dollar invested resulting in a \$31 return.

This is what the minister said —

“Western Australia’s mining industry is thriving, so it’s important that we strike while the iron is hot.

“This additional funding to \$12.5 million a year could help find the next big resource discovery, which in turn leads to new mines and new jobs for Western Australians.

“The McGowan Government will continue supporting the exploration and resources industries as the State recovers from the COVID-19 pandemic.”

In addition to providing funding to exploration companies, which are the most entrepreneurial—they are at the cutting edge; they are taking the greatest risk—a press release in September 2021 states —

A key strategy that supports Western Australia’s reputation as one of the world’s most advanced, innovative and successful resources sectors was released today by the McGowan Government.

‘Western Australia’s mineral and petroleum resources development strategy’ focuses on capitalising on the State’s natural resources to drive a diversified economy, support the regions and encourage sustainable development.

This is a committed government that is focusing on ways to diversify the economy and to support our mining and resources industry so that jobs can be created. Things like the future battery industries strategy, the exploration incentive scheme and the energy analysis project will all work in concert to strengthen and support this incredibly critical industry.

The final press release I want to touch on states —

- McGowan Government invests extra \$6 million for MRIWA —

That is, the Minerals Research Institute of Western Australia for the four years until 2024–25. It continues —

These funds will be used to further stimulate minerals research to support investment in, and operation of, WA’s globally competitive minerals industry.

The extra \$6 million in revenue for the next four years has been generated from the increase in Mining Tenement Rentals.

MRIWA has grown the value of its research portfolio from \$37.3 million, in June 2018, to \$86.7 million as at June 30, 2021 through prioritising high value research proposals.

That is a \$50 million increase in the value of the research portfolio of MRIWA. It is just incredible. It continues —

Additionally, in the 2021–22 State Budget, the McGowan Government committed \$1 million to fund research into the viability of sustainably processing Western Australian iron ore to create green steel.

It is world-leading technology. It is cutting-edge technology. It opens up so much potential and opportunity for the Western Australian economy. A previous economic report by ACIL Allen Consulting found each \$1 million invested by government into minerals research resulted in at least \$3.12 million in direct benefits to the state. The Minister for Mines and Petroleum said —

“The McGowan Government is committed to supporting Western Australia’s mining industry, which is why we’ve increased funding for the Minerals Research Institute of WA by \$6 million over the next four years.

“This additional funding will enable MRIWA to continue its open grant program and increase investment activities to strengthen our State’s mining sector.

“Exploration spending in WA is at a nine-year high —

That is an incredible vote of confidence in the McGowan government. In the face of the headwinds of the COVID-19 pandemic, and when everybody is battenning down the hatches, exploration spending in Western Australia is at a nine-year high. The minister continues —

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Hammat; Mr Roger Cook

so it's more important than ever that we use this opportunity to invest in minerals research to future-proof our State."

Once again, with this legislation, the government is doing the necessary work to enable the mining and minerals industries in Western Australia to deliver the dividend for the people of Western Australia.

[Member's time extended.]

Mr S.A. MILLMAN: When we look at the state's financial position, we can see why it is so important to continue to encourage, support and promote the Western Australian mining industry. The Western Australian economy is in probably the best position of any sub-national economy in the world, even on the back of the COVID-19 pandemic.

I will summarise presentations by Michael Court, the Deputy Under Treasurer, to the Public Accounts Committee on 14 September. He said that economic recovery is stronger and quicker than expected; the gross state product is forecast to grow 3.5 per cent in 2021–22, following growth of 3.25 per cent in 2020–21; the stronger economy has boosted the state's fiscal capacity; the operating surplus is \$5.6 billion in 2020–21 and \$2.8 billion in 2021–22; and that improved fiscal capacity was used to fund budget initiatives, including \$1.9 billion in additional health and mental health spending, \$750 million for the social housing investment fund, \$750 million for the climate action fund, \$500 million for the digital capability project, \$400 million for the Westport project fund and a record \$30.7 billion in infrastructure investment. That does not mean that we do not face challenges, because we are still in a situation whereby we need to do everything we can to promote the Western Australian mining industry, the Western Australian resources industry and those companies that are prepared to make an investment in Western Australia, those companies that see the potential for financial dividends, for commercial and social dividends, and those companies that see the capacity of Western Australian workers to contribute wealth to both the community and shareholders. That is why I am always so despondent when I hear the opposition talk down our mining and resources sector.

Ms J.J. Shaw: They are wreckers!

Mr S.A. MILLMAN: They are wreckers; they are underminers. I do not understand it. I was thinking today in question time that perhaps the member for Cottesloe would come forward with an apology for his carping and criticism of the McGowan Labor government's hydrogen strategy. This was just two weeks ago, in a series of questions, "Chicken Little; the sky is falling", because Twiggy Forrest is being incentivised—I do not know why or how or what arrangement he has reached with the Queensland government—to have his hydrogen plant in Queensland. This is what the member for Cottesloe said —

It is quite clear that both WA Labor and the Treasurer are lost when it comes to economic growth and diversification of our state economy.

He also said that the government should be setting up Western Australia for the future. I will quote from *Hansard* of 20 October. He said —

In my last few minutes, I will finish off by talking about green hydrogen. We have not had a chance to discuss this. Western Australia is now the last Australian state to develop a green hydrogen industry.

Dr D.J. Honey: It still hasn't!

Mr S.A. MILLMAN: I did not say a word, mate, not a word! I will continue —

I encourage every member in this place to listen to the presentation made by Andrew Forrest to the National Press Club of Australia. Hear what he had to say about this government and this Premier in relation to this matter. This government has completely failed.

I say to the member for Cottesloe: stop promoting those who are talking down Western Australia; get on our side and when he sees what Woodside, a great Western Australian company, has done and reads the announcement made by Meg O'Neill in her article in *The West Australian* today, he will see exactly where this government is and what it is focused on doing. The member for Cottesloe criticised the Rockingham–Kwinana industrial precinct. Does the member know what Meg O'Neill said? This is what she said; and I will quote from an article in the opinion pages of today's *The West Australian*, which is titled "WA is driving energy future" and reads —

It's with an eye on our past as the pioneer of Western Australia's LNG industry that Woodside is now looking to the future and adding new products such as hydrogen to our portfolio so that we continue to supply the products that our customers need in a lower carbon world.

Woodside's proposed hydrogen and ammonia production facility in the Kwinana and Rockingham industrial zones, which we call H2Perth, has the potential to position WA as a powerhouse in this emerging industry that is expected to play a crucial role in the global energy transition.

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I do not care what the member for Cottesloe says. I think that is a terrific result for WA. I wish the member would stop talking down WA. Ms O'Neill's article continues —

Forty years ago, it took courage and commitment from Woodside and our partners, government and customers to realise the North West Shelf Project and it will take these same qualities to establish commercial-scale hydrogen production.

Today, with the support of the State Government —

This is the quote —

and by applying our skills and experience as an LNG operator, Woodside is planning to forge a new legacy with H2Perth.

Much in the world has changed since the 1970s, —

Except perhaps the Liberal Party —

but some things are the same.

Aren't they, member for Cottesloe? The article continues —

Back then the development of the LNG industry was driven by the world's need for a reliable, affordable and transportable source of energy that delivered superior environmental performance.

Today the world still needs such energy supplies, but there is growing urgency to source low or zero-carbon products as climate change accelerates and the need to decarbonise through an orderly transition becomes pressing.

At its full potential, H2Perth would be one of the largest facilities of its kind in the world, producing up to 1500 tonnes a day of hydrogen that would be converted into ammonia and liquid hydrogen for export to customers in Asia and around the world.

That is the key. That is one of the best things at the Woodside development in the Rockingham–Kwinana precinct. With the new outer harbour and Westport, we will be fortifying, strengthening and guaranteeing Western Australia's future prosperity. The only risk to that, members, is a future Liberal government that focuses on the wrong issues and just undermines and criticises.

Ms J.J. Shaw interjected.

Mr S.A. MILLMAN: They have crazy ideas! The article continues —

Hydrogen produces zero carbon emissions when it is used as fuel and is emerging as a critical component in the world's transition to cleaner energy, while ammonia is currently the most established means of safely transporting hydrogen over long distances.

In export markets such as Japan, South Korea and China, demand for both LNG and new energy sources such as hydrogen and ammonia is growing as governments establish national emissions reduction targets more closely aligned with the Paris Agreement.

We even saw that, in the last couple of days, a recalcitrant like Prime Minister Scott Morrison, who has been taking lumps of coal into the federal Parliament, has woken up to the fact that we need a target of net zero. Meg O'Neill, the CEO of Woodside, a petroleum and resources company, is leading the commonwealth government. Woodside is leading the charge. It is an industry leader and it should be commended for the work it has done and that it is on the path to a net zero future by 2050. The article continues —

Woodside has set its own corporate emissions reduction targets on our pathway to net-zero by 2050, and in line with those goals any carbon emissions generated from the H2Perth production process will be abated or offset. But H2Perth would not only serve export markets.

When fully operational, the facility would also be able to supply multiple hydrogen refuelling stations around Perth, providing a reliable and carbon-neutral energy source for local transport and heavy industry.

And there are other important benefits for Western Australia.

We anticipate H2Perth's large-scale, flexible demand for power would underpin an acceleration in our State's transition to renewable electricity generation, as well as provide grid stabilisation for the South West Interconnected System.

It would also support new local manufacturing jobs and contracting opportunities in both the renewable power and hydrogen production sectors.

The State Government —

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Hammat; Mr Roger Cook

The WA Labor McGowan state government—that is not quoted in the article, but just for the benefit of members —
has already recognised the benefits of establishing Western Australia as a global leader in hydrogen ...

That is what the chief executive of Woodside says, not what the member for Cottesloe says, and I know who I would rather believe in a discussion about global hydrogen. She has skin in the game, she has money on the line and she has workers and shareholders she needs to look after. So when somebody says that the state government has already recognised the benefits of establishing Western Australia as a global leader in hydrogen, I am going to pay attention to that. The article continues —

The project site in the Kwinana and Rockingham Strategic Industrial Estates is on land that will be leased from the Government and is ideally located close to existing gas, power, water and port infrastructure ...

Ideally located! Woodside is a great Western Australian company because it wants to support Western Australian jobs and a clean green future. It is not carping at us and criticising, undermining and slagging us off in the National Press Club. It is saying on the pages of *The West Australian* how important this state government is in supporting that future industry. It continues —

In the coming weeks Woodside will continue with detailed studies, modelling and community engagement on the proposal, along with ongoing customer engagement.

H2Perth is the latest demonstration of how Woodside is complementing our core LNG business with innovative new energy projects that will ensure we continue to prosper in a lower-carbon world.

Members, let me conclude by saying this: ever since it was elected in 2017, the McGowan Labor government has focused on its number one priority, which is WA jobs. We have always been committed to WA jobs. We want to make sure that we have jobs in the future for our kids going through school. We have cut TAFE fees. We are trying again and again to diversify the economy. We are rebounding from the COVID pandemic thanks to the support of the community. We are now in a situation in which we have to grasp the nettle. It is about how we rebuild in a post-COVID environment. The only way we are going to do that is if we continue with the hard work, dedication and resilience that we have demonstrated by supporting and encouraging entrepreneurs and corporations—even our small businesses on Beaufort Street—to do the best they can to restore our economy to the position it was in before the COVID pandemic. This McGowan Labor government is well placed, and has been undertaking the work ever since it was elected in 2017, to make sure that those businesses are in the best possible position to drive the diversification of our economy, support growth and create the jobs of the future that our kids will need when the time comes. For that reason, I heartily support the legislation that is before the chamber.

MS J.J. SHAW (Swan Hills — Parliamentary Secretary) [5.23 pm]: It is always a tough act to follow one of the erudite contributions from the member for Mount Lawley. I have quite an act to measure up to. Before I begin, I acknowledge in the Speaker's gallery my wonderful mum, Tracy Shaw.

Several members interjected.

MS J.J. SHAW: It is date night tonight, so my mum has come in for a bit of dinner! It is going to get wild. I am the shy, retiring one in the Shaw family, let me give members the tip! I just acknowledge my lovely mum. It is a funny thing; even when I was a kid doing all my public speaking and debating competitions and my mock trials, mum used to come to all my speeches and she used to sit there as my little cheer squad, so it is kind of like winding the clock back 30 years.

Mr R.H. Cook: The pressure's on, so you better perform tonight!

MS J.J. SHAW: I know. It is hard enough following on from Simon Millman.

Mr R.H. Cook: We're all judging you!

MS J.J. SHAW: I have built this up into way more of a big deal than it should be. I have all sorts of performance anxiety now!

MS S.E. Winton: Stick to the bill.

MS J.J. SHAW: Thank you, member for Wanneroo.

I rise to make a contribution about the Poseidon Nickel Agreement Amendment (Termination) Bill 2021. It is very much a bill that talks to the crazy story of the shifting fortunes of the WA mining industry. It will draw to a close a project that at one stage in our history—I know others have touched on this—caused an extreme amount of interest and a high level of excitement, so much so that a movie called *Nickel Queen* was made in 1971. In fact, I first heard about *Nickel Queen* when I shared an office with the current Minister for Small Business. He told me about this crazy movie called *Nickel Queen* and I did not quite believe it. Apparently, John Laws, Sir David Brand and Sir Charles Court made cameos in it. A lot of people have subsequently tried to get their hands on this movie, because

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Hammat; Mr Roger Cook

it shows Perth in the 1970s, and I would not mind seeing that. I googled it and it is described on IMDb as a comedy, so I do not know what that says, or variously as an action and adventure film. The synopsis is “The west goes wild as Meg Blake hits the nickel jackpot!” It sounds like quite an adventure.

The Poseidon Nickel Agreement, the state agreement that first gave effect to this project, was signed in 1971, and the state agreement has endured from 1971 until the current day. This termination bill will ratify the termination agreement entered into between the state and Poseidon Nickel Ltd that was signed on 4 August 2021. When this project first got off the ground, there was a bit of a shortage of nickel, primarily because of some challenges associated with supply as we were coming out of the Vietnam War and some industrial action affecting the supply chains. This deposit was discovered in the late 1960s. Speculation around it caused a rapid stock market bubble and then a crash between October 1969 and February 1970, which has been referred to as the Poseidon bubble. With a fall in nickel prices and the grade of nickel that was found not quite being up to the standard of the initial announcements, Poseidon went into receivership in 1974 and Western Mining Corporation took over management of the mine. It continued operating it to process nickel and gold until 1994, with the reserves being exhausted in the early 1990s. BHP Billiton Nickel West sold out its interests in 2005 to Niagara Mining and it had a go at trying to develop the asset. Unfortunately, it was not able to do so and it has subsequently requested termination of the agreement.

It is a shame when projects do not quite live up to their original expectations, but that should not cast a pall over the prospects for the WA nickel industry, because they are indeed very positive. In fact, nickel is a key mineral for helping us transition to a much more sustainable energy future. It is the key to our transition to a lower carbon economy. It is a massive enabler for improving the sustainability of our stationary and transport energy sectors.

In 2012, Geoscience Australia found that Australia was the largest holder of economic nickel resources in the world; we have about 24 per cent of global supply. In 2020, Western Australia was the fourth-largest producer of nickel, with about \$3.3 billion in sales. Our primary and refined production is forecast to rise. Our output is set to increase from 167 000 tonnes in 2018–19 to 290 000 tonnes by 2023–24. Asia, unsurprisingly, is our largest regional market for nickel, representing about 82 per cent of global demand. China now accounts for 60 per cent of world nickel demand, compared with just 5.5 per cent in 2000 and 39 per cent in 2010. There has been a rapid increase in the demand for nickel in Asia, which is our primary resource export destination. China, unsurprisingly, is our largest export market. Japan is our second-largest export market for nickel ore.

Despite the closure of Poseidon, a range of other nickel projects are still in play. We have the Murrin Murrin project, which is owned by Minara Resources and is anticipated to operate until 2042. We have the Nova–Bollinger project, which is owned by IGO Ltd. It is a new project that commenced in 2015. It is an underground mine to extract nickel, copper and cobalt and it produced 30 436 tonnes of nickel, 13 700 tonnes of copper and 1 142 tonnes of cobalt in 2020. Then there are the BHP Nickel West projects, which have been in existence for quite some time. The mining occurs at the Mt Keith, Cliffs and Leinster mines. The ore is concentrated and sent to the Kalgoorlie smelter, which I am sure is very close to your heart, Acting Speaker.

The ACTING SPEAKER (Ms A.E. Kent): Absolutely.

Ms J.J. SHAW: From the smelter it is then sent to the Nickel West Kwinana refinery, where premium grade nickel powder and briquettes are produced, containing 99.8 per cent nickel, and that nickel metal is exported to overseas markets via the port of Fremantle. In the course of the Economics and Industry Standing Committee’s microgrid inquiry process, in the last term of Parliament, which I chaired, along with other members I went to the Nickel West Kwinana refinery to get an understanding from BHP about the outlook for nickel. It came at a particularly interesting point in the market because there had been a lull. I had previously worked in the energy infrastructure world. We did a sort of market scan and looked at where we thought demand was potentially lightening, particularly for gas, through the Kwinana strip. The Kwinana nickel refinery was one of the assets that we thought was becoming increasingly marginal and may even have been likely to close. Indeed, that looked as though that would be the case; there would be tailing off of nickel production out of KNR. However, when we visited BHP, we saw a remarkable turnaround. It was having a significant uplift in demand for its product and that was a direct result of the upturn in demand for battery technologies. It really was incredibly bullish about the prospect for nickel, so much so that at the time it was developing a nickel sulphate plant at the facility, which subsequently opened in October 2021, creating 80 direct jobs and 400 indirect jobs. We were there at the very beginning of what seemed to be a real uplift in interest in nickel as a commodity linked to battery industries. It just goes to show that the fortunes of the Western Australian resources industry can and do turnaround. We need to be as prepared as we can for those turnarounds.

As I say, our Economics and Industry Standing Committee inquiry looked into the rising demand for nickel. We did quite a deep dive into that in our fifth report titled *Implications of a distributed energy future: Interim report*. It was an overview, if you like, of embedded and distributed energy generation technologies and what it would take to enable them. They are closely linked to battery technologies and we wanted to look right the way along the value

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chain from the resources and energy, the chemical manufacturing, and the manufacturing of individual components in assembly to dispatch into energy networks and, indeed, into our transport system.

Nickel production goes hand in hand with a host of other primary commodities necessary for battery production. In fact, Western Australia is uniquely positioned in the world by having all the raw materials required to produce batteries right here at home. As I say, battery technologies will be instrumental in facilitating our transition to a more distributed energy system, which will help us to improve electricity network operations and to utilise more efficiently the infrastructure we have at the moment and to lower our carbon emissions. It will particularly enable people to store the energy they produce on their own rooftops with their own solar panels into grid-scale batteries. It will enable people to become far more autonomous in the way they produce and consume their own energy.

Batteries are, obviously, central to the electrification of our transport fleet. Indeed, we had a bit of a look at that in the fifth report that the Economics and Industry Standing Committee tabled, although it was probably not as deep a dive into it as we would have liked. It was one of the topics that I believe warrants an inquiry of its own; in fact, the new Chair of the Economics and Industry Standing Committee may like to consider looking into electrification of vehicles. I am not telling you how to do your job, but, you know!

Mr P.C. Tinley: Yes, ma'am!

Ms J.J. SHAW: Batteries will have a really interesting role in the electrification of the fleet and, indeed, Western Australia has a great story to tell about the battery value chain. As I say, we are replete with the materials required for battery production. We are the fourth-largest nickel producer, as I discussed; the second-largest global producer of rare earths; and the third-largest producer of cobalt; and we have a burgeoning lithium industry. The International Monetary Fund has identified Australia as one of four nations that could enjoy an extra one per cent gross domestic product growth building on critical mineral exports if the world achieves net zero emissions by 2050.

As the twenty-sixth United Nations Climate Change Conference of the Parties—the COP26 Glasgow summit—is convening and as the world turns its mind towards being more ambitious about carbon reduction and emission reduction targets, Australia stands to be a considerable net beneficiary of a global move towards carbon reduction. I will argue that the naysayers in the National Party in particular should take a long hard look at themselves and realise that they are actually denying this nation the opportunities that present as we transition. They are denying that and harming their own communities when they stop and fearmonger around coal and the sky falling in and Chicken Licken. Those Queensland Nationals in particular should —

Mr S.A. Millman: The wind doesn't blow at night, according to one of them from Victoria.

Ms J.J. SHAW: No; the sun does not shine at night. The wind blows plenty at night up my way, I can tell you! Several members interjected.

Ms J.J. SHAW: Did he say the wind does not blow at night? I thought he said the sun does not shine at night!

Mr S.A. Millman: They said that as well.

Ms J.J. SHAW: Oh my God! Maybe before they even go down the path of resources, they should have a sit-down with the Bureau of Meteorology and try to understand how weather systems operate and what the sun and the moon do. It could be useful. However, it would depend on consulting with scientists—heaven forbid!

Mr S.A. Millman: They don't do that well either.

Ms J.J. SHAW: That is right. Even if they do, they then do not listen. What can you do? Thanks for an erudite contribution—very erudite, as I say.

Western Australia is very well positioned also to create a lithium valley and this is something the standing committee explored in its microgrids inquiry. Australian exports primarily from Western Australia now provide about 60 per cent of the world's lithium output. In fact, our lithium resources are great here because they are spodumene-based resources; they are not based on a brine, which is where the rest of the lithium produced in the world comes from. We have a fabulous resource that is world class; it is the world standard.

We have some exciting lithium projects underway. Talison Lithium at Greenbushes developed a second large chemical-grade processing plant in 2019, which will double its production capacity.

Tianqi Lithium's Kwinana processing plant began producing lithium hydroxide in August. It is a really interesting project. In the days when I was looking after the commercial operations on the Dampier to Bunbury pipeline, in the very early 2010s, the proponent came to us and said, "We want to connect a lithium processing plant in the Kwinana industrial area and we would like some pipeline capacity." I will say there was a bit of scepticism by some people in the business about whether a lithium project could be viable. It takes a lot of work from the moment a processing company walks through the door and says, "I want a gas connection", right through to finally connecting it up and

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Hammat; Mr Roger Cook

seeing the gas flow. There is an awful lot of work in that and a lot of resources are committed to developing up a project. There was real scepticism, but it is fabulous to see that we now have an operating plant located in the Kwinana industrial area and, indeed, some gas is flowing down the Dampier to Bunbury pipeline. It was interesting having had quite a bit to do with that project in its very early days to see it finally come to fruition.

Covalent Lithium also is building a new lithium refinery in the Kwinana industrial area. That project will deliver about 1 000 construction jobs and 350 operational jobs. It states that once completed, the refinery will have the capacity to support the production of batteries for up to one million electric vehicles each year. This is really important stuff.

The development of a battery industry fits in perfectly with the McGowan government's intention to diversify our economy and create new sustainable industries. The McGowan government has been incredibly supportive of the development of a battery mineral value chain. In fact, we are the only state to have a clear strategy to support the development of a battery industry, and we have the minerals required to make it happen.

[Member's time extended.]

Ms J.J. SHAW: The Economics and Industry Standing Committee had a good look at the *Future battery industry strategy Western Australia* that was released in January 2019, which was aimed squarely at capturing the range of value chain benefits presented by the burgeoning global demand for battery technologies. Minister Johnston very clearly articulated a vision for the battery industry. He said that the strategy will be world-leading, sustainable and value adding, and provide local jobs, contribute to skills development, support economic diversification and benefit regional communities. The strategy discusses our comparative advantages to attract global capital, including our reserves of battery minerals, which I have already spoken about, our industry-leading, value-adding expertise and our best practice environmental and ethical standards, which is really important. Some of the nations we are competing against have extraordinarily low bars for environmental approvals and treat their workforces abysmally. When we are projecting ourselves into the world, the type of people who want to buy an electric car will want to know that the batteries within that electric car have been produced utilising the highest possible environmental standards and the best possible labour standards. The last thing we want to do is have all these people driving cars that have been produced in incredibly harmful environmental ways or in ways that really do prejudice their workforces. That is a real point of difference for Western Australia that we should be championing.

The strategy also refers to our comparative advantage in globally recognised mining and mineral processing expertise and research capacity and our world-class industrial and export infrastructure. As I said, many of these projects are developed in the Kwinana industrial area. The four themes that the strategy is based upon are: investment attraction, project facilitation, research and technology sector development, and the adoption of battery technologies. Some objectives and pathways are linked to those, such that Western Australia is to be globally recognised as a leading producer and exporter of battery technologies that will improve the competitiveness of Western Australia's future battery minerals and materials industry; expand the range of future battery minerals extracted and processed in WA; increase the scale of processing, manufacturing and service activities across the breadth of the battery value chain in Western Australia; and increase research and development activities focused on battery industries.

In the past year, despite COVID-19, our efforts are bearing fruit. The outline of that battery industry strategy is starting to come back to us. In May this year, South Korean company POSCO invested \$240 million in a 30 per cent stake in First Quantum Minerals' Ravensthorpe nickel mine. The McGowan government certainly welcomed that. On 24 June, a major report called *Future charge: Building Australia's battery industries* was released. It identified Western Australia's significant role in the future battery industry. That independent report predicts that the industry will contribute \$7.4 billion a year to Australia's economy and create 34 700 jobs by 2030. These jobs will be coming into Western Australia, which we should certainly be welcoming with open arms.

On 22 July, BHP announced that it would supply Tesla with nickel from its Nickel West assets in WA. That is a major scalp for us to land in Western Australia. It is great to see an alignment between Tesla, which is now the global superpower of electric vehicles, and BHP. On 1 October this year, Alcoa and FYI Resources signed a binding high purity alumina joint venture term sheet. Again, that is aligned with the objectives we outlined in the battery industry strategy, and the strategy is working.

This year, 2021, our resources sector had the biggest year ever, powering the nation through COVID-19. Nickel sales are part of that, valued at \$3.5 billion—the industry's highest sales revenue in seven years, so it is working. As a government, we will continue to provide support. In October, \$6.53 million was announced as part of the exploration incentive scheme by way of grants offered to 51 exploration projects, while six energy analysis program studies will receive a total of \$245 000. Thirty-five per cent of the drilling projects through that exploration incentive scheme will be looking for battery minerals, and 73 per cent of those are searching for nickel. We can still be optimistic. Clearly, those who have skin in the game are optimistic about the future for nickel in Western Australia.

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Hammat; Mr Roger Cook

The other commodities on the companies' list include manganese, lithium, tantalum, rare earth elements and cobalt, all components that are required for the manufacturing of batteries. On 21 October, the McGowan government announced that, through the Minerals Research Institute of Western Australia, it will invest \$900 000 in the Future Battery Industries Cooperative Research Centre cathode precursor production pilot plant project led by Curtin University. This pilot project aims to demonstrate our capability to produce cost-effective high quality nickel, cobalt and manganese for producing precursor cathode active materials. Commissioning for that project is expected to start in 2022.

These battery technologies are integral to our transition to a more sustainable energy future. We have a great opportunity to capitalise on the shift away from traditional energy industries towards greener renewable resources. The Australian Energy Market Operator recently projected that renewable energy resources will provide about 50 per cent of our electricity by 2030 and many of these resources will be distributed energy technologies. There will be smaller scale solar photovoltaic systems located throughout the grid and often configured into microgrids. These renewable energy sources and mini systems will increasingly depend on batteries to operate securely and efficiently at scale in a broader grid context. During the inquiry into microgrids, we examined this in detail. I will quote from my tabling speech on that report, in which I stated —

... it is fair to say that microgrids and distributed energy resources are now front and centre in our state and nation's ongoing conversation about our energy future. Evidence to this inquiry has shown that Western Australia is home to some of the world's most innovative, groundbreaking energy technologies that could radically change the way we produce and consume electricity, and contribute to a more secure, affordable, reliable and sustainable power supply.

The development of battery technologies is key to this and the McGowan Labor government is backing it. In fact, on 12 February 2020, in my electorate of Swan Hills in Ellenbrook, we rolled out the PowerBank trial, which saw the installation of grid-scale batteries. In a little pocket of Ellenbrook, about 200 households were able to store the energy produced by their PV cells into the grid-scale battery during the day and then draw down from that. That solves the National Party's problem—if the sun does not shine at night!

Mr S.A. Millman: They've never heard of batteries either.

Ms J.J. SHAW: Clearly not. The Nationals' dreams could come true with a substitute for the sun not shining at night. They can draw down from grid-scale batteries.

It was great to see that project rolled out in Ellenbrook, and right across the metropolitan area. These battery technologies are allowing people to save money on their electricity bills, helping us install more solar power into our grid, using more renewable and sustainable technologies and simultaneously supporting grid operations.

Today, the McGowan Labor government announced the installation of virtual power plant commercial scale batteries at 10 schools in Western Australia, turning our schools into virtual power plants, utilising these battery technologies. That will test how virtual power plants can help schools better understand and manage their energy use, improving the stability and reliability of the electricity grid. That is really exciting stuff.

I have also talked about how essential these battery technologies are to electric vehicles. The EISC inquiry considered that also. Again, I stated —

... every major car manufacturer either already produces electric vehicles or has announced plans to produce electric vehicles in the near term. Countries around the world have observed that they will ban fossil fuel-fired vehicles over the medium term. The costs of electric vehicles are coming down and charging technologies are improving rapidly and being deployed across Australia ...

A lithium ion battery for an electric vehicle contains 40 kilograms of nickel. The more electric vehicles we see out there, the more demand we are going to see for a key commodity that Western Australia leads the world in producing.

Poseidon is sad but the nickel industry's prospects are not quite so sad; I would say that they are quite bullish. I think we should be really ambitious for the development of battery-linked commodities and the resources companies and organisations associated with bringing them to market, and there has never been a more important time than now for us to talk about that and back those industries. As the conference in Glasgow approaches and serious conversations are being held around the world on how we transition to a more sustainable economic model, now is the time to back Western Australian industry to produce renewable technologies and the technologies that support them. It is not the time to back climate change sceptics and deniers; it is time to be confident in our capacity. It is sad to see Poseidon go, but there are so many projects we should be very excited about. I look forward to hearing about the future projects the McGowan government will be supporting and how it intends to build on the future battery industry strategy.

MR R.S. LOVE (Moore — Deputy Leader of the Opposition) [5.50 pm]: I know that time is short and I probably will not need to speak for very long because the Leader of the Liberal Party, as shadow Minister for State Development,

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

Jobs and Trade, is the lead speaker for the opposition on the Poseidon Nickel Agreement Amendment (Termination) Bill 2021, and he has already put on record our support for this bill and the changes it will bring about and opportunities that will flow from that.

I want to commence my contribution by saying how disappointed I was in the member for Swan Hills' contribution. She made some rather disparaging comments about the Nationals WA's commitment to addressing the challenges we all face in this particular period of human history in which the cumulative effect of centuries of carbon entering the atmosphere from the burning of fossil fuels is now affecting the environment, leading to climate change. That is something the National Party in Western Australia has long acknowledged. In fact, we have sought to bring to this place and to the political discourse policies and procedures to help our communities address the challenges that they will face and make the most of opportunities they may have. My own electorate is probably powering, from renewable sources, the batteries in the member for Swan Hills' electorate that she spoke about. Vast wind farms have opened up in Warradarge, Dandaragan, Badgingarra and the Irwin area, along with considerable amounts of solar power and other renewable sources. Of course, many projects throughout the midwest are looking to develop hydrogen, including in the electorate I represent. I have personally spoken to numerous proponents and I am very excited about the prospects that they hold for the future.

The National Party went to the last election with a policy on community batteries and other batteries for the retail sector. We also had policies around the development of hydrogen, the use of carbon sequestration and a version of the land restoration fund, which has since been put in place by our federal counterparts. David Littleproud has a federal policy that is very similar to the one that we took to the last state election. Of course, at our state conference this year, the Western Australian Nationals adopted a position of supporting our state to achieve net zero emissions by 2050. In the last couple of days, the federal Nationals have also adopted such a position, after ensuring that the communities they represent will be adequately protected and that provisions will be in place to ensure those communities can benefit from initiatives the government might put in place so they can be part of the solution for Australia going forward. We support that model; it is pretty close to what we adopted at our October state conference—that is, although we accept net zero by 2050, we will actively work to ensure that communities are helped through that. If anyone in the Labor Party wants to jump down my throat about that, do not talk to me about Collie and any assistance the government may offer in that area, because we are talking about exactly the same situation, which the federal Nationals have been grappling with and we grappled with in October. It is not right and it is not fair for the member for Swan Hills to take cheap shots when she does not have full knowledge of the discussions that have taken place within the National Party and the positions that we have arrived at.

With that, I will talk about the Poseidon Nickel Agreement Amendment (Termination) Bill 2021. This is a fairly straightforward bill and I think it is supported by all parties. It will enable the development of new activity at the Windarra site. The partners involved will move on to processing the old tailings et cetera and benefits will accrue to Western Australia from this termination. There is also an understanding that the bond money that has been kept for all these years will be transferred and a continuing understanding that remediation will take place.

The bill seeks to terminate the existing state agreement act that governs the company's operations at Windarra. I have the benefit of a briefing paper that Poseidon Nickel provided to us, and probably to all parties, during the caretaker period earlier this year, which explains some of the background from its point of view. I will read out a few matters from the briefing paper. If any of them have changed or since become outdated, I have not been made aware of that, so apologies if that has happened. As I said, the legislation will terminate the state agreement and transfer the mining tenure to the Mining Act. It will also replace the existing \$3.5 million environmental bond held by the state under the state agreement. We know that there was an understanding, or an expectation, that perhaps this might have been put in place last year, but due to sitting days being taken up with other matters, it did not happen. The briefing note states —

Poseidon issued an ASX release on 22 June 2020 announcing completion of its Preliminary Feasibility Study on the Windarra Gold Tailing Project which concluded that a purpose built ... plant and infrastructure to treat 4.5 million tonnes of gold tailings reclaimed from old tailings at Mount Windarra would be economical viable. The Company is now working on a Definitive Feasibility Study for the Tailing Project.

The Windarra Tailings Project will produce approximately 44,000 ounces of gold requiring a construction work force of up to 60 people and an operating workforce of 30 people over 3 years.

Up to \$4 million could be paid to the State in royalties ...

That certainly would be of assistance. The briefing note continues —

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Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

Poseidon issued an ASX release on 17 August 2020 announcing its acquisition of an exclusive option to the right to treat the Lancefield Gold Tailings located 17 kilometres from Windarra, as part of the Windarra Gold Tailings Project.

Lancefield Gold Tailings contains approximately 1.2 million tonnes of gold tailings ... These tailings are intended to be will be trucked to Windarra for processing.

It would extend the project life by four years and add another \$1 million or so of additional state royalty payments, and employment for another period if the tailings were treated at Windarra. The briefing note goes on to say —

The Lancefield tailings are an historical State environmental legacy which, if not renewed to be processed as part of the Windarra Gold Tailings Project, will revert to the State and the underlying tenement holder for remediation.

It goes on to note the envisaged benefits for the state; it will —

1. Employ circa 30 people (20 in the plant and 10 mining), and around 60 people in construction;
2. Provide the State with new royalty payments;
3. Provide an economic stimulus in Laverton and surrounding areas;
4. Poseidon intends to engage with the local Laverton workforce and town, during the construction phase and operational phase. This includes implementation of an Indigenous related Training and Employment program;
5. Remove the Lancefield gold tailings environmental legacy within the Laverton water catchment area;
6. Create opportunities for other dormant tailings projects in the region to be activated ...

If those stated benefits were to accrue, it would be a great step forward for the state, so I wish the venture well into the future.

Given the time, I reiterate that this is an opportunity to make something out of tailings that more or less had to be dealt with as waste. They will be reprocessed. We will see opportunities arise within the local Laverton community and also in the state through the development of this extra royalty stream. It is a more sensible way to deal with the residual tailings problem at the other mine site, which would have been the state's responsibility were this not to happen. It is very positive legislation. The member for Cottesloe has outlined that we support the bill. We look forward to this matter progressing. I do not know whether it will go to the consideration in detail stage.

Dr D.J. Honey interjected.

Mr R.S. LOVE: Just a short time—to let everyone know. I imagine that we will continue to hear from other members about their memories of the Poseidon saga. I think there was a Poseidon involved in a famous rescue movie as well, which comes to mind. It is a very evocative name.

Mr R.H. Cook: What about *The Poseidon Adventure*?

Mr R.S. LOVE: That is the one I was thinking about.

Sitting suspended from 6.00 to 7.00 pm

MS S.E. WINTON (Wanneroo — Parliamentary Secretary) [7.00 pm]: I rise to briefly contribute to the second reading debate on the Poseidon Nickel Agreement Amendment (Termination) Bill 2021. As has been outlined by previous speakers, the purpose of this bill is to ratify an agreement made on 4 August 2021 between the state and Poseidon Nickel. This bill is necessary in order to amend the Poseidon Nickel Agreement Act 1971 to provide for the ratification of the termination of the Poseidon Nickel Agreement, a state agreement that was entered into on 27 July 1971.

Before I briefly explain the need for this bill, I want to highlight the significance of state agreements generally for the economic development of the state. State agreements have been used for over 60 years to develop resource projects in Western Australia. The first state agreement was enacted in 1952 and was for the BP refinery located at Kwinana. In fact, as of October 2020, there are 64 current state agreements. State agreements detail the rights, obligations and terms and conditions for the development of specific projects, and are administered by the Department of Jobs, Tourism, Science and Innovation on behalf of the Western Australian government. Western Australia's continued economic growth over many years has been made possible by substantial investments in the resource sector. Importantly, state agreements place significant responsibilities on companies for infrastructure development, both industrial and social. State agreements set out clearly the rights and obligations of both the state government and the companies that enter into them.

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
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Hammat; Mr Roger Cook

I want to briefly provide some historical background to this particular state agreement. Nickel was first discovered at Mt Windarra in 1969. The Windarra nickel project heralded the start of what was known as the Western Australian nickel boom. The state entered into the Poseidon Nickel Agreement Act 1974 for the development of the nickel mining treatment at the WNP. Western Mining Corporation Ltd eventually took 100 per cent ownership of the WNP in 1983 and continued mining until 1991, with the processing of nickel and gold ores continuing until 1994. In 2005, BHP Billiton Nickel West, previously WMC, sold its interest in the WNP and assigned its interest to Niagara Mining Ltd, which later became known as Poseidon Nickel Ltd.

In 1997, the state agreement was varied to obligate Poseidon to meet certain development requirements. Despite repeated attempts over the past decades due to cyclical conditions in the nickel market, Poseidon requested the termination of the state agreement after not being able to develop the project as required. I want to commend the Minister for State Development, Jobs and Trade for bringing this bill to the house. I note from the bit of research that I have done on this bill that Poseidon has been lobbying governments for a long time in this regard. It also contacted and lobbied a former Minister for State Development, Bill Marmion, who, despite being briefed on the matter, declined to get involved in progressing an outcome for Poseidon. I therefore commend the minister for bringing this important bill to the house.

As a measure of the value of the project to the state over the term of its productive operations, Poseidon produced approximately 103 000 tonnes of nickel and metal concentrate. The value in royalties to the state from Poseidon's operations would equate to approximately \$50 million in today's dollars. Of course, in addition to royalty contributions, Poseidon has made a significant contribution to the Laverton community, as is the intent of all state agreements. With regard to this particular agreement, the discovery of nickel at Mt Windarra in 1969 stimulated the famous nickel boom on the Australian and London stock exchanges. It also led to the creation of hundreds of jobs, and recreational infrastructure. For example, Windarra village provides for up to 470 people, and includes a swimming pool and sporting and other leisure facilities. A critical and important part of entering into state agreements with companies is the provision of both a social outcome and infrastructure for the communities in which those companies operate.

Poseidon has also contributed to the development of other projects in the region, in particular the Lancefield gold project, approximately 20 kilometres from Windarra. As part of Poseidon's mine closure activities, it is continuing to contribute to the region through the establishment of historical infrastructure at Mt Windarra as part of the Windarra Heritage Trail, which is a popular tourist attraction in the goldfields.

Parliamentary ratification of the termination agreement will provide greater flexibility for Poseidon to progress the development of its other project at the WNP under the general laws of the state, which has the potential to both create jobs in the goldfields region and progress the treatment of nickel tailings to extract gold. The transition to the laws of the state is important. Although the original Poseidon state agreement served its purpose, it is now time to transition the Windarra project to the general laws of the state. This will be beneficial in enabling the development of new projects on the mining lease for nickel and other minerals, which, if progressed, will employ up to 50 new staff during construction and 30 ongoing operational staff. It will allow for an investment in capital and services in support of the development of new projects in the northern goldfields regions and, importantly, unlock mineral resources on the mining lease and across Poseidon Nickel's other operations, which will result in extra royalties for the state. Previously, I spoke about the importance of the resource sector to our economy and other members raised it as well, in particular the member for Swan Hills, who was unfairly targeted by member for Moore prior to the dinner break and who outlined specific examples of projects that are progressing well in Western Australia. The strength of our resource sector continues to ensure that we not only have a strong economy in Western Australia, but also continue to do the heavy lifting for Australia. In the last financial year, there were \$210 billion of petroleum and mineral sales from Western Australia. That is a record achievement. Nearly 150 000 people are now employed in the resource sector, which has increased from 135 000 people in the previous year. Obviously, iron ore continues to lead the way. We have also seen \$16.6 billion of gold sales in WA, up four per cent from the previous year, and \$3.5 billion of nickel sales, a significant high. We have also seen success in other resources including alumina, bauxite and other materials.

It is not only the projects currently underway that are successful; a very important part of the success of our resource sector is that we continue to encourage and support mineral exploration. In fact, mineral exploration has hit some \$2.1 billion, a 21 per cent increase from the previous year, which means that WA's share of exploration expenditure is now 65 per cent of the national total. It is normally about 50 per cent. The sum of \$21 billion was invested into the mining and petroleum sector last year. Currently, \$127 billion worth of resource projects are underway here in WA. That is an incredible achievement and a tribute to the fact that the government of Western Australia has worked strongly with the resource sector, as indicated by the bill before us tonight. This was achieved because we have managed and kept Western Australia safe during the pandemic. Western Australia's domestic economy has grown by 5.7 per cent, which is almost double the growth rate of the rest of the nation, which is only 2.9 per cent.

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Hammat; Mr Roger Cook

[Interruption.]

Ms S.E. WINTON: Do you need a glass of water, Leader of the House?

Mr D.A. Templeman: No, sorry. It was just a pocket of wind.

Ms S.E. WINTON: Is that Japanese curry not agreeing with you?

The DEPUTY SPEAKER: Too much information, thanks.

Ms S.E. WINTON: I sat next to the Leader of the House at dinner and whilst it looked good, he might be regretting it now! I hope not.

Mr D.A. Templeman: I might be regretting it tomorrow morning! Sorry, I withdraw.

Mr R.H. Cook: He can't withdraw that!

Ms S.E. WINTON: You wolfed it down, so perhaps you should eat a bit slower. Perhaps you need a Quick-Eze tablet or something.

WA is exporting over half of all goods exported from the nation. Western Australia was able to defy the economic turmoil seen around the world and in other states like New South Wales. I take every opportunity that I can in this place and elsewhere to highlight the strength of our economic position of producing a \$5 billion-plus surplus compared with the federal position and the position of other states like New South Wales, which is \$140 billion in debt, and Victoria, which is \$150 billion in debt. Mineral and petroleum exports in Western Australia have increased by 100 per cent since this government came to office. It has gone from \$105 billion in the last year of the Liberal-National government to \$210 billion this year. That is an extraordinary performance given we are in the middle of a global pandemic that has gone on for at least 18 months. Having that significantly improved contribution by the resource sector of Western Australia is worth celebrating and acknowledging.

I echo the sentiments of the member for Mount Lawley who took aim at the opposition. The member for Cottesloe described it as being “verballed”. I do not think the member for Mount Lawley was verbalising the opposition so much, but I understand that an opposition has a duty, and it is its position and job to critique the performance of a government. But there are occasions, such as when we talk about the economic strength of the state, that there needs to be some acknowledgement for the good things that are happening. The opposition has a good opportunity today, or perhaps later this week, to congratulate the Minister for State Development, Jobs and Trade on the government's extraordinary announcement around hydrogen in Kwinana yesterday. I do remember that the opposition has passed motions in this place demanding that the Premier force the Minister for State Development, Jobs and Trade to resign his position because he cannot seem to be the Minister for Health and the Minister for State Development, Jobs and Trade. However, from what we are seeing with the announcements and movement in this state's economic success, the opposition cannot have it both ways. Sometimes it serves us all well in this place when we can acknowledge good performance when it occurs, and I think the general public would appreciate that. The unemployment rate of 4.1 per cent is the lowest in Australia and we have created 123 000 jobs since coming into office.

I believe I have a bit of time, so I will talk about state agreements a little more in the sense that most of them have been very successful and beneficial for all Western Australians. This state agreement, which is the subject of termination tonight, as I and other members have outlined, has clearly been beneficial to both the company and Western Australia. But I say “most state agreements” because members might remember the extraordinary Iron Ore Processing (Mineralogy Pty. Ltd.) Agreement Amendment Bill that we had to introduce last year. For members who were not here at the time, it was the most extraordinary of times but it was essential to protect us against Clive Palmer and his outrageous claims against the state to the tune of some \$30 billion. I will take the opportunity to read a couple of passages from the Attorney General's second reading speech on that very, very important bill. Last week we saw that it was upheld by the High Court, because Clive Palmer challenged our right to protect the state against what can only be seen as outrageous claims against the state to the tune of \$30 billion. On many occasions the Attorney General highlighted that that actually amounts to \$12 000 for every person in this state. I quote from the second reading speech —

... in the ordinary course of conducting business with the state, a state agreement proponent comes to the state and discusses its proposal in draft form, including making appropriate changes in consultation with the state, before it is formally submitted for ministerial consideration and approval. There is good reason for this: the state and the state agreement proponent or proponents need to be aligned on the detail of the proposal, bearing in mind that the state is agreeing, by the very nature of a state agreement, to the efficient and effective development of the state's natural resources; that any such developments are maximised for long-term certainty and investment security to the mutual economic advantage of both project proponents and the state; and to ensure that the interactions between the project proponents and the community will achieve a level of development that will benefit all Western Australians. Indeed, these are some of the primary objectives that underpin the state's decision to enter into state agreement with a project proponent.

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[Member's time extended.]

Mr R.H. Cook: I hope it is not longwinded like the Leader of the House!

Ms S.E. WINTON: I hope it is not getting uncomfortable for the minister over there! He is keeping it quiet, I have to say that! The Attorney General continues —

Western Australian governments, from both sides of politics, have always refrained from interfering in the operation of state agreements by statute. This bill —

That is, the Iron Ore Processing (Mineralogy Pty. Ltd.) Agreement Amendment Bill 2020 —

does not represent a change to that general and longstanding policy. This bill does not give rise to sovereign risk. Since the 1950s, —

This is the important bit that I really want to highlight in summary —

the state has entered into over 70 state agreements and it currently has over 50 state agreements on foot.

It is quite extraordinary to focus on this bit —

In the history of state agreements, no other state agreement proponent —

except for the one with Clive Palmer —

has sought to challenge a minister's decision about a proposal or taken the state to arbitration on any matter, let alone a minister's decision to reject or comment on a proposal that has been submitted. Therefore, this bill —

To block Palmer taking the state for \$30 billion —

does not create a risk to other state agreement parties or to future investors. Other state agreement parties and proponents deal properly and appropriately with the state in the terms of their proposals.

The Minister for State Development, Jobs and Trade has acted properly and promptly in bringing this important bill to this house that will allow Poseidon Nickel to transition its works and future works in the Windarra project to the general laws of the state, which it is entitled to. It will see greater benefit for not only any company, but also the state. As I previously said, it will enable the development of new projects on the mining lease for minerals, which otherwise would not occur if we had continued with this state agreement. It will allow investment in capital, services and support of the development of new projects in the northern goldfields region. Finally, it will, importantly, unlock mineral resources on the mining lease and across Poseidon's other operations, which will result in extra royalties for the state that would not occur if we did not pass this bill. I believe the opposition will take this to consideration in detail. I look forward to the speedy passage of this bill through the house and the other contributions from members in this place.

MR P.C. TINLEY (Willagee) [7.22 pm]: It is with great pride tonight that I rise to make my short comments to this quite historic Poseidon Nickel Agreement Amendment (Termination) Bill 2021, historic by infamy and what it may mean to the general disposition of the resources sector in Western Australia and its global impact into new industries, if you like, by which we try to reshape what has been a great benefit to successive generations in this state since the 1940s. It gave us a certain lifestyle that previous generations had not enjoyed and put a burden on us to ensure we delivered the same benefits and standard of living to future generations that we have enjoyed. It is a good marker of where we are in Western Australia in delivering jobs, not just any jobs, but jobs up in the technical spectrum that are sustainable and deliverable well past our lifetimes and that of our children's children.

We cannot deal with Poseidon bill without mentioning the term "bubble". Precursory research will tell us about the Poseidon Nickel bubble. I remember it vaguely as a child.

Mrs L.M. O'Malley: Gee, that old?

Mr P.C. TINLEY: Yes, I am that old!

As a young, young child —

Dr D.J. Honey: Very young!

Mr P.C. TINLEY: I was very young!

My father was all abuzz at the kitchen table with 10 of us there. I do not know how he even thought about stock market investment with all of us around the table, being the good Catholic family we were—the great breeders that we are! He was talking about this fantastic opportunity to invest in Poseidon Nickel, and he got involved in the bubble. But bubbles are not new. We heard the member for Cockburn talk about the tulip bubble in the 1700s in Holland. There have been five bubbles of note that are worthy of recording here. They identify for us the potential risks

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

that never really get too far. We always think we are a bit clever. We always think we have learnt so much and we can take our economy so far, and then we become the servants of the economy and not the economy the servant of the society.

A very good example, as laid out by the member for Cockburn, was the Dutch tulip bubble, or tulip mania, as it was called. It was in the 1630s, sorry. I am getting my bubbles mixed up. The South Sea bubble, which I will come to and was very interesting in itself, was in the 1700s. This simply identifies the fact that a bubble occurs when the price of a financial asset or commodity rises to levels well above historical norms or, more importantly, above their actual value. History might not repeat, but, by goodness, when you go through history of bubbles, it does rhyme, and it rhymes quite loudly.

Following the Dutch tulip bubble, the next most serious bubble was the South Sea bubble in the 1720s. Contemplate what was happening in the 1720s. We were discovering new continents at the time. It was a more complex set of circumstances. The South Sea Company was the sister of the East India Company, which gave the great riches of India to the British Empire. There was so much speculation based on stories from the company's own directors in the pubs and clubs of London that the share price in 1720 surged some eightfold. It went from £128 per share, which in itself was massive for the time, to £1 050 in June, before collapsing in subsequent months and severely denting the British economy. That bubble was about the riches of the South Americas that were yet to be discovered. It was indeed true, but they had not been executed on.

More recently, some in this chamber might remember the Japanese real estate and consequent stock market bubble, which was created as a result of over-stimulative monetary policy in Japan that created an economic bubble. It is a classic example to many economists. The yen surged 50 per cent in those early days, which triggered a recession in 1986. To counter it, the government, as we see with many governments, hit the stimulus lever. Boy, have we had some here, both at the state level, the subnational jurisdictions, and nationally, seeing an enormous mountain of debt, and the intergenerational transfer of that debt will be long into our future. I am not for a moment passing judgement that it should not have been. I believe some great ways we can support the community and make the economy support society, rather than the other way around, have been identified. The Japanese stimulus worked so well that it fostered unrivalled speculation, resulting in Japanese stocks and, more importantly, urban land values tripling from 1985 to 1989. At the peak of the bubble in 1989, the value of the Imperial Palace grounds in Tokyo was greater than the real estate of the entire state of California. That is how high it got. That is how ridiculous it can get. That tells us the depths of human imagination and how we can delude ourselves that there is real value when there is not. It nearly cost Japan a decade of deflation and a stagnant economy, which we have known even in recent times, coupled with nearly negative population growth, certainly flatlining, an ageing population and an inability to support subsequent generations.

The next bubble worthy of noting here that people will remember is the dotcom bubble more recently. Even some in this chamber might have had a dabble at the dotcom bubble, and hopefully they did not get too burnt. It came around in the 1990s. If we contemplate that time when digitisation was really starting to get its pace, the desktop was hitting and computerisation was happening everywhere, so, too, was the great speculation about what this would deliver for us. Hundreds of dotcom companies sprung up like mushrooms everywhere. I remember a salient point that Alan Kohler made in an interview. He talked about the fact that the majority of these dotcom companies will not, have not and should never show a profit. They could not produce a P&L or a cashflow statement of any kind because most of them were all pure hot air and speculation. Of course, the ones that survived that we know today have been a juggernaut—things like social media companies, Microsoft, Apple and those sorts of companies. On the Nasdaq composite index, on which most of these were listed, the dotcom sort of stopped. It went from a level of under 500 at the beginning of 1990 to a peak of over 5 000 in 10 years. The index crashed shortly after, plunging nearly 80 per cent by October 2002, and triggered a recession in the United States. The next time the index reached a new high was 2015, more than 15 years after its previous peak. Of course, the biggest one of all maybe even eclipsed the impacts of COVID, which we would not class as a bubble, because it is about not an asset arrangement but an imposition on the global economy. The human-made housing bubble that we all remember so clearly actually had its antecedents in the dotcom bubble. As capital flew from that market in the Nasdaq looking for a home, people invented product in ways to get into real estate—a flight to safety—and gold followed, too, of course, and all those normal precious metals. They flew into the housing market and produced a CDO—collateralised debt obligation—in which they bundled up a bunch of mortgages and sold the risk, effectively. It was almost a mark-to-market approach and a lot of people made a lot of money, but it drove the US and then, consequentially, the global economy to its knees. We all vividly remember that.

In the US, house prices peaked in 2006 and then commenced a slide that resulted in the average US house losing one-third of its value by 2009. The US housing boom and bust and the ripple effects on its mortgage-backed securities resulted in a global economic contraction that was the biggest since the 1930s Depression. The thing to note here

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

is that when a mortgage went bust, the debt did not belong to the individual. That is why we saw householders pack up and leave. Their obligations to the mortgage were not the same as we have now, whereby there is a debt obligation to the individual; they could just walk out.

The bottom line of this Poseidon bill is that it identifies for us a challenge around how we dealt with an asset bubble in our own recent past and the report by the former Liberal senator from Tasmania who headed up that inquiry into the Australian securities markets, which gave us the rules. Prior to the implementation of the recommendations of the Rae review, insider trading was not illegal. Someone could go to their local footy club and talk to a director of a listed company, and he could tell them anything he wanted to. It did not even have to be true; it could just be what he thought. From that review, we saw consequential regulatory changes. The role of the director now involves much more difficult or onerous duties, and the language has changed from “you should have reasonably known as a director” to “you should have known regardless”. That follows the naval tradition of the responsibilities of a captain. It is not that a captain should reasonably know what is going on aboard their ship, but that they should absolutely know, even if they did not know. Directors are now accountable to the nth degree. That is why the rules for directorships in the modern era of publicly listed companies, unlisted companies and private companies—it goes right across the board—still apply, the penalties are very severe, and the people who undertake those roles are often under a lot of scrutiny. I draw members’ attention to the Crown casino inquiries both here and in Melbourne and the fallout from those. We can also look at Juukan Gorge for an example of things that come from this sort of regulatory tightening. An operational decision on the ground had a strategic impact on the business, and the CEO and directors went. These are the sorts of impacts that they not only should have known, but also needed to have known.

This offers up a really good opportunity to reflect on how hubris and arrogance can make us think that we have put in all the regulatory stopgaps, checks and balances, oversights, the Australian Securities and Investments Commission, the Australian Taxation Office, the deed of company arrangements and all those sorts of things, and that we are somehow watertight. In that sense, we are as safe from over-inflation or asset bubbles as we are from the fragile maintenance of our own democracy.

Dr D.J. Honey: Member, in terms of bubbles, what about the bitcoin bubble? It fascinates me. The parallels to all the examples you have given are, I think, uncanny.

Mr P.C. TINLEY: That is right, member for Cottesloe. It gives rise to the question: are we in a bubble now? I note that my 27-year-old son saved his shekels, came to dad with a good wad of dough and asked what he should do. I said, “Firstly, where did you get this dough from?” He was a hard saver. He said that he had made it by investing in cryptocurrencies. I said, “Good; are you in cryptocurrencies anymore?” He said, “No, I sold out. They looked a bit hot.” I said, “Don’t let it go back into them!” He has enough for a house deposit now. I said that buying bricks and mortar is what he needs to do, because it is a tried and true path. In Australia, we have some of those accelerants, if you like, to asset valuations that are, indeed, worrying. The whole concept that I have been a beneficiary of, as well as many people in this room, is the capacity to offset a loss against personal income. I find that that is a middle-class subsidy in the form of negative gearing. It was a missed opportunity with the advent of the Morrison win in the last federal election, because we would have had a rebalancing of household assets in a way that, I believe, would have made affordability something that we could genuinely talk about.

This bill is about nickel, too. I said in my opening remarks that we need to take this opportunity to look at something that has a past like the Poseidon Nickel arrangements and where it will take us into the future. Not so many years ago, nickel was thought of as the dead mineral or the dead metal, if you like. The advent of the battery, electric vehicles and so on has seen nickel’s price and the interest in nickel deposits and exploration suddenly go through the roof. Again, we are very lucky here in Western Australia, with the natural endowment of the resources beneath our feet, that we have the capacity to participate in the new economy of electric vehicles and an environmentally sustainable future, and nickel will be very much part of that.

Of the top five producers, we have the second-largest deposit. We are about 20 million tonnes behind Indonesia, our very dear and near friend. An interesting point about this is that we reached about 170 000 tonnes of extraction, and that makes us only the fifth-largest producing country in the world. We have the second-largest asset and we are the fifth-largest producer. On the basis of those numbers, it would seem that we could improve our productivity to allow us to participate as a genuine first, second or third global leader and producer of nickel and a safe pair of hands to provide the world’s minerals. For those who are interested, Indonesia is first; Australia has the second-largest resource; then Brazil, at 16 million tonnes, is behind us; Russia follows with single digits at 6.9 million tonnes; and then there is Cuba, of all places, with 5.5 million tonnes. That may be a renaissance opportunity for that state as it comes out of its folly of communism.

These are the opportunities that present to us, but it is really important to look at where the demand might take nickel. This underpins a lot of the exploration. There is a really good map in the office of my very good friend Bill Johnston,

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

the Minister for Mines and Petroleum, up at Dumas House. It covers most of the wall of his conference room, and on it is a dot of every single active mining project in Western Australia. Even with all those projects, when there have never been more people employed in the resources sector than as we stand today, 80 per cent of the state is still unexplored. We are really on the cusp of just getting started. That is where we are: just on the cusp of getting started. As I say, our natural position in the world geographically and geologically gives us the opportunity to create a standard of living that will be the envy of the rest of the world, as it has been for the last few generations.

When we look at demand, we just have to look at one example, and that is the famed Tesla electric car. I see there are now about three or four in the members' car park; there are more and more as people become more and more cool! Tesla's ambition is to produce 20 million cars, which is not a big number in global terms, but it will require 31 per cent of global nickel production to service the production needs of just one electric car company. How many more will there be coming from India, China and Korea? They are all moving. In fact, Volkswagen has said that it will no longer make combustion engines after 2027. That is just after the next state election. This is an area in which global demand is going to exceed regulation and legislation in respect of how we treat it. Once again we are going to see a technological disruptor. We have set our legislative regime for motor vehicles on combustion engines. We get petrol excise tax and road taxes; we are going to have to turn our minds, as a state, a country and globally, to how we are going to adapt, because it will hit government revenue, and that needs to be considered. It is going to hit a range of areas including safety laws with regard to driverless vehicles and semiautonomous vehicles. These are all the sorts of things that we in this chamber are going to have to grapple with in our time. It will not stop just because a 50-year-old nickel mine stops doing one thing and goes and does another; it will roll on and on.

Another interesting aspect of this is that Tesla will need 165 per cent of the global production of lithium. I think we have a bit of that, and I think we are good to go. If there was ever going to be an opportunity for us to get involved in downstream processing rather than just the rip it, dig it and ship it end of the process, this is that opportunity. This is not a matter of whether we can get a steel blast furnace going to put iron ore into it; this is a completely different game, a chemical game. It can happen in the metro area, and already does. That is the opportunity that presents itself now.

[Member's time extended.]

Mr P.C. TINLEY: I will make my concluding remarks. The member for Wanneroo talked about state agreements, which are really interesting. They are nothing more than a contract between two or more proponents, under which they all agree on the same page about what will or will not happen, and really are just a plan for the divorce. That is all they are—identifying the circumstances under which the natural resource can be taken advantage of, and how it will be closed up. We have 64 state agreements. We have more state agreements than any other jurisdiction in the western world. We by and large invented state agreements, particularly with mining companies, and they gave us a great advantage in that they provided absolute certainty to the people trying to raise capital to achieve what they needed.

To give a recent example, a few years ago Buru Energy was digging around in the Kimberley for a bit of oil and gas. It had a capitalised value of approximately \$30 million—I should be very careful with my numbers here—but the minute it had a state agreement signed, its capitalised value went to \$400 million. It is money in the bank, and that means certainty for the investors, for the project and for jobs. State agreements are a great thing, but they can be overdone because they are stuck in time; they are not dynamic. We have been caught out by many arrangements made under state agreements when technology has moved on. Third-tier rail is a very good example—not in the context of state agreements—of doing a deal and then getting sliced and diced by the bankers.

This state agreement is the operative instrument that allows us to reorientate what will be done with this mine. I will stand corrected, but the Fraser Institute, one of the most respected research organisations in the world, has always put us in the top five of the safest and best global jurisdictions on a number of measurements, sovereign risk being the obvious one, but also for certainty of projects and cost inputs. That puts us in an enviable position. The investment and effort of previous governments of both persuasions over many years is something that we should be proud of; there has been largely a bipartisan approach to unlocking the opportunities of Western Australia for Western Australians.

We also now have more to do with how we attend to the environment. When this state agreement was put in place, environmental considerations were not very big in the scheme of things. That is how we ended up filling in all the wetlands in the north metropolitan area, because at the time we did not really understand the value of the natural environment; it was the same in the bush. That is why we saw unbridled mining activity, particularly in the member for Kalgoorlie's electorate, where there are holes in the ground everywhere. It is a very dangerous place to go out at night—not in town, out in the bush!

The issue is: how do we make state agreements and future arrangements with companies that join with the state in these things better for all Western Australians? We need to include in that the environment and Indigenous

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

sovereignty, and the capacity for Indigenous owners to be part of the deal. It is fraught with challenges, but it is genuinely worthwhile doing. It is great that we have been able to do this up until this time, and long may we go on with it. I think we have great opportunities, particularly in the new economy, to deliver it. Thank you very much.

MS A.E. KENT (Kalgoorlie) [7.46 pm]: I rise to add my contribution to the second reading debate on the Poseidon Nickel Agreement Amendment (Termination) Bill 2021. This bill is important to my electorate of Kalgoorlie. Poseidon Nickel is famous for an amazing time in goldfields history. Nickel was first discovered at Mt Windarra near Laverton in 1969, and the Windarra nickel project heralded the start of the Western Australian nickel boom.

Back then—some 52 years ago—Australia was gripped by a remarkable boom in mining stocks, the most famous being the nickel producer Poseidon. Its share price rose from 8¢ in August 1969 to almost \$280 by February 1970. In six months, the price of Poseidon had increased by a factor of 350. What triggered a boom of such magnitude? The words of Charles Kindleberger help set the scene —

A larger and larger group of people seeks to become rich without a real understanding of the processes involved. Not surprisingly, swindlers and catchpenny schemes flourish.

The initial movement in the Poseidon share price can be traced back to changes in the market. By the late 1960s, the nickel price was rising, driven by the growing demand for stainless steel used in industrial applications such as alloys, nickel plating and more. On the supply side, long-running strikes in Canadian nickel mines also exerted upward pressure on the nickel price, with Canadian mines accounting for around 60 per cent of the world's production at the time.

Movements in the price of nickel directed attention to nickel miners and nickel explorers; Poseidon attracted the greatest attention. It had claims on a site at Mt Windarra, near Laverton in WA, which is some 350 kilometres north of Kalgoorlie. The stock was tightly held, but even with the passage of time, it is difficult to be precise about the initial trigger that started Poseidon's remarkable run. However, a headline in *The Australian Financial Review* of 30 September 1969 was spot on: "Poseidon Lures the Gamblers".

The author tried to introduce a cautionary note that the Poseidon price had trebled based on very little evidence, and that the board could not explain the sharp increase in the price. By February 1970, Poseidon had a market capitalisation of \$700 million—about three times that of Westpac's forerunner, the Bank of New South Wales. In a 1969 report that would be certain to raise eyebrows today, *The Australian Financial Review* stated —

Paper profits of more than \$1 million appear to have been made in shares of Poseidon NL by an investment company associated with the consulting geologists who are evaluating Poseidon's Windarra nickel strike.

Commentators highlighted the risks involved in Australian mining shares at this time. Although word of the Poseidon find at Windarra is generally credited to having been first whispered by drillers and equipment suppliers at the Leonora racetrack, the Palace Hotel bar in Kalgoorlie soon got the message and within minutes, it was transferred again to the neighbouring office of Kalgoorlie's only stockbroker, R. Reed, a member of the Stock Exchange of Perth. The Palace, a famous pub in Kalgoorlie, was known to seed many of these stories. *The Australian Financial Review* reported at the time —

One geologist actually boasted recently that a word in the ears of 10 key drinkers in the Steak Bar could turn the place to a frenzy and cause a run on stock listed in Melbourne, Sydney and particularly Adelaide.

An editorial at the time said that the Australian stock market was more likely to rely on a call from the steak bar at the Palace Hotel than a call to any control centre in Sydney or Melbourne. Although many fingers pointed to the Palace Hotel, it was not the only source of information. One strong rumour was that drillers had been seen in Laverton with sulphide on their boots, which was a big sign. With such insights, it is easy to picture a market driven by rumour and unverified reports. While the price was rising, it was easy to ignore the naysayers. Eventually, the price of nickel fell as the world economy slowed. This reduced demand coincided with the end of strikes in Canada and an increase in the number of potential new mines. By April 1970, the share price had fallen to \$72.

Following a 1974 Senate report into the Poseidon bubble, changes were made to regulate stock markets and Australia's national companies and securities legislation. Insider trading was banned. Poseidon's fortunes continued to decline and it was delisted in 1976. The Windarra mine was taken over by Western Mining and closed in 1994. In 2006, Niagara Mining acquired the Windarra mine and in 2007 it changed its name to Poseidon Nickel so that the famous name lived on. Boom and bust is synonymous with the goldfields region but the nickel boom was extreme. As *The Australian Financial Review* said beautifully, speculative booms can be fun at the time, but like any party there are no quick and easy hangover cures.

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

After this unique and spirited history, which made a lot of people rich in a short space of time, we fast-forward to 2021. The bill before us today will terminate the state agreement between the state and Poseidon. Terminating the state agreement will provide greater flexibility for Poseidon to progress the development of its projects under the general laws of the state, which has the potential to create jobs in the goldfields region. The original Poseidon state agreement has served its purpose and it is now time to transition the Windarra project to the general laws of the state. This will have the benefit of enabling the development of new projects on the mining lease for minerals other than and including nickel, which, if progressed will employ up to 50 new staff during construction and 30 ongoing operational staff; investment in capital and services in support of the development of new projects in the northern goldfields; and the unlocking of mineral resources on the mining lease and across Poseidon's other operations, which will result in extra royalties for the state. Of course, all this is fantastic news for my electorate and that is why I commend the bill to the house.

DR J. KRISHNAN (Riverton) [7.54 pm]: I rise to support the Poseidon Nickel Agreement Amendment (Termination) Bill 2021. I was trying to understand what a state agreement means and what the general laws of the state mean. As a medical practitioner, the only way I can relate to it is this: if I make an agreement with my surgeon to do a laparoscopic surgery and things do not go well, he has to do open surgery and we need to make an amendment!

The Poseidon Nickel Agreement Act was passed in 1971 after the 1969 nickel boom when nickel was discovered at Mt Windarra. The termination of the state agreement is required because we need to build the confidence of stakeholders. We are fortunate to be in the position in which we are in. When I was in school, my chemistry teacher gave me the periodic table and joked that I needed to memorise it. I hated looking at the periodic table, but today I feel really proud to say that we are fortunate to be in a state in which nearly every element of the periodic table is available. To increase stakeholders' confidence and make it clear that we do not impose red tape when it comes to doing business, it is important that we adapt and make changes at the appropriate time so that businesses can continue what they are doing and the state continues to benefit from the resource sector to the maximum extent. Despite repeated attempts over the last decade, this segment of the state agreement did not really work and that is why the amendment is required.

Let us look at the contributions that this project has made to the state. In today's value, approximately \$50 million in royalties has been paid by this project to the state. The project stimulated the famous nickel boom on the Australian and London stock exchange and led to the creation of recreational infrastructure for 470 people, including a swimming pool and sporting and other leisure facilities. It also contributed to other projects in the region, particularly the development of the Lancefield gold project, which is about 20 kilometres from Windarra. As part of its mine closure activities, Poseidon continues to contribute to the region through the establishment of historical infrastructure at Mt Windarra as part of the Windarra Heritage Trail.

The key provisions of the termination agreement include the continuation of the mining lease under the Mining Act 1978; the company will indemnify and keep the state and its agents indemnified, and the indemnity will continue for 20 years; the cessation of the bank guarantee to the value of \$3.5 million; and the release of the company from its obligations under the deed of covenant for the implementation of the 2005 mine closure plan. With the transition from the state agreement to the general laws of the state, it is expected that about 50 jobs will be created during the construction phase and another 30 ongoing operational staff will be employed. It is important that we facilitate this measure to allow that to happen. An important role of government is to unlock mineral resources and make the maximum out of them when it can. I thank you for the opportunity and I commend the bill to the house.

MR S.N. AUBREY (Scarborough) [7.59 pm]: I rise to add my contribution to the debate on the Poseidon Nickel Agreement Amendment (Termination) Bill 2021. The Minister for State Development, Jobs and Trade illustrated the history of nickel in the state and, with the indulgence of my parliamentary colleagues, I wish to demonstrate my history with nickel and give the house an education on how nickel ore is extracted and processed. Many of my colleagues have discussed the importance of nickel in the renewables industry, particularly around batteries, and I thank them for their contribution. I would like to educate the house on how nickel is removed from the ground, processed into concentrate and exported, thereby creating revenue and jobs for Western Australia.

My first experience with nickel was during my apprenticeship. This is going back to 2010, when I was a fresh young 19-year-old. It was my first foray into mining on a nickel site in the goldfields about an hour out of Hyden. In the second year of my apprenticeship, I was highly enthusiastic about the opportunity to work and gain experience in an industry that is so prominent in our state. I would like to take this opportunity to explain the process of extracting the ore and how the remediation works are undertaken to re-use the tailings from most mines with acid processing.

We have to start in the mine where the ore is extracted. Depending on the spread of the vein, some mines may be open pit or underground or, in some cases, both. My experience with nickel mining was underground, so I would like to describe the process of how ore is removed from an underground mine. There are different ways to extract

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Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

the ore, but in this case I will describe stoping, which is a method that involves blasting the ore to remove it from the mine. Two tunnels are developed parallel, one on top of the other, about 50 metres apart. As the drill rig goes in, it will drill in an upwards direction and place directional charges in the lower part of the stope. It will then be blasted during a certain period of the day, which is the only time when it can be blasted; it is usually the start or the end of the shift so that no personnel are in the mine except the blast crew. Following the blast, the specially trained blast crew will go down and assess the blast location and ensure that there are no unexploded devices so that there is no risk to any personnel. A bogger is a loader that is specifically designed for underground mines so it can go into the clearances of a low-lying mine. It will come in and move the ore into stockpiles. Eventually, that ore will be put on to underground trucks and driven to the surface. It depends on the mine; in some cases, a mine will have a crusher underground and a conveyer that can send the dirt up to the surface. On this site, it was an underground truck. There were about 10 in the fleet and they repeatedly brought nickel out of the mine. The ore was generally then placed in stockpiles on the top ROM. I am not quite sure what ROM stands for, but it is a general term used across many mine sites.

A loader will then transfer the ore, which can vary in grade between one to 10 per cent, into a jaw crusher, which will then crush the rock, as the name suggests, into a smaller and more manageable size. From there, it is transferred via conveyors to a silo or storage bin, before being gradually fed into the processing plant and into the mill. For members of this house who are not sure what a mill looks like, it looks like a washing machine drum on its side. This one was about the size of the distance between the Premier's seat and the Leader of the Opposition's seat, although I have seen ones bigger than this entire house. These mills are sealed with hundreds of steel balls that can range from the size of a tennis ball to a basketball. With water and acid added to the mill, using a high-voltage motor, the mill is rotated and the steel balls grind down the nickel ore into finer particles. As it mixes with the water, chemicals and acids, a slurry is created that is then transferred via pumps to flotation tanks.

The flotation circuit is where the nickel ore is separated from the dirt and undesirable minerals. Flotation tanks can vary in size from several thousand litres to a couple of hundred litres. They are all adjoining and, as the slurry moves through the tanks, chemicals are added and a large agitator—essentially a mixer—keeps the product from solidifying. As the chemicals are added, they bind to the nickel in the tanks and the nickel floats to the surface of the tank, as the name suggests. It then flows over the edge of the tank into a drain that leads into a hopper. It is then transferred to a filtrate tank by pumps. When it reaches the tank, it is almost pure nickel in a liquid form, combined with water and chemicals. The remaining dirt that has been separated from the nickel is transferred to another tank. From there, it is called tailings. Tailings are then transferred to a paste plant. The paste plant combines the tailings with the concrete and transfers the paste down into the mine, where the stope from which the ore was removed is then refilled using the concrete and tailings that were extracted from the ore. This part of the mining process returns the by-product or tailings back into the mine from where it was removed. It then hardens, and the mining team continues to stope around the other stope. The mine's rehabilitation is done on the go.

I go back to the original process of nickel extraction. In the final stages of the process, using a highly intricate machine called a filter press, the water and chemicals that remain in the filtrate product is squeezed and blown out of the filtrate and only high-grade nickel powder or dirt remains. The filter press is a collection of about 30 large plastic plates about two metres tall by two metres wide and 20 centimetres thick. These plates are stacked across two rails, with large bars in between. As the process begins, the nickel concentrate is pumped into the bags. As a large hydraulic ram presses the plates together, a pump drains the water and a compressed air line is used to blow-dry the concentrate. Once the process is complete, two large bomb bay doors are opened below the press. The press is then gradually opened so as not to overload the belt below. As it opens, the large sheets of concentrated nickel powder are then dropped on to a running conveyor below. The conveyor is surrounded by shielding to prevent the nickel powder being blown off the conveyor due to its fine particles and light weight. It is then transferred into a sealed shed that protects the stockpile from the wind and stops any of the nickel getting into the environment. A loader will then transfer the concentrate onto a road train, which will then transport it off site to create revenue and jobs for the people of Western Australia.

That was a simplified version of what is a very intricate and somewhat dangerous process at times with the acid and extraction processes underground. There are many variations to this process. A similar process is used in copper and goldmining; I have worked in these other sectors. One big factor in this process is the workforce. A lot of the sites I have worked on are heavily automated. Part of my role was to maintain the instruments and sensors that allow that automation. Although much of it is automated, operators are essential in the operation and maintenance of the plant.

I would like to describe the conditions for the workforce at this particular site. As it was my first experience in the FIFO industry and the resources sector, I will say from the outset that it was in a construction period, which can be very different from operations and maintenance periods on sites. I spent three to four months working on

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Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

this site in the recommissioning of the plant, completing three swings. I did two four-and-one swings—four weeks on, one week off—and then I completed a final five-week swing. I was an energetic and enthusiastic young bloke who was keen on chasing the available cash. I did not understand at the time the effects working there had on my mental health. During the recommissioning phase of the mine and plant, there was no cell reception or wi-fi. The only contact we had with the outside world was a 15-minute capped phone call home on one of the two phones on site. For a teenager not long out of school, this was a tough and lonely period, but, as many do, I worked hard, sucked it up and pushed through. The money satisfied me. I also became very good at pool and sunk a few tins with the lads!

During a recent Chamber of Minerals and Energy tour of mine sites in the Pilbara, I joined many of my parliamentary colleagues at the airport at 5.30 am for a flight to the Pilbara before a full day of experiencing mines across the Pilbara region. I will not name names, but I could not help but laugh when near the end of the day a few of my colleagues started to complain about how long the day was. We flew up there and sat on an air-conditioned bus most of the day! We sat there for 12 hours and then went back and had dinner and did it all again at six o'clock the next day. I may have pointedly said to some members, "Welcome to the life of your constituents who are the 150 000 FIFO workers across our entire state." Many of them would not do two days of these kinds of swings. They fly up and do two weeks. And they do not sit on an air-conditioned bus; they usually do hard manual labour in very arduous conditions.

The ACTING SPEAKER (Ms A.E. Kent): Are you sure you do not want to name names, member for Scarborough?

Mr S.N. AUBREY: I do not think you were there, Madam Acting Speaker.

The ACTING SPEAKER: No, I had constituent duties.

Mr J.N. Carey: Name names; I bet it was Ali!

Mr S.N. AUBREY: I was not there with the member for Perth, but I can only imagine that he would have been one of them!

Mr J.N. Carey: Member, I didn't go on the trip!

Mr S.N. AUBREY: During my time in the industry, I worked many of the shifts—five and one, four and one, three and one, two and one, two and two, eight and six, 18 and 10, and five and two. Many of these shifts are also night-shift work. Over the last seven years, I spent more time in the Pilbara than I did at home in Scarborough. I was a strong advocate in the industry for better mental health conditions on many of the sites where I have worked. I would not change my time in the industry as it has given me resilience and an experience that not many in Western Australia, and even fewer in this Parliament, have. But just as I have educated the house on how nickel is extracted in Western Australia, I want to emphasise the importance and efforts of Western Australia's resources workforce, including the roughly 150 000 fly-in fly-out workers who extract those resources. With that, I commend this bill to the house.

MRS L.M. O'MALLEY (Bicton) [8.10 pm]: I rise to speak on the Poseidon Nickel Agreement Amendment (Termination) Bill 2021, and in so doing I would like to reassure members in the house this evening that I am not one of those members who was complaining on the bus, as the speaker before me mentioned.

Mr J.N. Carey: Shame!

Mrs L.M. O'MALLEY: Okay. I will begin by reflecting upon the background of the bill and its journey to us, and will briefly go through the bill itself. I am sure that members who spoke before me did so in great detail, so I will not dwell too much on specific details. I will focus mainly on the history of the subject of the bill and on the element itself, particularly as it relates to our transition to a more sustainable energy future. I also acknowledge the member for Willagee and other members who spoke about the importance of this element in battery technology, and how that can then be utilised in electric vehicles. In so doing, I acknowledge my daughter, Matilda, who has a fascination with Tesla. We cannot go past a Tesla without stopping to admire it!

In speaking to some of the history around the bill, I will begin with Poseidon itself. The book *The Poseidon Boom* gives a detailed account of the rise and fall of Poseidon. A promotional blurb for the book hooks the reader in with the subtitle "The people. The shares. The company. The story." The book goes on to tell the story of how Poseidon created one of the biggest mining booms ever witnessed by the Australian stock exchange, which began in Adelaide, South Australia in September 1969. The story of Poseidon begins with the story of Ken Shirley. Kenneth (Ken) George Shirley, 1914 to 1992, was a prospector and discoverer of the nickel find at Mt Windarra, near Laverton, for Poseidon Nickel that sparked a stock market boom and bust in 1969–70. Born in Queens Park, his family lived in South Australia and Western Australia, moving to follow his father's occupation as a carrier and camel driver. In speaking to the bill, as the member for Kalgoorlie did before me, I think it is important to acknowledge—I am sorry, you are sitting right in front of me, Acting Speaker! I was looking to your seat but you are right there! I acknowledge the way that you really

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Hammat; Mr Roger Cook

threaded the story, in particular of the goldfields, and how that engages with this bill, because I think it is important to reflect, when we can, on that rich history. On first reading, the content of the bill looked a bit dry and not something that we could get super excited about as we prepared to speak on it, but it is actually inherently about people because it tells the story of how the nickel boom came to be, and that is absolutely the story of those individuals.

Shirley attended school in Adelaide until the age of 13 and then began fencing and shepherding work in the Gawler Ranges of South Australia before the family moved to Coober Pedy to try their luck at opal mining. In 1930, Ken was introduced to prospecting by his elder brother Stan, and the brothers prospected for gold around Arltunga and Tennant Creek, with limited early finds. In 1936, he pegged the Jubilee Mine in Tennant Creek and was later joined by his girlfriend, Billie. With the outbreak of World War II, Shirley joined the RAAF air crew in Perth and commenced staff-pilot flying until he joined the 96 Squadron, and served in Borneo until the war's end. He then returned to Tennant Creek. From 1960 to 1961, Ken Shirley supervised work to drill Consolidated Gold Mining Areas NL's Queen of Sheba prospect and re-pegged the 150-acre mineral lease known as Golden Forty. When Kambalda's nickel discovery spurred nickel exploration in Western Australia, Ken and Billie returned to the state, prospecting from Kambalda through to Laverton. In 1968, Norm Shierlaw and Clem Wegener contracted Shirley to prospect on Poseidon's lease. Shirley ranged as far as 402 kilometres north of Laverton and over 160 kilometres to the south searching for nickel. In September 1969, he noted caps of nickel sulphide in a banded iron ore formation and pegged 10 800 acres of land at Mt Windarra, 24 kilometres north west of Laverton. Following his role in the discovery of the Mt Windarra nickel deposits, Shirley continued to work on miscellaneous sampling campaigns, before moving to Port Douglas in 1975. An article in Sydney's *The Sun*, dated Thursday, 15 January 1970—it is tiny, tiny writing, so I will have a close look—states —

Five new paper millionaires were created in just one hectic minute on Sydney Stock Exchange today.

Each of thme—including one Sydney man—became owners of shares worth \$2 million.

It is quite incredible to attempt to visualise what the excitement must have been at that time! A quote about the book itself, which details the boom, reads —

“It is fitting, and somehow typically Australian, that Poseidon, the glamour galloper of the nickel field, takes its name from a racehorse that won the Melbourne Cup.”

Today it is possible to stand in the area where Ken Shirley stood in April 1969 and decided to test for the presence of nickel. Ken discovered gossan (weathered surface rocks of underlying mineralisation), in which the first indication of nickel was noticed.

Occurring as it did at a time when nickel was in short supply, the discovery triggered a rush for shares in Poseidon that reverberated through the stock market of the world. Fortunes were made and lost in all parts of the globe as the shares went from \$0.80 to \$280.00 in five months and then down to \$39.00 ten months later and, by 1976, to \$0.38.

If Shirley had missed this location, the ore body would have stayed where it was until someone else found it. This might have been at a point in time when nickel was plentiful, or when another material had superseded it. One can only speculate.

He did find it however in April 1969 and the rest, as they say, is history.

The major nickel discovery at Mt Windarra in Laverton, Western Australia, would lead to what would become known as the Poseidon bubble. As other members have talked about, the Poseidon bubble was a stock market bubble in which the price of Australian mining shares soared in late 1969 and then crashed in early 1970. It is interesting to note, as the member for Willagee did earlier, that, at the time, what we now know as insider trading was in fact a legal activity. We know that in the late 60s, nickel was in high demand due to the Vietnam War, but there was a shortage of supply due to industrial action against the major Canadian supplier Inco. These factors pushed the price of nickel to record levels. The mineral exploration company Poseidon made a major nickel discovery at Mt Windarra and, as we say, the rest is indeed history.

I am going to skip over some of the notes that I had made on the bubble because quite a few members have already talked about that. I am going to move on to quickly note some of the benefits of nickel itself and what nickel in fact is. The ancient Chinese used nickel alloys, calling them paktong. However, it was 1751 before nickel was first isolated by a Swedish chemist, Axel Cronstedt. In the nineteenth century, nickel was popular for making items such as cutlery. In 1889, James Riley gave a historic speech to the Iron and Steel Institute of Great Britain, declaring that tests had shown that the steel contained in nickel gave the alloy almost unbelievable strength. From then on, nickel alloy steels became vital materials for a whole range of uses. There was an especially large demand for nickel during the two world wars for making armour plate for vehicles.

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

Most mined nickel derives from two types of ore deposits that form in very different geological environments. Acting Speaker, there follows in my notes a lot of references to the specific detail of those various deposits in geological terms, which I am not going to even pretend to try to pronounce! We know that nickel has played a really important historic role. It is in fact a mineral, the use of which is at this time in transition. It is undoubtedly incredibly important in our energy future as an important base element.

Briefly, in the Nickel Institute's publication of 19 February 2020, there was an article titled "Opportunity knocks for nickel". It states —

Nickel's role in enabling technologies is not always common knowledge. Yet its versatile properties present great opportunity for the nickel industry.

The article goes on to refer to the importance of educating future engineers about the way in which the element can be used and how the industry tackles perceptions of high cost and lack of knowledge about the metal. The Nickel Institute plays a role in providing some of that educational framework.

We also know that Western Australia is an incredibly important place where nickel is found. Australia has the largest nickel deposits in the entire world. Western Australia has the largest of the nickel resources in Australia, with 96 per cent of total Australian resources contained within nickel sulphide and—that is another geology-type word that I am not going to try to pronounce —

Dr D.J. Honey: Lateritic nickel.

Mrs L.M. O'MALLEY: Member for Cottesloe, I take it on notice when it comes to pronouncing tricky words from yourself —

Dr D.J. Honey: Let me tell you I'm right on this one!

Mrs L.M. O'MALLEY: I am not going to go there! I commend the member for Cottesloe's bravery in attempting to pronounce words, even ones that are not always that tricky. I am not even going to go there.

I am going to bring my contribution to a close, simply by saying that the story of nickel is one of transition. It is an incredibly important mineral. Although this bill will conclude one chapter, if you like, in the transition from being a state agreement, it certainly will open up a brand new chapter, one that I think is incredibly exciting. I commend this bill to the house.

MS M.J. HAMMAT (Mirrabooka) [8.23 pm]: I also rise to speak in support of the Poseidon Nickel Agreement Amendment (Termination) Bill 2021. Other members before me have quite capably and in some detail spoken about the background to this bill and about state agreements, of which this is one, and have recognised that Western Australia has a number of state agreements and they have been very important in how we developed the mineral resources in this state. This particular agreement tells us a story. Many members have spoken about the boom-and-bust cycle that characterises many endeavours in the mining industry, and this one with Poseidon Nickel is no different. In the interests of time, and recognising that it is a late hour, in my contribution tonight I do not want to reflect on the role that state agreements have played, and I do not want to add to the recounting of the history of Poseidon Nickel and the wild adventure that it was. I want to talk a bit about the nickel industry and what that means in Western Australia as we look forward to how this important mineral will be used to power a very different future, and how indeed it will herald a transition, I suppose, as we move towards low-carbon emissions in the future.

Western Australia is obviously an important producer of nickel. It is the only nickel producer in Australia at the moment. Nickel has been a very important mineral resource for our state for some time, although its favour has ebbed and flowed, largely because it has been able to be substituted with other ores that vary in price. The main use of nickel has been, as others have said, for stainless steel. Nickel has been very attractive for that production over time because it is hard. It is used in more than 300 000 products, including consumer and industrial products, by the military, in aerospace and in architectural applications. It is widely used, but, of course, the majority is used to manufacture stainless steel.

Nickel is also a key component in the manufacture of lithium ion batteries. That is obviously where, forward looking, we can see many applications for nickel. For that reason, it is expected that the demand for high-quality nickel sulphide will increase in coming years as we move more and more towards the widespread use of electric vehicles. There are a lot of estimates about what that will look like, but there will be a significant increase in demand. The Chamber of Minerals and Energy of Western Australia estimates that the demand for lithium ion batteries is expected to increase by 24 per cent to 26 per cent annually until 2030, and that there will be 314 million electric vehicles on the roads by 2035. That is almost unimaginable today, but, clearly, there will be a significant increase.

As others have said before me, Western Australia is the only state in Australia with a battery industry development strategy. That underlines the fact that this state and the McGowan Labor government recognises the importance of

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

batteries to the future and this state's excellent position to capitalise on this as a result of our rich mineral deposits. The future battery strategy is important, because it raises market awareness. It also contributes to investment attraction. It lays the groundwork for the development of downstream activity so that minerals are not just mined and shipped off but are used for downstream processing, and consideration will be given to how we refine the ore and also how we manufacture the batteries in the future.

WA has many natural advantages for batteries. As others have said, Western Australia has a very rich endowment of the minerals that go into battery production. This state already has a world-class mining industry. That means we are well positioned to take advantage of mining these new minerals. We also have an environment that has a very strong environmental, social and governance framework within which companies can operate.

It is interesting that earlier this month, the International Monetary Fund identified that Australia is one of four nations around the world that could experience a significant increase in economic growth of up to one per cent as a result of the change. I want to read from an article that appeared in *The Australian Financial Review* of 13 October. It states —

Australia is in pole position to benefit from a sixfold increase in demand for so-called “critical minerals” worth ... \$17.6 trillion —

That is in Australian dollars —

over the next two decades, driven by the race to hit net zero emissions, according to analysis from the International Monetary Fund.

The IMF estimates that Australia's annual economic growth could increase by one percentage point as a result of that. The IMF specifically selected nickel, copper, lithium and cobalt as the top four energy transition metals that are likely to see surges in prices and production as the world works toward net zero emissions by 2050. It is a very important mineral as we look to the future. There are significant opportunities to benefit not only Australia, but also Western Australia particularly, because of our natural endowments of these materials and the work that the McGowan Labor government is doing to ensure that our state can take advantage of those things.

WA is already the largest producer of lithium and one of the top five producers of nickel, rare earths and cobalt. We already have significant minerals, but we are doing much more than that. As I said, the McGowan Labor government is actively encouraging development and downstream processing in this industry to ensure that we can take advantage of battery technologies. At the end of last year, we had the announcement that Covalent Lithium was building a lithium refinery in Kwinana, which, once complete, will support the production of batteries for up to one million electric vehicles a year. These are significant developments.

I do not want to take too long because of the lateness of the hour, but in my time today, I want to talk a little bit about batteries and the work that has been happening in that space. One of the recent announcements of the McGowan government that I think was really important was the release of the electric vehicle strategy and the \$21 million for an electric vehicle fund to support the uptake of electric vehicles. At the same time, the government announced the largest single investment in electric vehicle charging infrastructure by any state or territory. We in Western Australia are creating Australia's longest—perhaps one of the world's longest—electric vehicle charging infrastructure network. It will stretch from Perth to Kununurra in the north, to Esperance in the south and to Kalgoorlie in the east. There will be stations along the way to ensure that WA residents or visitors to the state can access fast-charging stations along major travel routes and in cities and towns. This will encourage the purchase and use of electric vehicles as people are able to undertake those longer distance journeys, being confident that they have a network of charging stations to support that. This network is a great initiative that will increase the uptake of electric vehicles and, as we build the electric vehicle charging stations, it will also create jobs, particularly in regional areas. The state government is also leading by example. It is committed to increasing its own fleet of electric vehicles and installing electric vehicle charging stations in government buildings to ensure that we are able to run a fleet of vehicles that will take advantage of these technologies.

I also want to include in my contribution tonight a celebration of the electric bus that is coming to Joondalup. Just last week, we learnt that the first Transperth electric bus had arrived in Perth. It is getting ready for operation in January 2022 and will be trialled on the Joondalup CAT bus route. It will be the first time that an electric vehicle will be used on the Transperth network. The trial will determine its reliability, efficiency and performance. If it is successful, a second bus will be put into operation on the Joondalup network. The increased uptake of electric vehicles is really encouraging. It is also important that as we bring on electric vehicles, we upgrade the infrastructure around them. I have already talked about the electric vehicle charging stations network. As part of the electric bus coming to Joondalup, there will be upgrades to the bus depot so that we have a high-voltage charging system to allow that bus to be charged.

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

What is also really pleasing is that this initiative is part of a contract arrangement with Volvo Buses in partnership with Volgren Australia to supply buses. The contract includes the potential to deliver additional electric vehicles in the future if this trial is a success, and, most pleasingly, it also provides that should the trial be successful and more electric buses are needed in the future, they will be fitted out locally at the Volgren facility in Malaga, which is right next door to my electorate of Mirrabooka. It is another great initiative that will support local jobs and apprenticeships, as well as drive a transition to a new energy economy.

The final thing that I want to comment on this evening is the proposed big battery in Kwinana, which, again, is another excellent initiative. It will be a big battery for an important part of the world, which I believe was referred to as the “centre of Western Australia” earlier today, although I would dispute that.

Mr R.H. Cook: The universe on other occasions, but just Western Australia tonight.

Ms M.J. HAMMAT: It is really exciting, though, that not only is Kwinana the heart of the universe, but also it will now have a big battery. The McGowan government, through Synergy, is supporting the construction of this and it will be installed in Kwinana. I am told that it will be the size of 22 tennis courts. I did not know there was spare room for that many tennis courts in Kwinana! It will be a significant battery that will allow for the storage of excess solar power generated during the day that can then be drawn down during late afternoon peak periods or the evening.

Mr R.H. Cook: Member, the great irony of where they are located is that it's where the former stockpile of the coal was for the power station. It's beautiful.

Ms M.J. HAMMAT: That is a sensible use of a former stockpile. What an important symbol of the transition, and as we move away from coal, we are in fact moving to these new ways of storing and generating energy. We know that these changes will drive reductions in emissions, which will be of enormous benefit to our environment. Importantly, it will set up WA as a leader in these new technologies. We can really take advantage of the rich minerals and resources that we have in this state to drive, through the future battery strategy, a plan to refine those minerals, then convert them through manufacturing and use them to drive different energy production and uses in this state. I think the future is very exciting.

We have talked a lot this evening about Poseidon Nickel and its exciting past of boom and bust, but, clearly, there is a bright future in this state, and nickel will be at the heart of those new technologies. I am really excited to be part of a government that understands that we need to have policies and strategies to develop those industries. We need to invest in and support those industries so that we can diversify the economy and take advantage of the wealth of minerals that we have in this state and not just dig them out of the ground to export them, but develop them and use them to our advantage and do it in ways that we can create jobs and skilled employment for apprentices and trainees and invest in the long-term future of the state.

Others have spoken about how this state's approach compares with the federal government's approach to net zero emissions and its dogged avoidance of the issue. It really had to be dragged kicking and screaming to deal with this issue as the conference at Glasgow approaches, but I do not want to dwell any more on that tonight due to the lateness of the hour.

I will conclude by reiterating that this bill, although it speaks to the past, speaks to an exciting past for Poseidon Nickel. I think the future for not only nickel, but also all the important minerals that we have here, and the work that is happening in this government to make sure that we exploit those minerals for the benefit of all Western Australians and for the future, is a really exciting development. I am very excited to commend this build the house.

MR R.H. COOK (Kwinana — Minister for State Development, Jobs and Trade) [8.38 pm] — in reply: Thank you, Acting Speaker, for the opportunity to respond and complete the second reading stage of the Poseidon Nickel Agreement Amendment (Termination) Bill 2021. I must confess that when the Leader of the House allocated such a generous period this evening for members to make a contribution, I wondered with some trepidation what they would discuss, as the bill itself is a fairly simple piece of legislation. However, I was delighted to hear from all members about the interesting history and importance of this legislation and the emergence of law as it came about.

I want to commend the member for Cockburn for his contribution about the bubble and the goings-on around that time. I also commend the insights of the members for Cottesloe and Scarborough about the chemical and mechanical processing of the ore and the interesting processes that go on with that. I also want to commend the members on their acknowledgement of just how important this is as one of the roles of Parliament. As the member for Willagee observed, Western Australia is unique in its use of state agreements as a way of ensuring we can provide a good investment environment and bring complex projects into being, therefore enjoying the great benefits that come from that, with the jobs and economic activity generated and the royalties and the boost created for the state government's finances. As members of this Parliament, we should feel rightfully proud that we continue this great

Dr David Honey; Mr David Scaife; Mr Simon Millman; Ms Jessica Shaw; Mr Shane Love; Ms Sabine Winton;
Mr Peter Tinley; Ms Alison Kent; Dr Jags Krishnan; Mr Stuart Aubrey; Mrs Lisa O'Malley; Ms Meredith
Hammat; Mr Roger Cook

Western Australian tradition, as the member for Willagee observed, of creating one of the safest places for investors. The sovereign risks in Western Australia are internationally recognised as being incredibly low. The value that produces for people to invest with confidence is incredibly important for the future of our state. Indeed, that has been borne out in recent history.

It is perhaps worth digging into the reason, on some occasions, we take the state agreement route as opposed to relying upon the strengths of the Mining Act. The great strength of state agreements is that they do not take a one-size-fits-all-approach. It is about the agreements being unique in dealing with the challenges, opportunities and dimensions of a proponent's project and making sure the state can create the necessary environment for them to invest, being sure they have access ways, infrastructure, transport corridors and power. All those elements come together in a fairly complex way.

Some of the criteria used in determining whether we use state agreements is whether matters can be dealt with under the laws of the land—for instance, private rail, local content, domestic gas reservations and those sorts of features. There is the life span of the project, the requirement for long-term certainty for the proponents and the existence of extensive or complex land tenure issues. We all know that the interaction of native title, pastoral leases, mining leases and other forms of licence access agreements can sometimes produce a great deal of complexity that the state agreements can cut through. There is the problem of whether the project is created in a relatively remote area, thus requiring significant infrastructure development such as rail networks. There is the significance of the project to our economic development. Large projects by their very nature require the state to knit together a range of approvals and mechanisms in order for them to happen. I reflect on the member for Cottesloe's old employer, Alcoa, having one of the oldest state agreements, which I think was crafted back in 1955, for the Alcoa development in Kwinana, where there is a whole range of different infrastructure—pipelines, roads, storage facilities and so on—that all had to be brought together in a very complex way. The state agreement provides a great deal of certainty.

State agreements are essentially contracts between the government of Western Australia and the proponent that are ratified by an act of the state Parliament. Although it might seem cumbersome that we have to come to this place each time we need to create even minor changes to the state agreement, it is an important part of continuing to provide confidence to proponents that the state is taking their business very seriously. State agreements have been regularly used by successive WA governments to foster resource development such as mineral, petroleum, wood extraction and related downstream processes, together with essential related infrastructure investments. However, the Poseidon Nickel state agreement is no longer a suitable vehicle for the company, and the state has agreed with the company to transfer the project to the Mining Act, including contributing to the mining rehabilitation fund. Western Australia's Mining Act is also globally recognised as the benchmark legislation for mineral extraction, providing a stable, low sovereign risk investment for companies. This is why state agreements have been needed less over time and why the Poseidon Nickel project has every comfort in transferring to the Mining Act.

Western Australia's minerals belong to the Crown, and any person or company wishing to conduct exploration or mining activities needs to obtain a mineral tenement from the department. The Mining Act 1978 establishes the framework for which mineral exploration and mining activity can occur. The Mining Regulations 1981 set out the administrative processes for authorising these activities through the grant of a tenement. The system for administering tenements under the Mining Act is based on a first-in-time principle. This means that the land will be allocated to the individual or company that applies for eligible land and fulfils all the conditions for grant before anyone else. Turnover of the tenement ground is an important principle for the Mining Act, as it ensures that areas are available to be adequately explored for potential resources. The Poseidon Nickel project will now have to fulfil these requirements.

As a number of members have observed, this will also enliven the mining rehabilitation fund and the obligations of Poseidon's project partners towards that. For members' information, the MRF is a pool fund levied annually according to the environmental disturbance on a mining tenement at the annual reporting date. Reporting of disturbance is compulsory for all mines operating under the Mining Act 1978, and all mines with rehabilitation liability estimated over \$50 000 pay levies based on their areas of disturbance. The member for Cottesloe highlighted the importance of the MRF, because, as he said, we expect these mines to be retired in perpetuity, so the liabilities of the state are expensive if we do not have the resources necessary to make sure that we continue to update any potential contaminants and their impact on the environment and that we can continue to rehabilitate the mine site so the environmental values can be resurrected.

As many members have observed, this whole project has a colourful past. I am really pleased that members celebrated it in their speeches tonight, talking about the various aspects of this project over many years. As some have observed, it was a subject of a Western Australian film made in 1971 called *Nickel Queen*. This title was used in relation to you earlier in the proceedings, Acting Speaker (Ms A.E. Kent), a title you may yet find sticks in your role as the member for Kalgoorlie! I am grateful to Wikipedia, a globally recognised reference tool, for providing members with

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Hammat; Mr Roger Cook

some detail of this film. It was an Australian comedy film starring none other than Googie Withers. When I revealed this fact earlier in the evening to the Leader of the House, he went weak at the knees!

I am not familiar with Googie Withers, but clearly the Leader of the House is very familiar with Googie Withers and was very excited to be able to recount his fondness of her and the films that she played in. It was directed by her husband—I am sorry, Leader of the House—John McCallum. Wikipedia states —

The story was loosely based on the Poseidon bubble —

That is described as —

a nickel boom in Western Australia in the late 1960s, and tells of an outback pub owner who stakes a claim and finds herself an overnight millionaire.

It is a fascinating plot. It talks about how she is befriended by a hippie, Claude Fitzherbert, who follows her character, Meg, into the Perth high society. As I recently described, Meg was the widowed owner of a pub in a small desert town in Western Australia. A corrupt American mining executive called Ed Benson—with a name like that —

Mr D.A. Templeman: Who played Ed?

Mr R.H. COOK: I will come to the various players shortly, Leader of the House. The Wikipedia entry continues —

Ed Benson starts the rumour of a nickel discovery to sell shares to gullible investors. Meg heads the rumour and stakes the first claim. Benson promotes her as the “Nickel Queen”.

In this context, Acting Speaker, you are Googie Withers’ character, Meg.

The ACTING SPEAKER (Ms A.E. Kent): Wow. I am so thrilled. Let *Hansard* record that!

Mr R.H. COOK: A hippie by the name of Claude Fitzherbert follows Meg into Perth high society and becomes her lover. Benson, however, is exposed as a fraud. In the meantime, Fitzherbert deserts Meg and runs off with Benson’s wife, and Meg is reunited with her old suitor in her home town. All is well that ends well. As I said, it was an extraordinary cast, with Googie Withers playing Meg Blake. Claude Fitzherbert, the hippie, was played by none other than John Laws. I never knew he had an acting career!

Mr D.A. Templeman: Was it short-lived, like the film?

Mr R.H. COOK: There are other notable characters. One character, Harry Philips, was played by Ed Devereaux. Ed Devereaux has one of those faces that speaks of fatherly authority, because, of course, he was the father in *Skippy*.

Mr D.A. Templeman: They did scrape the barrel, didn’t they?

Mr R.H. COOK: It is funny you should mention that, Leader of the House, because the barrel got scraped particularly hard in this film! In the cast listed by Wikipedia, which provides us with an authority on the film *Nickel Queen*, we have three characters of particular interest to the Parliament. One was none other than Sir David Brand, who put in an appearance as himself. Another was Sir Charles Court. I never knew he had an acting career. Sir Charles Court was a musician. I think he was a trumpet player.

Mr D.A. Templeman: He was.

Mr R.H. COOK: Yes. One of the things I always admired about Sir Charles Court—of course, being on this side of the chamber, there were a few things—is that he was a stalwart of the Musicians’ Union of Australia.

Mr D.A. Templeman: He was. Mind you, he would have been hard to direct. I don’t think he would have taken many directions.

Mr R.H. COOK: From a conductor?

Mr D.A. Templeman: From a director!

Mr R.H. COOK: The member for Cottesloe observed that part of the film was filmed in whose house?

Dr D.J. Honey: Max Evans’ house in Mosman Park.

Mr R.H. COOK: Max Evans’ house, yes. There was also an Arthur Griffin, whom I think the Leader of the House identified as an upper house member; is that correct?

Mr D.A. Templeman: No, but it’s a good story.

Mr R.H. COOK: There was a chap called Arthur Griffin who played himself, as well, I assume alongside Sir David Brand and Sir Charles Court, who made cameos in the *Nickel Queen*.

Ms M.J. Hammat: Is that why they got knighthoods, for their acting?

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Mr R.H. COOK: I am not sure it was for their acting. It is not like Sir Sean Connery!

Mr D.A. Templeman: We need to make a sequel!

Mr R.H. COOK: It is interesting. It would appear that with the turn of events here tonight as we continue the passage of this bill, we usher in a new chapter for Poseidon, and we very much look forward to every success as the company goes about continuing to advance this project.

Mr D.A. Templeman: I will get on to Screenwest immediately. There's a story here! It will feature at CinefestOZ 2022!

Mr R.H. COOK: Starring Dave Templeman! Funded by Dave Templeman! Every scene involving Dave Templeman!

Mr D.A. Templeman: Behind the bar, walking the street—I can see it now!

Mr R.H. COOK: Acting Speaker, in closing off the debate, I thank members for their contributions, even the hot air that came from the Leader of the House in the earlier contribution from the member for Wanneroo! We look forward to this being an ongoing and successful mining project. I understand that some members would like to go to consideration in detail to tease out some aspects of this legislation. Other than that, I thank members for their contributions and all sides of the chamber for their support for this bill.

Question put and passed.

Bill read a second time.

[Leave denied to proceed forthwith to third reading.]

House adjourned at 8.55 pm
