an opportunity to enjoy the benefit of noise abatement. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

House adjourned at 11.19 p.m.

Legislative Assembly

Tuesday, the 14th November, 1972

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

LOAN BILL

Introduction and First Reading

Bill introduced, on motion by Mr. J. T. Tonkin (Treasurer), and read a first time.

Second Reading

MR. J. T. TONKIN (Melville—Treasurer) [4.33 p.m.]: I move—

That the Bill be now read a second time.

A measure of this kind is introduced each year to authorise the raising of loans to provide finance for the works and services detailed in the Estimates of expenditure from the General Loan Fund.

As I have already outlined the capital works programme for the current year when speaking to the Appropriation Bill (General Loan Fund) I propose to confine my remarks to certain aspects of loan raisings.

The public borrowings of the Commonwealth and each State are co-ordinated by the Australian Loan Council which is constituted under the 1927 Financial Agreement between the Commonwealth and States.

The Loan Council determines the annual borrowing programmes of the Commonwealth and the States, together with the terms and conditions under which loans are to be raised.

Subject to the decisions of the Loan Council, the Commonwealth arranges new borrowings, conversion, renewals, redemption of existing loans, and the consolidation of the public debts of the Commonwealth and State Governments.

The Loan Council also determines the aggregate semi-governmental borrowing programme under what is known as the "Gentlemen's Agreement" originally entered into in 1936. Individual loans raised by each of the authorities in this sector are subject to Loan Council approval.

Since 1962-63, the Loan Council has placed no overall limit on the programmes of authorities for which State Governments approve individual loan raisings of $300,000 or less.

Members will no doubt recall that this amount was raised to $400,000 at the meeting of the Loan Council which took place in June this year. This is a significant step forward and will benefit those local authorities that were finding it difficult to manage on a borrowing allocation of $300,000.

As a number of Government instrumentalities are also included in this group, the decision to increase the individual allocation to $400,000 will assist the capital works programme of the Government.

For the financial year 1971-72, the Loan Council approved a borrowing programme of $672,900,000 for State works and housing projects which was financed from—

	$
Cash loans in Australia	581,300,000
Special bonds in Australia	35,400,000
State domestic raisings	24,500,000
Commonwealth subscriptions to a special loan	31,700,000

In addition, the Commonwealth provided the States with an interest-free capital grant of $219,100,000 which was financed from—

	$
Cash loans in Australia	148,600,000
Overseas loans	26,200,000
Treasury notes and special bonds	44,300,000

At the June, 1972, meeting of the Loan Council, the total 1972-73 State works and housing borrowing programme was fixed at $733,500,000. In addition, the Commonwealth agreed to provide $248,500,000 by way of interest-free capital grants to finance nonproductive capital works, such as schools, hospitals, and police buildings. Western Australia's share of the borrowing programme is $68,500,000 and we will receive an amount of $23,200,000 as an interest-free capital grant. Details of the allocation of the grant are shown on pages 13 and 15 of the Loan Estimates.

The borrowing programme for semi-governmental and local authorities raising amounts in excess of $400,000 was fixed at $560,100,000, of which Western Australia was allocated $32,800,000.

Authority is being sought by the Bill now under consideration to raise loans amounting to $67,090,000 for the purposes listed in the schedule to the Bill.

I should point out that the new authority does not necessarily coincide with the estimated expenditure for that particular item during the current year.

Unused balances of previous authorisations have been taken into account and in the case of works of a continuing nature sufficient new borrowing authority has been provided to permit works to be carried on for a period of approximately six months after the close of the financial year.

This is the usual practice and it ensures that there is continuity in progress of works, pending the passing of next year's Loan Act.

Details of the condition of various loan authorities are set out in pages 12 to 15 of the Loan Estimates. These pages also detail the appropriation of loan repayments received in 1971-72.

Provision for the payment of interest and sinking fund is another important authorisation in the Bill. It charges these payments to the Consolidated Revenue Fund and no further appropriation is required from Parliament.

Authority is also sought to reappropriate an authorisation which is no longer required. The second schedule sets out the amount to be reappropriated and the third schedule lists the item to which it is to be applied. I commend the Bill to members.

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

Message: Appropriations

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

PARLIAMENTARY COMMITTEES BILL

Introduction and First Reading

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

Second Reading

MR. JAMIESON (Belmont—Minister for Works) [4.43 p.m.]: I move—

> That the Bill be now read a second time.

The Bill makes provision for the appointment of parliamentary committees and for the control and management of the parliamentary reserve, and for incidental purposes.

It is not suggested that the present system of appointing parliamentary committees has been ineffective. However, consideration of the matter has indicated that legislative authority for the appointment and control of such committees would be preferable.

The examination of the matter which was in progress when the Government took office has been completed and the legislation is now submitted for consideration.

Because of the importance of the matter, it has been decided not to proceed beyond the second reading stage during this session. This will provide members with an opportunity to study the provisions of the Bill.

As a result of the examination of the legislation in other states, the provisions of the Bill have followed the Victorian Act, which provides for the establishment of a number of parliamentary committees.

The Bill now submitted provides statutory authority for the appointment of Parliament House, Standing Orders, Library, Printing, and Public Accounts Committees.

In addition, provision has been made in part V of the Bill for additional committees to be established from time to time. This will make the legislation more flexible and able to meet changing conditions.

A Bill to amend the Constitution Act has been drafted to authorise payment of attendance fees and allowances for members engaged on committee business.

Whilst some members may have reservations about the need for this legislation, it must be conceded that a Statute setting out the powers and responsibilities of parliamentary committees would be in the public interest, as the powers and responsibilities of such committees could be ascertained more readily from the statutes than from standing orders.

I would like to remark further on the introduction of this Bill. For many years a measure such as this has been advocated by the House Committee and, indeed, the Government gave the House Committee an assurance that it would be introduced. The Government has reached the stage where it is now possible to introduce the Bill, and I have taken the responsibility off the shoulders of the Attorney-General who has had more than his fair share of measures which have had to be introduced at this late stage of the sitting.

My experience on the House Committee goes back to the time of the late Mr. George Roberts who strongly advocated a move such as this. We have proceeded rather slowly since that time but, as we are all aware, an urgent matter arose and the Joint House Committee had to be appointed as a board under the provisions of the Parks and Reserves Act so that it could administer responsibly the area of the Parliament House Reserve.

We were aware that this matter would come to a head one day because we knew we had little power to make regulations for the control of the Parliament House Reserve. However, we believe that the provisions of the present Bill will clarify the situation.

As I indicated earlier, it is intended to carry the Bill over until the next session of Parliament. Members of the various committees will be able to study the effects of the measure, and put forward propositions when the debate is resumed. Once the Bill is made public members of Parliament will have a chance to examine the matter, and assess the requirements covering their own particular committees. I commend the Bill to the House.

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

CONSTITUTION ACTS AMENDMENT BILL (No. 2)

Introduction and First Reading

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

Second Reading

MR. JAMIESON (Belmont—Minister for Works) [4.47 p.m.]: I move—

That the Bill be now read a second time.

In moving the second reading of this Bill I do not intend to take up the time of the House, except to indicate, as I mentioned in my previous speech, that it is complementary to the legislation which has just been introduced. The Bill should be read in conjunction with the previous measure, and I commend it to the House.

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

SCIENTOLOGY ACT REPEAL BILL

Introduction and First Reading

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

Second Reading

MR. DAVIES (Victoria Park—Minister for Health) [4.50 p.m.]: I move—

That the Bill be now read a second time.

The attitude of the Government to the question of scientology is well known and has been well documented and well recorded. When I became the Minister for Health, an undertaking had been given that we would have a look at the future of scientology, which I have proceeded to do over the past 20 months or so.

I have had a close look at scientology on a world-wide basis and I have considered its effects within Western Australia and within the Commonwealth. I have also given consideration to the Church of the New Faith, which, as everyone knows, is another name for scientology and which flourishes within Australia. From time to time during the period of 20 months I have taken the avenues available to me to have a look at the question of scientology and to try to assess whether or not any action is needed to be taken by the Government to reverse what was done by Parliament in 1968.

As a result of the wealth of evidence made available to me and that which I have gathered myself, I think I could effectively mount a debate either for or against scientology. A tremendous wealth of documentation on the practice or cult exists, but I think, all in all, my views come down in favour of repealing the restrictions which have been placed on those who practise scientology in Western Australia.

The matter was taken to Cabinet on three occasions. On the 23rd, June, 1971, I advised Cabinet of the action I was taking in regard to investigating the problem. On the 18th February, 1972, I sent to all Ministers and had discussed in Cabinet the report dated the 15th February, 1972, submitted to me by Dr. Ellis, which has been tabled in this House. It will be appreciated the report was only one man's opinion. No opportunity was afforded for anyone in favour of scientology to make any report to the Government.

Mr. Hutchinson: Do you mean it is only Dr. Ellis' opinion and not the departmental opinion?

Mr. DAVIES: Perhaps my phraseology was loose. Dr. Ellis is the head of the department. It was a report prepared by Dr. Ellis, signed by him, and sent to me. So members can take it as they wish —whether it is Dr. Ellis' opinion or the view of the department.

Mr. Hutchinson: What is your opinion?

Mr. DAVIES: I do not think it matters.

Mr. Hutchinson: You just mentioned an individual.

Mr. DAVIES: I do not think it matters in the slightest. The honourable member can put upon it whatever construction he wishes. The report was prepared by Dr. Ellis on evidence available to him. The honourable member has seen the report—it has been tabled in Parliament—and his assessment would be as good as mine.

I have also taken the opportunity to read the departmental files regarding what happened right from the time the practice of scientology was investigated or came under notice early in 1965. The first letter on the file is a letter from the present Deputy Leader of the Opposition which, from memory, is dated February, 1965.

Mr. O'Neil: I did not know I could write.

Mr. DAVIES: The honourable member can, and the letter was answered. As I say, a report dated the 15th February, 1972, prepared by the Director of Mental Health Services was circulated to all Cabinet Ministers. On the 29th September I sent a further minute to Cabinet and recommended that the Scientology Act, 1968, be repealed. During the whole of the time we have been in Government I suppose we have received 20 or so letters asking for the repeal of the Scientology Act, and as far as I can see only two letters opposing the repeal of the measure have been received. Apart from those two letters, one lady asked me at a social function not to repeal the Act, which makes a total of three persons who have communicated their opposition to the repeal of the Scientology Act.

The SPEAKER: I must ask the people in the gallery to be seated.

Mr. DAVIES: On the other hand, I received from the Church of the New Faith a considerable number of documents outlining the activities and beliefs of the

church and the changes which had been made since 1968, when the legislation was enacted. If members would like to have a look at any of the documents I have, they are welcome to do so. I am prepared to make available to all members anything that has come to me from the Church of the New Faith.

I cannot find evidence of any face-to-face contact between members of the previous Government and members of scientology or the Church of the New Faith right from the time the banning of scientology was first considered. From memory, there have been half a dozen letters offering to meet Ministers, a Government representative, or departmental representatives, but all of them have been rejected.

The argument which most impressed me was that a prosecution under the Act is not likely to succeed. Members are aware that following Police Court convictions in either late 1968 or early 1969, the scientologists made a successful appeal to the Full Court. Following that successful appeal the Crown Law Department wrote a letter, and I think it is necessary, for the record, that I read it. I shall be quite happy to table the document when I have finished speaking. The letter is dated the 8th April, 1970; it is addressed to the Commissioner of Police by Ron J. Davies, for the Crown Prosecutor, and it reads—

> The Commissioner of police:
>
> re: Scientology Act, 1968.
>
> Recent consideration of the above Act by the Full Court on the hearing of the appeal instituted by the Hubbard Association of Scientologists International has highlighted certain difficulties related to proof of charges under the Act.
>
> The fundamental problem is that, notwithstanding its long title, ("an Act to proscribe the activities of the body known as the Hubbard Association of Scientologists International ..."), what the Act really purports to prohibit is the practice by way of application (and other activities in relation to) a system of thought.
>
> The system of thought, described as "scientology" is defined by reference to the writings and utterances of one Ronald Lafayette Hubbard as disseminated by a company incorporated in Arizona. Such a definition is impossible to satisfy by means of evidence legally admissible in a court of law if for no other reason than that the writings and utterances of Hubbard cannot be strictly proved. No further evidence available or likely to be available to police officers would assist in rectifying this defect.
>
> Nevertheless, since the activity to which the Act is directed would appear to be that defined it is not readily apparent what alternative form of definition could be used in the Act in order that it might still achieve its declared purpose whilst at the same time overcoming the evidentiary obstacles inherent in the present definition.
>
> There remains the offence under section 4 of the Act of using or applying to another person a galvanometer; which offence does not, of course, involve proof of "scientology" as defined. For this reason a prosecution under this section should be successful if appropriate evidence (perhaps in the form of information from a person formerly involved in the practice of scientology) were to become available at any time.

That letter was sent to the Commissioner of Police by the Crown Law Department. It was considered by the C.I.B.; and to complete the picture I think I should read the report of the C.I.B. The following letter was sent from then Senior Inspector, and now Superintendent, John Parker to Superintendent Nielson:—

> This matter was referred to the Chief Crown Prosecutor, Mr. Dixon, and Crown Presecutor, Mr. Ron Davies, who have examined the position at length.
>
> The Scientology Act was badly drafted in the first instance and it was apparent before the prosecution that there would be considerable difficulty in proving that the brand of scientology was that of Ronald Lafayette Hubbard, now in England, as disseminated by a company incorporated in Arizona.
>
> I had a brief discussion with the Minister for Health, Mr. MacKinnon, before we prosecuted to see if there was any possibility of the Act being amended to remedy inherent defects.
>
> I was assured there was no possibility whatever of trying to have the Act amended in view of its difficult passage in Parliament and criticism of the Bill.
>
> Although we were able to produce in Court masses of documents and books allegedly being distributed by a Ronald Lafayette Hubbard, we could not positively establish that this man was identical with the man of the same name quoted in the Interpretation of the Act.
>
> It is impossible to overcome this serious deficiency by evidence available in this State.
>
> This contention is supported by the Crown Prosecutor. There is no evidence available, or likely to ever be available, to Police Officers, which will remedy this inherent defect.

The only offence we could reasonably prosecute under this Act is under Section 4, the use of galvanometers, if there is sufficient evidence.

The Crown Law Department does not intend to recommend any amendments to the Act and under the circumstances I do not consider the Police Department should attempt to amend the Act either.

Mr. Davies has submitted his views to the Commissioner of Police and they are attached hereto, having been handed to me personally.

There are 15 charges before the Police Court which were adjourned *sine die* pending the result of the appeal to the Full Court.

All the exhibits put in at the hearing are still being held at the Crown Law Department.

It is suggested that all charges be withdrawn and the exhibits returned to the Scientologists.

Then, of course, Superintendent Nielson referred the matter to the Commissioner of Police. In his report to the commissioner he pointed out much of what I have already read out. The Commissioner of Police then wrote to the Under-Secretary, Crown Law Department, drawing attention to the reports and recommending that—

(1) The fifteen charges be withdrawn, and

(2) The Association's documents seized under Search Warrant and currently held by your Department be handed over to the Association upon application.

That letter from the Commissioner of Police to the Under-Secretary, Crown Law Department, was dated the 14th April, 1970. I am advised by the Police Department that the documents were returned to the Church of the New Faith—or the scientologists—on the 5th May, 1970, some three weeks after the date of the letter to which I have just referred. Eventually the charges were withdrawn on the 10th March, 1972—even though it was recommended that they be withdrawn almost two years previously. That is the history of scientology at that time.

Before making any recommendation to Cabinet, I wanted to know whether or not the Police Department had given any further consideration to the problem, whether any further complaints had been received, or whether any person had been concerned about the activities of the Church of the New Faith. After looking through the file of the Commissioner of Police, I asked whether Superintendent Parker—who is now in charge of the C.I.B.—would speak to me about the problem. We met, and following our discussion he made this report to the Commissioner of Police—

On the 5th September, 1972, as requested, I interviewed the Minister for Health, Mr. R. Davies, and had a discussion regarding the Scientology Act.

The Minister desired to know what we considered was of value in the existing legislation.

I informed him that the Act as now in operation, was of little value, and that it did little to control the Scientology cult. The only section which had any weight and was enforceable was the use of 'E' Meters or Galvanometers. The use of these machines was considered to be most objectionable when the Act was originally promulgated.

In my opinion there still should be some control over the use of these machines.

The Act in its present form is almost a copy of existing legislation in Victoria, which has also proved to be ineffective.

It is difficult to prove a charge under this particular Act because there is insufficient definition of a type of Scientology. The Act originally outlawed the Scientology of Hubbard, but to prove that this type of Scientology was being practised in W.A. was practically impossible without Hubbard himself coming to this State and admitting the facts.

I consider that the legislation should be rescinded.

I recommend therefore:—

(a) that the Scientology Act be rescinded, and

(b) that section 4 relating to the use of 'E' Meters be included in the Health Act.

The Commissioner of Police sent that report to the Minister for Police and in his final paragraph he said, "I support the recommendations of Superintendent Parker." When the Minister for Police referred the matter to me I sought the opinion of the Commissioner of Public Health regarding the inclusion of the prohibition on the use of E-meters in the Health Act. His reply was that there was no point in so doing.

I took the matter to Cabinet on the 29th September and recommended that the legislation be repealed. Cabinet agreed, and that is why the Bill is before the House now.

Sir David Brand: Did the Commissioner of Public Health give any reasons for so *recommending*?

Mr. DAVIES: No, he merely told me there was no point in including it under the Health Act.

Sir David Brand: It would seem to me that, the Commissioner of Police having recommended that it be done, it is not satisfactory for the Commissioner of Public Health simply to say, "No."

Mr. DAVIES: The answer may be to apply that prohibition in some other way. However, I do not believe that is the answer, in view of the fact that since scientology was banned in this State in 1968 no other country in the world, as far as I can ascertain—and I have researched this matter very well—has taken action to ban scientology. It is true that inquiries have been conducted in New Zealand, Britain, and South Africa. Shortly I will deal with the recommendations of the New Zealand inquiry, and I will also deal with Sir John Foster's report to the British Parliament. The only information I can give the House regarding the position in South Africa is that I approached the South African Embassy and was told that the report has been completed but has not yet been made public. Since 1968 no other country in the world has considered it necessary to ban scientology.

Mr. O'Neil: Does scientology operate in other countries of the world?

Mr. DAVIES: Yes.

Mr. O'Neil: In which countries?

Mr. DAVIES: Canada, America, Europe, Africa, New Zealand, and, I believe, India. Although I am not certain of the position in India, scientology operates in all of the other countries and also in some of the Mediterranean countries. Therefore, in view of the fact that no other country had sought to take any action, and that scientologists were aware of public reaction to their activities, I believe the correct decision has been made to place Western Australia in the same enlightened position as some of the other more thoughtful countries.

Mr. Hutchinson: When do you expect the debate on this Bill to be resumed?

Mr. DAVIES: We can continue with it straightaway if the honourable member wishes; I would be quite happy to do so.

Mr. O'Neil: This is not one of the Bills you hope to deal with this session?

Mr. DAVIES: Yes it is; we said the Bill would be introduced this session. An undertaking was given to the Leader of the Opposition that it would be introduced and dealt with this session.

Sir Charles Court: I do not want the House to interpret your remarks to mean that I requested the legislation. That is far from the position.

Mr. DAVIES: Similarly, I hope the House does not interpret my action as meaning I am wholly in favour of scientology. Nevertheless, the fact remains that I believe we must adopt an enlightened approach to the subject. Indeed, it has been reported to me that in a recent television interview the previous Minister for Health adopted a more mellow attitude to the question. I point out that I am only repeating hearsay.

Sir David Brand: You had better refer that to the Reverend Graham.

Mr. DAVIES: No, it was the previous Minister.

Mr. Hutchinson: When I asked you about the adjournment of the debate you said in a frivolous manner that I could continue straightaway. I asked you in a polite fashion, and I expect a courteous reply.

Mr. DAVIES: Let me first of all apologise for any such intonation in my remarks. They were not intended that way. I am sure the honourable member will recall that some time ago his leader asked the Premier what legislation would be finalised this session—

Mr. Hutchinson: Yes, but we are presented with it now.

Mr. DAVIES: —and this was one of the Bills mentioned by the Premier. I think we have already indicated that if members opposite want to sit here until Christmas that is quite all right with us.

I point out that I am not arguing the merits of scientology; I am merely placing on record the fact that the Crown Law Department says the Act as it stands at present is not enforceable.

Mr. O'Neil: Then there is no need to repeal it.

Mr. DAVIES: That may be so; but if we do not repeal it would not we be hypocritical?

Mr. Hutchinson: Not a bit.

Sir Charles Court: Some parts of it have been ruled to be effective.

Mr. DAVIES: The part relating to galvanometers is allegedly effective; but I do not know whether those are still in use. I apologise for taking so long with my speech; I do not wish to delay the House.

There has been a move to repeal the Act in South Australia. I previously referred to the Foster report, which was produced by a single-man inquiry into the practice and the effects of scientology in Britain. Members might recall that people who travelled to Britain in order to undertake a course at Grimstead—or wherever the headquarters of scientology are—were not allowed into the country if they stated that their purpose was to take that course. Sir John Foster recommended that that practice be discontinued. From inquiries I made I believe that later some legislation may be introduced in that country to control the practice of psychotherapy for a fee; but I have no firm information in that regard.

Before I conclude I would like to read to the House—and this is my penultimate quotation—paragraph 262 of Sir John Foster's report. It reads as follows:—

> 262. Finally, I should say that I disagree profoundly with the legislation adopted in both Western and South Australia, in turn based on part of that adopted in Victoria, whereby the teaching and practice of Scientology *as such* is banned. Such legislation appears to me to be discriminatory and contrary to all the best traditions of the Anglo-Saxon legal system. I cannot see any reason why Scientologists should not be allowed to practice psychotherapy if they satisfy the proposed professional body that they are qualified to do so, that their techniques are sound, that their practitioners receive adequate training and operate under a stringent ethical code, and that there is no hint of exploitation. If it is indeed, as they claim, "the first thoroughly validated psychotherapy", the profession will welcome them with open arms. And should its governing body decide, as has been done in many professions, that it is unethical to advertise for patients or to make unqualified claims to cure, I have no doubt that the Scientology leadership, if its sincerity is genuine, will be happy to conform to these standards.

Mr. Hutchinson: Who wrote that?

Mr. DAVIES: Sir John Foster, who reported to the House of Commons on the practice and effects of scientology.

Mr. Hutchinson: What is he? He is not a psychiatrist?

Mr. DAVIES: No, he was appointed by the House of Commons and given terms of reference to inquire into the matter; and he reported to the Secretary of State for the Social Services.

Mr. Hutchinson: What is your view of the profession of psychiatry and associated psychological methods as practised under the Mental Health Act? Do you believe in these things? As the Minister for Health, your reply is important.

Mr. DAVIES: Does the member for Cottesloe want to know whether I believe psychiatrists and psychologists are of value?

Mr. Hutchinson: Yes, and the work they do under the Mental Health Act.

Mr. DAVIES: The answer is "Yes, naturally." Good heavens, what a question! However, I believe that organisations and individuals are entitled under the Australian Constitution to practise their beliefs.

I want to make one last point which is in regard to an inquiry conducted in New Zealand. The quotation I am about to make is from a document signed by the chairman of the commission of inquiry. The document is dealing with the code of reform and at the top of it appears, "Wellington, June 1969." This extract reads—

> The commission feels that for the future Scientology should regard as indispensable certain rules of practice. These are:
>
> (1) No reintroduction of the practice of disconnection.
>
> (2) No issue of Suppressive Person or Declaration of Enemy orders by any member to any other member of a family.
>
> (3) No auditing or processing or training of anyone under the age of 21 without the specific written consent of both parents; such consent to include approval of the fees (which shall be specified) to be charged for the course or courses to which the consent is applicable.
>
> (4) A reduction to reasonable dimensions of "promotion" literature sent through the post to individuals, and prompt discontinuance of it when this is requested.
>
> If Scientology in New Zealand has regard to these rules of practice no further occasion for Government or public alarm should arise in respect of those of its manifestations with which this inquiry was concerned.
>
> GUY POWLES,
> Chairman.
>
> E. V. DUMBLETON,
> Member.

I believe Sir Guy Powles is the New Zealand Ombudsman.

Mr. O'Neil: Have you any guarantee that the Church of the New Faith will not reintroduce these objectionable practices after the passing of this Bill?

Mr. DAVIES: I have been told that its members are not indulging in these practices at present.

Mr. O'Neil: I am asking you if you can give a guarantee that these practices will not be indulged in in the future.

Mr. DAVIES: They stand condemned if they are reintroduced, because they told me today—and I am now recording this in *Hansard*—that they have abandoned these practices.

Mr. O'Neil: I am asking you whether they also told you that if you repeal the Act they will still not reintroduce those practices?

Mr. DAVIES: I have not asked them that and I have no intention of doing so. I take it that they will not. I do not think we can possibly bind them to the future.

Mr. Hutchinson: This would indicate that the legislation we introduced had a profound value.

Mr. DAVIES: That would be for the judgment of the individual.

Mr. Hutchinson: If you had been listening you just heard the result of it.

Mr. DAVIES: If it has had that value the honourable member can be proud and can now vote for the repeal of the Act. If we believe that scientology should be banned, we should also ban motivaction. This question and practice has been raised in the House and from my inquiries it seems to me that this is much more reprehensible than scientology ever was. It just goes to show how dangerous it is to ban one cult, and then ban the next one, and the next. Goodness knows what will happen eventually. My action to repeal the Act does not in any way imply the endorsement or otherwise of scientology, as scientology, of course, is for the individual.

I believe, however, that if an individual, or the adherents of any faith break the law there are civil and criminal remedies that may be invoked to enforce the law.

Adjournment of Debate

MR. HUTCHINSON (Cottesloe) [5.20 p.m.]: I would like to move that the debate be adjourned until, say, Thursday.

Mr. Graham: You have not done it in regard to other Bills, why this one?

Mr. HUTCHINSON: Because I am asking for it.

The SPEAKER: What is the motion?

Mr. HUTCHINSON: I move—

That the debate be adjourned until Thursday, the 16th November.

Motion put and passed.

QUESTIONS (13): ON NOTICE

1. FIREARMS AND GUNS ACT

Amendment

Mr. RUSHTON, to the Premier:

Is it still intended as indicated by the Minister for Police to bring in a Bill this session of Parliament to amend the Firearms and Guns Act, 1931 and/or to amend Firearms Regulations, 1931?

Mr. J. T. TONKIN replied:

No. Amending legislation is in the course of preparation but it will not be practicable to introduce a Bill during the current session.

2. ARMADALE HIGH SCHOOL

Bus Station

Mr. RUSHTON, to the Minister for Education:

(1) Will he please advise the present position as to installation of the bus station at Armadale Senior High School?

(2) When is it expected the work will commence?

Mr. T. D. EVANS replied:

(1) Sketch plans have been prepared by the Public Works Department for a bus station at an estimated cost of $17,000.

(2) This work has been listed for consideration in the 1973-74 financial year.

3. HOSPITALS

Teaching Hospitals Advisory Council

Dr. DADOUR, to the Minister for Health:

Will he name the members of the Teaching Hospitals Advisory Council?

Mr. DAVIES replied:

Dr. W. S. Davidson.
Mr. H. R. Smith.
Dr. T. R. Morley.
Mr. A. J. Smith.
Emeritus Professor R. F. Whelan.
Professor G. G. Lennon.
Mr. H. V. Reilly (Deputy Mr. N. C. Rees).
Mr. L. G. Cox (Deputy Dr. R. Kilgour).
Sir Reginald Rushton (Deputy Dr. R. C. Godfrey).
Mr. G. H. Chessel (Deputy Dr. H. Rees).
Mr. C. C. Bennett (Deputy Dr. G. A. Leyland).
Dr. A. K. Cohen (Deputy Mr. R. G. Hayward).

4. REMEDIAL EDUCATION

Students and Teachers

Mr. A. R. TONKIN, to the Minister for Education:

(1) How many Western Australian primary school children receive remedial (as distinct from special) education from itinerant teachers?

(2) How many such students are there in the secondary schools?

(3) How many itinerant remedial teachers are employed in—

(a) primary schools;

(b) secondary schools?

(4) How many remedial teachers are employed—
(a) full time;
(b) part time,
in high schools and whose whole working time is spent at a particular school?

(5) What subjects are taught by the teachers referred to in (4) above?

Mr. T. D. EVANS replied:

(1) Approximately 450 at any one time.

(2) None.

(3) (a) 15.
(b) None.

(4) (a) 6.
(b) 26.

(5) Only reading and associated subjects such as spelling and written expression.

5. FISHERIES COUNCIL

Environmental Protection Recommendation

Mr. MENSAROS, to the Minister for Fisheries and Fauna:

What legislative or administrative actions were recommended by the Environmental Pollution Committee to the Fisheries Council at its meeting in Sydney on 11th September, 1972?

Mr. Taylor (for Mr. BICKERTON) replied:

The Standing Committee on Fisheries, to which the Environmental Pollution Committee is responsible, recommended to the Fisheries Council that the name of the Environmental Pollution Committee be changed to Fisheries Pollution Committee and also recommended modification to its terms of reference. The recommendations were adopted.

6. POLICE

Blood Alcohol Checks

Mr. MENSAROS, to the Minister representing the Minister for Police:

Is it still the practice of traffic police to apprehend only those drivers who commit any offence, or are the police stopping drivers who do not trespass any rules in order to check their blood alcohol content?

Mr. TAYLOR replied:

The Traffic Act provides that a person can only be given a test if there are reasonable grounds for believing he has alcohol in his body and he—

(a) was the driver of a vehicle, the presence of which occasioned, or of which the use was an immediate or approximate cause of personal injury or damage to property, or

(b) has committed an offence against the Act of which the driving of a vehicle is an element.

7. MARRIAGES

Validity

Mr. MENSAROS, to the Attorney-General:

(1) Does he know if some marriages validly performed in Western Australia are not recognised by the Greek Government?

(2) If so, can he describe the reasons and any actions taken to remedy this situation?

Mr. T. D. EVANS replied:

(1) and (2) The celebration of marriage is authorised pursuant to the Commonwealth Marriage Act, 1961.

Questions arising out of this Act should be directed to the Commonwealth Attorney-General.

8. WINE

Appellation Control

Mr. STEPHENS, to the Minister for Agriculture:

(1) What progress has been made with the investigation of appellation control for the wine industry in this State?

(2) With the bottling of the first vintage from the experimental vineyard in Mt. Barker being completed what arrangements, if any have been made for its disposal and have the principles of appellation been adhered to?

(3) Would consideration be given to the 1973 crop being processed in the Mt. Barker area if suitable processing plant were available?

Mr. H. D. EVANS replied:

(1) The wine appellation control systems of other countries have been studied and recommendations appropriate to our wine industry are under consideration.

(2) Grapes from the experimental vineyard at Mount Barker were sold to a Swan Valley winery. However, I understand that the wines produced will be sold with appropriate labelling indicating the area of their origin.

(3) If suitable facilities and wine making skills became available, consideration would be given to local processing of the departmental crop.

9. LAND

Reserve in Murray Shire: Cancellation

Mr. MENSAROS, to the Minister for Lands:

(1) Before arriving at the decision described in clause 17 of the Reserves and Road Closure Bill which of the following bodies were consulted—
  (a) Department of Fisheries and Fauna;
  (b) Peel Inlet Conservation Committee;
  (c) Nature Conservation Council of W.A.;
  (d) National Trust?
(2) Which of these have agreed and which have disagreed with the decision?
(3) If none were consulted, why not?

Mr. H. D. EVANS replied:

(1) The Department of Fisheries and Fauna and the local authority were consulted and agreed with this course proposed by a Reserves Advisory Council resolution of 14th August, 1969. At this time the Peel Inlet Conservation Committee was not formed (inaugural meeting 19th February, 1971). The Nature Conservation Council and the National Trust were not consulted.
(2) No representations have been received opposing the scheme.
(3) There is no obligation to refer to private bodies.

10. DRUG ABUSE

Ministerial Conference Decisions

Mr. MENSAROS, to the Minister for Health:

Has there been an agreement at the ministerial conference on drug abuse in Adelaide on 11th August, 1972 re—
  (a) current legal attitude against possession and use of marihuana;
  (b) drug trafficking and the low level of penalties imposed by some courts?

Mr. DAVIES replied:

(a) and (b) Yes.

11. INDUSTRIAL DEVELOPMENT

Sarich Engine

Mr. McPHARLIN, to the Minister for Development and Decentralisation:

(1) Are the facilities of the Wundowie charcoal iron and steel works still being used for the further development of the Sarich engine?
(2) If so, will he advise of the progress being made?
(3) Is it envisaged that the Government will act as a guarantor for the establishment of a private industry to manufacture the engine?
(4) If "Yes" to (3), when is it expected that production will commence?
(5) Where will the factory be located?
(6) Is it envisaged that the engine will be designed to provide power for other than motor cars?
(7) If so, can he advise of the other areas of power supply to which the engine can apply?

Mr. GRAHAM replied:

(1) Casting work has been carried out by Wundowie Charcoal Iron and Steel Industry from time to time on a commercial basis.
(2) Castings for prototype engines and additional models for testing have been completed as required. Further work for test models will be done from time to time.
(3) Until the invention has been fully proven, considerations for financing future production are premature, but the project has the full support of the Government.

  Here I might add that as an indication of Government support, I recently approved a further advance of $50,000.
(4) Answered by (3).
(5) Not known.
(6) Yes.
(7) The engine will be tested as to its suitability as a source of power for all purposes. These will include use in motor vehicles, tractors, boats, stationary motors, air compressors and later in aircraft.

12. INDUSTRIAL DEVELOPMENT

Kwinana: Service Corridor

Mr. RUSHTON, to the Minister for Development and Decentralisation:

I refer to an urgent request to me from the Shire of Rockingham for the widening by two chains of the service corridor between Co-operative Bulk Handling and the alumina bulk storage depot, to allow a road and bridge to be constructed across the Kwinana loop railway to replace the planned bridge at Charles Street, Kwinana cancelled because of the planned Pacminex railway working area.

(1) Will he give an assurance he will immediately consult with his department to enable this amendment to be included in another place?

(2) Is he aware that if the present plans are proceeded with without provision for the railway bridge crossing at the service corridor, the heavy industrial traffic quite likely will have to pass through the residential area of Governor Road, Rockingham?

(3) Did he consult with the Shire of Rockingham over this latest Pacminex planned development?

(4) If "No" to (3), will he now review the implications of the legislation with the Shire of Rockingham?

Mr. GRAHAM replied:

(1) The agreement already provides for special consideration to be given by the Minister to the railway working area. An interdepartmental committee is investigating alternative means of access to the wharf area, and will co-operate with the Shire of Rockingham.

(2) Alternative access being considered would avoid this problem.

(3) It is understood that officers of the Town Planning Department have been in touch with the shire.

(4) Answered by (1) and (3).

13. *This question was postponed.*

QUESTIONS (13): WITHOUT NOTICE

1. APPLE AND PEAR INDUSTRY

Report of Committee

Sir CHARLES COURT, to the Minister for Agriculture:

Can he please advise whether there is any prospect of a number of copies of the report of the committee of which Mr. Knox was the chairman being made available urgently? As I understand it, its function was to report on fruit handling and transport within the fruit industry, and the report was tabled on the 2nd November. No doubt the Minister has heard that inquiries have been made at his office to see if copies could be made available to those interested in it and possibly to members of Parliament, and the reply was that this is not practicable at this stage. The document is vital in regard to the consideration of the relevant Bill.

Mr. H. D. EVANS replied:

I was under the impression that further copies of the report were made available to the officers in the Chamber this afternoon. Those members who have approached me have been given a copy and, if supplies do run out, consideration will be given to further printing.

2. KINDERGARTENS

Day-care Training Centre

Mr. R. L. YOUNG, to the Minister representing the Minister for Community Welfare:

(1) Was the Minister correctly reported when *The West Australian* of the 13th November, 1972, quoted him as saying that the W.A. Kindergarten Association Day-care Training Centre would be closed and could no longer continue the course of training day-care centre students?

(2) If "Yes," on what information did the Minister assume that such a closure would occur?

(3) Is the Minister aware that there are currently 18 second-year students and 23 first-year students enrolled for the course?

(4) What future does he envisage for these students and the 30 people being recruited for the course to commence next year?

(5) Has any Government department received requests for financial assistance from the Kindergarten Association of Western Australia to support the day-care training programme?

(6) Is he aware that this course is the only one of its kind in Australia?

Mr. T. D. EVANS replied:

As the honourable member has given ample notice of this question I am able to give the answer as follows:—

(1) The Minister was not incorrectly reported, but he was incompletely reported.

The Minister's statement to the Press stated that "it was not possible to continue this course at the present site and other arrangements would be made for the accommodation and training of students at present enrolled."

(2) The information was obtained following a meeting of the advisory committee for the child-care training course held on the 31st October, 1972, and was confirmed in a letter from the Executive Officer of the Kindergarten Association dated the 13th November, 1972.

(3) Yes.

(4) It would appear that the majority of students graduating this year will obtain employment in kindergartens.

With regard to those who will continue their training in 1973 and those to be recruited in 1973, the Minister is obtaining advice as to ways and means by which the training programme might be continued so that the public requirement for trained staff is met.

(5) Yes. The Department for Community Welfare has received such requests.

(6) Yes, though there is a rather similar course of three years' duration in New South Wales.

3. CHARITABLE ORGANISATIONS

Expense Ratios

Sir CHARLES COURT, to the Premier: I refer to the comments made by Mr. Campbell regarding charitable organisations, and the fear that some of the organisations have expense ratios which are too high to be permitted and that some have not conformed to other requirements of the department. In view of the uncertainty and possible hardship which has been caused reputable bodies which have conformed, or consider they have, and in view of the fact that these uncertainties will not be removed until some public statement is made following the Government inquiry currently being held, could he, as Premier, confer with the appropriate Minister, and if necessary any other Minister, to see whether special efforts could be made to expedite the study and report in order to be fair to those bodies which consider they have been harshly incorporated in a blanket accusation?

Mr. J. T. TONKIN replied:

Unfortunately I know of no way to unscramble eggs; but I agree with the tenor of the remarks of the Leader of the Opposition. It is desirable that the inquiry be proceeded with with the greatest expedition and I will certainly request that this be done.

4. APPLE AND PEAR INDUSTRY

Production, and Report of Committee

Mr. RUSHTON, to the Minister for Agriculture:

(1) How many Western Australian orchardists are categorised as apple and pear growers?

(2) How many growers in the apple and pear industry are from—

(a) the hills districts,

(b) the various other zones?

(3) How many growers in areas (a) and (b) expressed separately as an actual number and as a percentage depend upon orcharding as their sole income?

(4) What percentage of the Western Australian fruit crop is exported and put on the local market from each of the zones?

(5) Expressed for apples and pears separately, what was the percentage of the annual crop exported and sold on the local market from the individual zones for the years 1969, 1970, 1971, and 1972?

(6) What has been the increased planting of apple and pear trees in each of the past six years in each of the orcharding zones?

(7) Will he table the Government's and the Fruit Handling and Transport Committee's communications with the Minister for Primary Industry or his department and the Australian Apple and Pear Board regarding the right for Western Australia to negotiate separately, shipping requirements and freight charges to apply?

(8) On what date was he made aware of the completed Fruit Handling and Transport Committee's report?

(9) When was the draftsman instructed to prepare the Apple and Pear Industry Bill, 1972?

(10) Will he defer the legislation until next session as requested by many growers to enable the producers of apples and pears to consider the legislation and the Fruit Handling and Transport Committee's report?

The SPEAKER: That is the type of question which should go on the notice paper.

Mr. H. D. EVANS replied:

The honourable member did give me some reasonable notice of this question, and I am able to reply as follows:—

(1) and (2) These figures are not published by the Commonwealth Bureau of Census and Statistics. The W.A. Fruit Growers' Association has supplied the following figures:—

(1) 913.

(2) (a) 185;
(b) 728.

(3) Not known.

(4) (a) Export:

1970/71	Total Production	*Estimated Exports (000's bushels)	% of Total Production
Hills	652	325	10·3
Other	2,503	1,552	89·7
TOTAL	3,155	1,877	....

* Based on Departmental Inspections.

(b) Local Market: Not available.

(5) Not currently available, but will be supplied to the honourable member.

(6) Not known.

(7) The proposition that Western Australia be permitted to negotiate its own freight has been strongly supported. The relevant correspondence can be tabled if so desired, but it will take some time to extract details from the relevant files. I have two telegrams which the honourable member is welcome to peruse.

(8) An interim recommendation was received on the 28th August, and the copy of the final conclusions on the 19th October. The final report was received on about the 27th October.

(9) The 14th September, 1972.

(10) No.

5. APPLE AND PEAR BOARD

Members

Mr. BLAIKIE, to the Minister for Agriculture:

Have the names of Messrs. Gubler, Reid, and Gorman been submitted to the Minister as members of the proposed Apple and Pear Board and did these gentlemen assist in the drafting of the Bill in conjunction with officers of his department?

Mr. H. D. EVANS replied:

(a) No.

(b) Representatives of the Executive of the Fruit Growers' Association discussed the draft legislation with the Director of Agriculture in its final stages of drafting. These representatives were—

President Mr. H. Gubler;

Vice-President Mr. B. C. Langridge;

Past President Mr. D. Reid;

Hon. Associate Secretary Mr. Gorman.

6. WORKERS' COMPENSATION ACT

Amending Legislation

Mr. WILLIAMS, to the Minister for Labour:

(1) When was the committee known as the Minister for Labour Advisory Committee appointed and when was the first meeting held?

(2) (a) On how many occasions has the committee met?

(b) Were all members present at each meeting?

(c) If not, whose representative was not present?

(3) At how many of these meetings was workers' compensation seriously considered and discussed and what recommendations were made?

(4) Was the workers' compensation Bill now before the House the result of these discussions?

(5) If not, why not?

(6) By whom were the contents of the Bill suggested?

(7) Were representatives of (a) labour, (b) management, (c) insurers, (d) Workers' Compensation Board consulted before or after the drafting of the Bill? If so, which of them?

Mr. TAYLOR replied:

I thank the member for Bunbury for adequate notice of this question the answer to which is as follows:—

(1) The committee known as the Minister for Labour Advisory Committee had an initial meeting on the 30th November, 1971. The first formal meeting was held on the 17th February, 1972.

(2) (a) Three formal meetings.

(b) and (c) No; the Minister was unavailable for the second meeting which was chaired by the Secretary for Labour.

(3) The committee was advised of the Government's legislative programme for 1972, particularly those matters referred to in the Premier's election policy speech and in which the Workers' Compensation Act amendment was specified. The particular Act was not seriously considered at these meetings except that members were advised that amendments being prepared were interim only pending full-scale investigation and research into a new Workers' Compensation Act.

Both parties concerned were advised by letter in July and August this year that they would be invited to be members of the investigating committee project to be established for the purpose of the full review.

(4) Answered by (3).

(5) The 1972 amendments are regarded as interim and were not discussed on a tripartite basis.

(6) The Workers' Compensation Board, the Australian Labor Party Parliamentary Industrial Committee, and written views presented by the Trades and Labor Council.

(7) The Trades and Labor Council was consulted in respect of its written submissions. The Workers' Compensation Board was responsible for drawing up the recommendations to the Parliamentary Counsel.

7. RURAL RECONSTRUCTION SCHEME

Fruitgrowers

Mr. NALDER, to the Minister for Agriculture:

(1) How many farmers who have applied for assistance under the Rural Reconstruction Scheme are—

(a) fruitgrowers;

(b) apple and/or pear growers?

(2) How many farmers in each category are from—

(a) the lower great southern area;

(b) the south-west area;

(c) the hills area;

(d) other areas?

Mr. H. D. EVANS replied:

I regret that statistics of this nature are collated only by the Bureau of Agricultural Economics periodically and then do not include classification by area. In the time available there was no opportunity to obtain further information; but should the honourable member require it for a specific and complete reason, a hand study could be undertaken if, in his opinion, it is warranted.

8. HOSPITALS

Teaching Hospitals Advisory Council

Dr. DADOUR, to the Minister for Health:

With reference to question 3 on today's notice paper in answer to which the Minister gave me the names of the Teaching Hospitals Advisory Council, could he tell me who is Mr. A. J. Smith?

Mr. DAVIES replied:

Mr. A. J. Smith is the very capable Administrator of the Fremantle Hospital.

9. SCIENTOLOGY ACT REPEAL BILL

Tabling of Papers

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

In his speech on the scientology Bill he referred to certain papers from the Crown Law Department and the Police Department—at least two or three papers—and said he was prepared to lay them on the Table of the House. Will he do so?

Mr. DAVIES replied:

When they are returned by the *Hansard* reporter who has them at the moment, with the permission of the Speaker at that stage I will be delighted to table them. They should be back shortly.

10. INDUSTRIAL DEVELOPMENT

Kwinana: Service Corridor

Mr. RUSHTON, to the Minister for Development and Decentralisation:

I desire the Minister to give confirmation concerning part (3) of question 12 on today's notice paper in which I asked him whether he had consulted with the Shire of Rockingham over the latest Pacminex planned development. The Minister did not answer except to say that members of the Town Planning Department had been in touch with the shire. I ask him: Did he or anyone from his department consult with the Rockingham Shire with reference to this Pacminex development?

Mr. GRAHAM replied:

I hope and trust that the honourable member appreciates that when a Minister has a staff of some 80 persons, they are appointed for a purpose and the Minister does not personally attend to everything which requires attention or he would not have a staff at all. There would be no necessity.

Mr. Rushton: The previous Government made local authorities aware of development in their districts.

Mr. GRAHAM: The previous Government kept on building up personal staff which was reduced by this Minister when he assumed office.

Sir Charles Court: Rubbish!

Mr. GRAHAM: That is so!

Sir David Brand: That is not!

Mr. GRAHAM: I am sorry, but that is a statement of fact.

Sir Charles Court: Did you put them under other classifications?

Mr. GRAHAM: So completely wrong! I can say quite plainly and positively that I personally did not have any contact. As to whether any officer of the department did or whether this was done exclusively by the Town Planning Department, I am unable to answer off the cuff.

11. APPLE AND PEAR INDUSTRY

Report of Committee

Sir CHARLES COURT, to the Minister for Agriculture:

Would the Minister be good enough to make contact with his department to see whether he can obtain more copies of the Knox committee's report?

Three copies were sent to Parliament House but they have all been distributed. When my office asked the Minister's office yesterday whether the Leader of the Opposition could have a copy, the answer was "No."

Mr. H. D. EVANS replied:

I will certainly do that. I hate to think of the Leader of the Opposition being without a copy and, for this reason, he may have mine.

12. HEALTH

Food Poisoning at Esperance Show

Mr. BLAIKIE, to the Minister for Health:

As a Press statement has been issued by his department relating to food poisoning at Esperance, would the Minister advise when the information requested is to be made available?

Mr. DAVIES replied:

I apologise for the Press statement and I was most embarrassed by it, because I only know what I have read in the paper. I will certainly find out why the directive I sent out that the information be passed on to the honourable member was not complied with.

13. CHURCH OF THE NEW FAITH

Comments by Dr. Ellis: Rebuttal

Mr. DAVIES (Minister for Health): I would like to supplement an answer given to the member for Wembley on Thursday last when he asked whether I had received any comments on Dr. Ellis' report, which I had tabled. I told him that I had not. That night, when I returned to the office, there was a copy of a document addressed to another person. This copy had been sent to me.

I do not regard this as my property and I will not make it public until the person to whom it is addressed has dealt with it.

TRAFFIC ACT AMENDMENT BILL (No. 3)

Receipt and First Reading

Bill received from the Council; and, on motion by Mr. J. T. Tonkin (Premier), read a first time.

TOTALISATOR AGENCY BOARD BETTING ACT AMENDMENT BILL (No. 3)

Second Reading

Debate resumed from the 9th November.

MR. J. T. TONKIN (Melville—Premier) [5.48 p.m.]: The Leader of the Opposition, when addressing himself to this Bill, said there are two crucial points and I now propose to deal with them in the hope that I can satisfactorily clear up the doubts which are in his mind.

One point referred to the use of the word "refunds" which did not appear to be clear, because in the original Act reference is made to dividends. There is a reason for using the word "refunds." It was originally provided in the Statute that unclaimed dividends should be held for one month and subsequently transferred to a special account where they would be held for six months. After that, they would be paid into Consolidated Revenue.

Money which is invested on a nonstarter is not a dividend, because it is not an investment at all. The horse simply does not run and this money, consequently, is held in trust by the Totalisator Agency Board on behalf of the investor who lodged it in the belief that the horse upon which he proposed to put his wager would, in fact, run. Therefore, the phraseology in the existing Statute does not cover moneys remaining with the Totalisator Agency Board which are uncollected stakes on nonrunners. It is this money which the Government desires to take into Consolidated Revenue along with unclaimed dividends. Consequently, it is felt that the way to effect this is to refer—as is the case in the Bill before the House—to dividends and refunds. This phraseology will

cover the unclaimed dividends, as originally provided, and will also cover moneys remaining with the board which cannot be classed as dividends because they are not—they have never been actually placed on a horse which has run. That is the reason for the use of the word "refunds" as well as the word "dividends."

Mr. O'Connor: Up to what time can a person collect?

Mr. J. T. TONKIN: I am coming to that. The Leader of the Opposition also raised the point that a period of seven months is provided. His query was: Why does the legislation state, "after seven months"? I asked Treasury officers to research this matter for me and they were unable to find any reason for providing a period of seven months in the legislation which was introduced in 1960. Although the Statute says that after seven months there shall be no enforceable claim, the practice from the inception of the board has been to pay any claims which have been submitted, irrespective of the lapse of time. I have had instances given to me showing that the Totalisator Agency Board has, on occasions, paid out three, four, or five years after the wager was lodged. Of course, there must be proof that the wager has been lodged, and the required proof is the presentation of the ticket substantiating the wager. This ticket is then checked with the Totalisator Agency Board and with the board agency where the wager was made. In every case when the proof has been presented the wager has been paid, although it states quite definitely in the legislation that after seven months there shall be no enforceable claim.

It is not intended to interfere with this. There will be no change in the practice which has been operating all the way through. When a person who has made a wager is able to come along, present his ticket, and give proof of the investment he will be paid, despite the lapse of time. I point out that experience has shown that it is a very small amount indeed which is paid out in this way from time to time.

The other point raised by the Leader of the Opposition was in connection with the proposal to separate the two positions of chairman and manager, and to provide for an addition to the board so that the manager will be able to take his seat on the board. I am certain from reading the Statute that, when it was drawn up, it was not intended that the chairman should be the manager.

An absurd situation can arise with that position. Section 16 of the Act provides that the board may appoint and at any time remove a manager and a secretary, and such other officers as the board considers necessary. The board comprises seven members. Let us leave the manager out of our considerations for the moment. Suppose three members of the board want the manager to be sacked and three do not. Which way is the manager, who is the chairman, going to vote?

Mr. O'Neil: Ask Mr. Gorton.

Mr. O'Connor: We have a fair idea.

Mr. J. T. TONKIN: That is an absurd situation. If this provision is intended to have any force or effect at all, we do not want to place any person in the position of deciding whether or not he will be sacked. There may be the strongest possible reason for him to be sacked but, because he holds the balance of power under the existing situation, he could not necessarily be sacked and would remain on the board. I suggest this is a most unsatisfactory position. For this reason the Government proposes to separate the two positions and, in this way, the chairman will not be the manager.

The Leader of the Opposition wanted some information as to the type of person whom the Government has in mind to appoint. That is reasonable enough, but surely it must be appreciated that when one is thinking about a suitable person, it is most undesirable to make public beforehand anything which would indicate the person likely to be appointed. In fact, it is quite unfair. Members of the Opposition, who have been Ministers, would know that not every person who is approached to take a position is, in fact, prepared to accept it. Naturally, in the first instance, the approach is made to the person considered most suitable. Finally, a person who is considered suitable is selected and obtained. If others have been approached in the meantime, the person who is ultimately selected may feel inhibited because he was not the first to be asked to accept the position.

All I can say at this point is that the Government intends to select a person considered by it as being capable of discharging the very responsible obligations attached to the office of chairman. It would need to be a person familiar with office procedure and with a full appreciation of the responsibilities attaching to a person who has to handle the sums of money which are received by an organisation, such as the T.A.B. Consequently it is not intended to select somebody, merely to put him into a job. The Government will be looking for a capable, reliable person who will be generally acceptable for the position to which it is intended to appoint him. There need be no fears on that score. I have already made some preliminary approaches to satisfy myself that the person whom the Government desires will be available.

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

Mr. J. T. TONKIN: The remuneration intended is in line with what is paid in the other States. Of course, in New South

Wales and in Victoria the volume of business is substantially higher than that in Western Australia. With the exception of Queensland, which pays a remuneration of $6,000, the other States pay $4,000. It is not a full-time job, but it involves more than attendance at a monthly meeting—a meeting of the board—which is all that is involved for the ordinary board members. The chairman will be required to be in close touch with the operations of the board and in close touch with the manager. Consequently, it is considered reasonable to pay a salary—or perhaps one may call it an honorarium—for the work which is to be done by the chairman of the board.

I repeat that it has been considered necessary, from the inception of the T.A.B. in the other States, to have these positions separate. It is my firm belief that this was the intention of the previous Government in 1960; I am sure it meant to have the positions separated.

However, it is understandable that in starting off something like this, the Government may have wanted a person, such as the one it ultimately selected, to occupy the dual position. But, it is a very different proposition now from what it was in the early stages. The volume of business has gone beyond what was anticipated by anybody—by either the Government or the agencies. In fact, it is many times greater than was originally anticipated. Under those circumstances, it is considered not only desirable, but necessary, that the positions should be separated.

The Government wishes that the board should benefit at its meetings by the manager also having a voice in the decisions made. This is the reason for the desire to enlarge the board to eight members from the original seven. It is the intention that the manager, who is at present a member of the board and its chairman, will continue as a member of the board. He will suffer no reduction in salary because he will no longer be chairman. I want to make it perfectly clear that no reflection is cast on the ability of the manager; nor is there any dissatisfaction with his work.

I would like to give a further reason for my belief that it is not desirable to have the manager as the chairman. There is a possibility that the manager, perhaps in some difficulty over a matter which ought to be referred to the board, may answer the questions himself, because he is chairman, without reference to the board. This has been done previously. I would remind members of a certain occasion when I asked a question in this House following a letter which I wrote to His Excellency, the Governor. His Excellency quite properly referred my letter to the Minister for Police, and the Minister referred my letter to the then chairman and manager of the board. The chairman, without reference to the board, supplied the answer to the Minister, who in turn supplied to His Excellency an answer purporting to come from the board.

When this answer was transmitted to me by letter, something in the phraseology made me suspicious. I then asked some questions of a member of the board whom I know as to the date of the last meeting of the board and the members who were present. When I received this information I was sure that the board had not considered my letter, so I then asked some questions in the House regarding the date that the board had sat, the members present, and whether or not my letter had been considered. The Minister then had to come to the House and say that my letter had never been submitted to the board, but the chairman thought that the board would have come to the same conclusion had it sat and considered my letter.

This is the type of thing which can happen when the manager is also the chairman. It should not be allowed to happen.

Mr. O'Connor: Have you not experienced the necessity to obtain answers fairly quickly, particularly with regard to parliamentary questions?

Mr. J. T. TONKIN: This was a deliberate lie.

Sir Charles Court: That is unfair.

Mr. O'Connor: By whom?

Mr. J. T. TONKIN: The chairman informed the Minister that my letter had been before the board, and the board had never seen it. He supplied the answer to the Minister. The manager could have said to the Minister, "I will not submit this to the board; but this is my reply." However, he told the Minister, who then told His Excellency, that my letter had been considered by the board. There is not the slightest justification or explanation for this conduct. I suggest that it could only have happened because one man occupied the dual positions. No manager of the board, who was not also the chairman, would say in any circumstances that a letter had been before the board when it had not.

I am not relying upon this argument to justify the proposal put forward by the Government. I come back to the drafting of the Statute, and I say it is absurd to provide in the Statute that the board may sack the manager if the board is in such a position that it can only be done with the agreement of the chairman under certain circumstances.

I therefore suggest that the Government's proposals are reasonable and I cannot see any possible arguments against them. This legislation will bring us into

line with the other States. For the reasons I have outlined, the present situation is not a satisfactory one.

Mr. O'Connor: Does this apply to each of the other States?

Mr. J. T. TONKIN: Every other State separates the positions. In no instance is the manager also the chairman.

Mr. Rushton: Is the Milk Board in a similar position to the T.A.B. as to its chairman?

Mr. J. T. TONKIN: I am dealing with the Totalisator Agency Board. If we start to consider other boards, we will come to the Apple and Pear Board, and all sorts of boards.

Sir David Brand: Is there anything so very different in the principles applying to the T.A.B. from those applying to other boards?

Mr. J. T. TONKIN: Is the member for Greenough looking for a reason to oppose the Bill?

Sir David Brand: I am simply asking you a question.

Mr. J. T. TONKIN: What is the question?

Sir David Brand: I just ask: Is the board we are speaking of any different from other boards?

Mr. J. T. TONKIN: Very different.

Sir David Brand: Is it?

Mr. J. T. TONKIN: Yes, that is one of the reasons that I wanted the Auditor-General to audit the accounts—he audits the accounts of a number of boards.

Sir David Brand: That is right.

Mr. J. T. TONKIN: The T.A.B. handles great sums of money and comes into contact with members of the public. In my opinion, and in the opinion of the Government, whilst it may have been all right in the initial stages that the chairman was also the manager, the stage has certainly been reached where the positions ought to be separated. No problem has arisen in the other States where the positions are separated. A problem could arise in this State if they are not separated.

Sir Charles Court: But it has not.

Mr. J. T. TONKIN: Oh, yes, it has. I gave an instance of a problem which arose.

Sir Charles Court: That is a personal vendetta on your part.

Mr. J. T. TONKIN: Is the Leader of the Opposition excusing the chairman's actions?

Sir Charles Court: I am not accepting what you say because I do not know the background.

Mr. J. T. TONKIN: All the Leader of the Opposition has to do is read the copy of *Hansard*.

Sir Charles Court: You made an allegation that a man, who in our opinion has done a tremendously valuable job, told a deliberate lie.

Mr. J. T. TONKIN: It was a deliberate lie for a special purpose.

Sir Charles Court: Have you confronted the person concerned with this?

Mr. J. T. TONKIN: I asked the question in Parliament. I assume that following my question the Minister confronted the manager. I know what I would have done in the same circumstances. The manager put the Minister in the position of giving incorrect information to Parliament, and even worse than this, the Minister was put in the position of communicating incorrect information to the Governor. I would not attempt to defend that sort of conduct under any circumstances. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

The Deputy Chairman of Committees (Mr. A. R. Tonkin) in the Chair; Mr. J. T. Tonkin (Premier) in charge of the Bill.

Clause 1 put and passed.

Clause 2: Section 6 amended—

Sir CHARLES COURT: This clause provides for deleting the previous reference to seven members and inserting in lieu thereof eight members. It goes further and specifies that one of the eight members shall be the manager, but the manager cannot be the chairman. The Premier, in response to my request, has given us further information as to the Government's thinking in bringing this amending Bill forward. I must admit his argument has not convinced me because the last part of the Premier's speech simply summed up his personal feelings and animosity on this issue going back to some incident he related. It is always a very bad principle to base an amendment on that sort of experience.

On this side of the Chamber we can only evaluate the work which was done by the former chairman and manager of the board. We can assess his efficiency, his integrity, and the way he managed to get a very difficult organisation established—an organisation which was conceived amidst a lot of emotionalism and in a political atmosphere. As a matter of fact, I am amazed that we got anyone to accept the job to get this very difficult organisation going and to sort some order out of chaos.

I have never heard anyone in the racing and trotting industry or any member of the general public cast any aspersions on the character of the former chairman and manager. The only allegation I have heard

is the one made by the Premier tonight. He made a very serious allegation against this gentleman by saying that he told a deliberate lie.

I am not acquainted with the actual incident which has obviously upset the Premier and left him deeply wounded and with a feeling of some resentment. As he suggested, I will seek an early opportunity to read the particular copy of *Hansard*. I am concerned about whether or not the former chairman has had this allegation made about his character conveyed to him by this Chamber or by other means. It is a very serious allegation to make against a person—to accuse him of using his position as chairman and manager to convey a deliberate lie to his Minister which in turn was conveyed to the Governor and then back to the original inquirer. It astounds me in view of my knowledge of the gentleman concerned, because in an industry which is so difficult, so complex, and in which there are so many unusual personalities, it is not very long before a person involved in a focal position in that industry is subjected to all sorts of allegations, most of which are unfair. And yet I cannot recall hearing a single word against the gentleman who held this office.

I knew this gentleman previously when, in the employ of the Government, he undertook some difficult assignments for the Hawke Government, with tremendous skill, persistence, and integrity. I remember when he was appointed to a very difficult position at Chamberlain Industries. If ever there was a challenge to a man, that was it. As one who sat on the committee of inquiry into Chamberlain Industries, I was absolutely amazed at the man's capacity—as a figures man predominantly —and his ability to absorb many of the managerial problems.

Sitting suspended from 6.15 to 7.30 p.m.

Sir CHARLES COURT: I was referring to the comments made by the Premier when he, I believe quite unfairly, attacked the previous chairman and manager of the T.A.B.

Mr. J. T. Tonkin: Unfairly? What is the justification for your saying unfairly?

Sir CHARLES COURT: During the tea suspension I tried to do some research on the matters to which the Premier referred, and I cannot follow his line of reasoning.

Mr. J. T. Tonkin: You cannot?

Sir CHARLES COURT: Possibly he can give us some more information on this aspect.

Mr. J. T. Tonkin: I will when you sit down.

Sir CHARLES COURT: It is apparent that the Premier has brought this Bill forward as part of the vendetta he has conducted against this man for many years. I think that is a bit rough.

Mr. J. T. Tonkin: You come to some funny conclusions. You make me sick sometimes the way you go on.

Sir CHARLES COURT: If we do what the Government wants us to do—to approve this legislation—we will remove one chairman and replace him with another. We will still leave the manager on the board, and now he will be on the board—not as chairman—as of statutory right, not at the will of the Government of the day.

We will still have the situation about which the Premier was complaining, whereby the manager in a split vote could vote for his own retention.

Mr. J. T. Tonkin: Not to decide the matter.

Sir CHARLES COURT: He could decide the matter because there could be a quorum present which created a split vote. So that argument falls to the ground. It is obvious that the Government has decided to bring this amendment down for no reason other than to vent its spleen on something which to say the least has moved into the limbo of the lost so far as Parliament is concerned. The Premier accused the former manager and chairman of the T.A.B.—a man whom we hold in high regard—of telling a deliberate lie. I cannot ascertain, however, whether the man in question was told this to his face, was told it by another person, or was told it through his Minister.

Mr. J. T. Tonkin: You are pretty obtuse when it suits you.

Sir CHARLES COURT: We regarded this man as being very competent; one who did a good job of work in organising a difficult situation.

The Premier has made a lot of play about the fact that the manager and chairman could without the proper authority from the board speak for the board. I cannot follow his line of reasoning, because surely when the new chairman takes over and is confronted with the situation that confronted the former chairman, and is required to give a quick answer, he will do what the previous chairman did. He will answer to the best of his capacity and get it confirmed by the board.

Mr. J. T. Tonkin: Will he?

Sir CHARLES COURT: The Premier has not told us, and I have not been able to ascertain, whether this information which was conveyed from the Minister to the Governor and from the Governor back to the Premier when he was Deputy Leader of the Opposition, was subsequently confirmed by the Board.

I would be amazed if a man in Mr. Maher's position and one with his experience as a public servant, would not seek the first opportunity to get the matter confirmed and ratified by his board. I do not dispute that he may have given his

answer as chairman of the board in the hope of expediting things if they were clear-cut, and from the questions and comments I have read it seems to have been a fairly clear-cut matter. Be that as it may, any sensible man, as Mr. Maher is, would have taken the opportunity to get the matter confirmed by his board. Short of placing questions on the notice paper we are not able to ascertain whether the matter complained of by the Premier, when he was Deputy Leader of the Opposition, was confirmed by the board. If the board did confirm the position it was taking complete responsibility for doing so.

Mr. J. T. Tonkin: You are saying the manager is entitled to anticipate what the board may decide and act upon his own anticipation.

Sir CHARLES COURT: I know the Premier can make out a hypothetical case and build up all sorts of webs around this. But in actual fact we should look at the practicality of the position. As I have said, we do not know whether the information conveyed to the Governor by the Minister and from the Governor back to the Premier, when he was Deputy Leader of the Opposition, was subsequently confirmed by the board. For some reason the Premier wants to imply there is something sinister about this matter; indeed he has gone further and said this man told a deliberate lie.

Mr. J. T. Tonkin: So he did.

Sir CHARLES COURT: I have not been able to ascertain from the *Hansard* report whether this was so, and I hope the Premier will give us more information on this. If this is the real reason for the Government's having brought forward the amendment contained in the Bill I do not think it deserves our support.

One could go along with some of the arguments advanced by the Premier in certain circumstances, but I cannot see my way clear to support the main arguments he has advanced in connection with this amendment in the Bill.

Mr. J. T. Tonkin: I said quite the opposite.

Sir CHARLES COURT: The amendment before us achieves no different situation to any great extent from that which exists at the moment so far as the point complained of by the Premier is concerned: that the man could vote on a split vote for his own retention; and, secondly, that he could speak as chairman on behalf of the board if he were confronted with a series of questions such as he was on the previous occasion.

The DEPUTY CHAIRMAN (Mr. A. R. Tonkin): The Leader of the Opposition has another two minutes.

Sir CHARLES COURT: If the chairman felt the time factor were against him he would answer to the best of his capacity on behalf of the board and get the matter confirmed and ratified by the board later. If the board did not ratify the matter he would report this to the Minister. The Government has not made out a case for changing this board and we would be ill-advised to support its contention.

Under the present set-up the Government—no matter what its political colour—will have a very powerful weapon in its hands, when it is able to say that under the present legislation it is not necessary to appoint a manager to the board. In the past he has been appointed for good and practical reasons, and I have no doubt that most Governments would continue the practice. I oppose the amendments.

Mr. O'CONNOR: I did not speak to the second reading of the Bill but I feel I ought to say something in view of the implications and the accusations that have been made. During the tea suspension I obtained some of the detail because I recall the incident in which the explanation was made. At the time I was acting as Minister for Police during the absence overseas of the then Minister for Police, the then member for Toodyay. What I would like to say is very necessary in connection with the accusations made against the previous chairman of the board.

On the 7th August, 1968, the present, Premier asked me a question as acting Minister for Police concerning the Totalisator Agency Board. I think this is the question to which the Premier referred.

Mr. J. T. Tonkin: It is not.

Mr. O'CONNOR: In that case here we have another accusation made by the Premier on the same lines in which he also accused me of telling lies to this Chamber which, in itself, is untrue because I did not tell any lies.

This occurred at a time when the present Premier was obviously ill at ease so far as the T.A.B. was concerned. He asked a series of questions and demanded answers and went to great lengths to get them. He asked—

> Does the T.A.B. still countenance over the counter betting in agencies where the bet is made with cash loaned to the bettor by the agent?

Mr. J. T. Tonkin: What is the relevance of this?

Mr. O'CONNOR: If the Premier will wait he will see that it has a lot of relevance. The Premier also asked whether the T.A.B. still countenanced credit betting and what were the methods used. This indicates that the Premier was biased so far as the T.A.B. and its chairman were concerned. I answered the questions, and I finally said that if the then Leader of the Opposition knew of many cases where the law had been broken—and he claimed he did—it would be appreciated if he would supply the Minister with that information.

The present Premier refused to do this, but accused me of telling lies in connection with the matter. As far as I am concerned the answers given were truthful, and the Premier never brought forward any evidence to prove otherwise.

Surely if a question is asked of the board it is similar to its being asked of the Main Roads Department or the Transport Department. Surely the board does not need to have a special meeting every time it is required to answer questions. I am sure the Premier would not expect the board to do this

Mr. J. T. Tonkin: You do twist things.

Mr. O'CONNOR: What did I twist? I might be twisting the Premier's arm.

Mr. J. T. Tonkin: In the case I mentioned I did not ask the board to consider my letter at all, but the chairman informed His Excellency the Governor that the board had considered my letter when he knew it had not.

Mr. O'CONNOR: Here is a case where the Premier has made accusations in a similar manner against the board. I think he will admit that he did not like the former chairman of the board.

Mr. J. T. Tonkin: He is not the chairman now.

Mr. O'CONNOR: He was at that time.

Mr. J. T. Tonkin: What has that to do with the legislation?

Mr. O'CONNOR: It has a lot to do with the Premier's feelings.

Mr. J. T. Tonkin: That is what you say. I say it has not.

Mr. O'CONNOR: I believe it has. That was what brought out the Premier's thoughts. In his contribution to the debate the Premier indicated that the information should always come back through the board. I was under the impression that was the case.

At the time I was extremely concerned, because the Premier accused me of being untruthful in my replies to questions. I know how the Premier feels about this matter, and I believe that is the reason for the introduction of this measure.

Mr. J. T. TONKIN: When I was speaking earlier I made it clear that the reference to the incident relating to the previous chairman was in no way a reason for what the Government is now doing in this matter. I repeat that statement, regardless of whether or not the Opposition accepts it.

One would have to look in vain for a fair presentation of a case by the Leader of the Opposition. He knows very well that he was unfair in what he said on this clause.

Sir Charles Court: Not at all. I was basing my argument on what you said.

Mr. J. T. TONKIN: If there is any need for clarification in regard to the case—and I repeat that had nothing to do with the decision of the Government to separate the position of chairman from that of manager of the board—I will refer to what was said in 1966.

Mr. O'Neil: You gave it as an example.

Mr. J. T. TONKIN: As the Leader of the Opposition spent most of his time in dealing with this incident, I propose to establish it beyond any shadow of doubt. I refer to page 338 of the 1966 *Hansard* which records a question I asked of the then Minister for Police. My question was—

> (1) Will he state the grounds upon which the members of the Totalisator Agency Board came to the conclusion that the criticism of it which was contained in a letter from the Deputy Leader of the Opposition to His Excellency the Governor was "not warranted"?

That was what His Excellency was informed: That the board said the criticism in my letter was not warranted. The next part of my question was—

> (2) Will he specifically state also the grounds upon which the members of the Totalisator Agency Board concluded that the letter itself was "open to criticism in several respects"?

His Excellency had been so advised: that the board had considered my letter to be open to criticism in several respects. The next two parts of my question were—

> (3) On what date was the opinion of the board formed on the letter in question?
>
> (4) How many members of the board were present when the letter was discussed?

In answer to this question the then Minister for Police said—

> The above question appears on the notice paper as requiring to be answered on the 30th of this month. I have the reply here, Mr. Speaker, and with your permission, I shall now give it. It is as follows:—
>
> The relevant portion of the letter sent by His Excellency the Governor in reply to the Deputy Leader of the Opposition's letter of the 16th February, 1966, was based on information and views supplied to me by the chairman of the board, who believed he was stating the views of at least a majority of board members.

Sir Charles Court: What is wrong with that reply?

Mr. J. T. TONKIN: So the Leader of the Opposition thinks there is nothing wrong with it. If that is his standard that is all right with me.

Sir Charles Court: That person said he believed that to be the view of at least the majority of the members of the board.

Mr. J. T. TONKIN: I now refer to the 1967 *Hansard*. On page 1944 appears a question asked by me of the then Minister for Police. My question was—

(1) Will he refer to *Hansard* No. 1 of 1966, page 338 and inform the House if he is prepared to table the relevant papers concerning a letter sent by the then Deputy Leader of the Opposition to His Excellency the Governor, in reply to which His Excellency stated—

> I am also advised that the Board considers that your criticism of it is not warranted and that your letter is itself open to criticism in several respects.

That was what His Excellency was informed by the Government: that the board had considered my letter, and the board—not the chairman or the manager—was of the opinion that my criticism was not warranted, and that my letter was open to criticism in several respects. The next two parts of my question were—

(2) Was the advice to which His Excellency referred in the extract quoted given to His Excellency by the Premier on behalf of the Government or by him (the Minister for Police)?

(3) Was he aware when the advice was being tendered to His Excellency that the Totalisator Agency Board considered that the Deputy Leader of the Opposition's criticism of it was not warranted that, in fact, the board as such had not seen the letter and the opinion was being based on information and views supplied to the Minister for Police by Mr. J. P. Maher, chairman of the board, who believed he was stating the views of at least a majority of board members?

The Speaker then intervened and said—

> I would draw the attention of the House to the fact that questions cannot relate to advice tendered to His Excellency the Governor. The remainder of the question could be said to be relevant.

The then Minister for Police replied to my question as follows:—

> I thank the Leader of the Opposion for advising my office this morning of his intention to ask this question. I am apparently on safe ground, in view of your comments, Sir, in replying—
>
> (1) No.

That is, he was not aware at the time His Excellency was advised that the board had considered the letter when the board, in fact, had not considered it. So, the chairman took his Minister in, and his Minister was not aware when he was told by the chairman that the board had considered the letter, that the board had not in fact considered my letter at all. The next part of the Minister's reply was—

> (2) The advice of Ministers was tendered to His Excellency by the Premier.

So, the then chairman of the board put his Premier in the position of conveying to His Excellency incorrect information, which information was subsequently conveyed by His Excellency to me. What a position to put His Excellency in!

Here is the Leader of the Opposition defending that conduct. I do not defend it, and I repeat that is not the reason for the introduction of this legislation. I only gave it as an illustration of what can happen when we have an officer in a dual position, who is prepared to take it upon himself to answer on behalf of the board when he has no right to do so.

If the amendment to the legislation is agreed to the manager will have his job and also a seat on the board, and the chairman who will be appointed by the Government will have his job and also his responsibility to the Government.

I repeat that under those circumstances there would be no possibility of the chairman who is appointed by the Government misinforming his Minister or his Premier. If Opposition members want the existing situation to continue and believe it to be all right, then they will oppose the amendment in the Bill. We on this side do not consider it to be all right. We do not think it can be defended on any score at all.

The proper thing for us to do is to follow what has been done in the other States: Appoint a separate manager and a separate chairman, so that the business can be conducted in a fit and proper manner with no detriment to the board or the State, but on the contrary with possible and definite advantages.

I suggest that as reasonable men we ought to realise the desirability of effecting this change. The volume of work of the board will continue to grow, and we would require a superman to be able to manage the affairs of the whole show, in view of the great number of agencies and agents, and at the same time to be responsible as the chairman of the board.

The change will mean no reduction in the salary of the manager. As a matter of fact, it will mean an additional amount to him for being a member of the board, and he will be relieved of some of the duties which he now has to perform. That will enable him to devote more time as manager to the growing volume of work which must ensue.

On the other hand, there will be a chairman who will not be involved in the managerial work; he will be able to devote the necessary time in a supervisory capacity to ensure that the things which ought to be done are being done, and to keep his Government informed accordingly. I trust the good sense of members will prevail.

Sir CHARLES COURT: The Premier has made a real mountain out of a molehill in respect of this matter. Of course, we are not unused to this situation. Previously I referred to it as an inverted pyramid. I want to remind the Premier that he was the one who raised the question of previous conduct, in his allegation against the former chairman and general manager. In the course of his arguments in replying to my genuine queries during the second reading debate he made this the major part of his utterances.

Mr. J. T. Tonkin: That is what you say.

Sir CHARLES COURT: That being the case, were we not entitled to assume this matter rankled very deeply with the Premier? The simple fact of the matter is whether the letter written by the former manager and chairman without consulting his board and without a meeting of the board, before advice was tendered to His Excellency was a reprehensible act; but this does not alter the fact that when the full board met to consider this advice the members confirmed unanimously the advice which the chairman had given.

In the end the practical result was that the advice given to His Excellency was, in fact, the advice and the opinion of the board. This point has not been sufficiently mentioned by the Premier in his comments. The Premier, in his anxiety to make out his case, has exposed a definite weakness in the matter and also exposed the fact that the appointment of an extra member to the board will not resolve the problem he has been talking about; namely, the question of the manager voting on his own appointment if there is a split vote. I cannot imagine such a case arising. If that stage should be reached in the board's operations it would only become a question of form, and the whole of the board would vote against the manager; therefore, the question of a split vote will not arise.

So that argument falls to the ground. Likewise, the question of the chairman acting on his own initiative and giving advice to the Minister, in the circumstances mentioned by the Premier, could happen just as easily and quickly, and just as genuinely, as happened in this particular case. Even if there is a chairman who is not the general manager, I do not believe the Government has made out a case at all for changing the Statute.

Clause put and passed.

Clauses 3 to 5 put and passed.

Clause 6: Section 23 amended—

Sir CHARLES COURT: The Premier gave us an explanation of the reasons for the period of seven months being incorporated, and he also explained the reference to refunds. I do not disagree with the reasons given, but I respectfully suggest that the draftsman might look at this clause, because I still cannot relate it back to the Act.

As far as I am concerned, I could not care less because the amount is so small. However, knowing how pedantic people and lawyers can be it will not be long before someone asks for a definition of "refund." We know that the money concerned will be that which did not actually participate in the dividend-producing machinery.

Mr. Hartrey: What would the Leader of the Opposition suggest?

Sir CHARLES COURT: It is not for me to suggest what the definition should be. However, I do suggest that the Premier takes the matter up with the draftsman because the definition would involve the addition of only a few words.

Mr. Hartrey: That is what I thought, but I do not care either.

Sir CHARLES COURT: From the provisions of the Bill it would be difficult legally to identify "refund." We all know, what we mean but the legal people and the law courts do not take much notice of what they see in *Hansard*, thank goodness; they interpret the words of the Acts.

Mr. GAYFER: I rise in a rather strange capacity, for me, because I intend to laud the Premier on this particular clause of the Bill. I refer to the intention to pay all unclaimed dividends and refunds into Consolidated Revenue.

My reasons for lauding the Premier in this respect go back some years to the time when I was a new member of only one year's standing in this Chamber. I was then 36 years of age and the year was 1962. I was listening to a speech being made by a rather distinguished old gentleman with a receding hairline, who was speaking from the Opposition side of the Chamber. I did not know him very well then, but he was introducing a Bill called the Totalisator Agency Board Betting Act Amendment Bill. At the time we held the Government by only one seat.

Mr. Hartrey: That is all we hold it by at the present time.

Mr. GAYFER: The member for Boulder-Dundas can make a contribution at a later stage, but he is now cutting into my time of 15 minutes.

On the occasion to which I have referred I was a new member, and I thought that the then member for Melville was talking a lot of horse sense, and that we should

have been supporting what he said. However, my colleagues—in consultation—told me that they did not think the member for Melville meant what he was saying. They said he might be flying a kite and just trying to suck me in. I was told to be careful.

The speech was made with reverence and sincerity. Consequently, I have waited 10 years until this day to see that my belief in the righteousness of the Premier is, indeed, correct. The provision in the Bill now before us proves the point.

Mr. Hartrey: Hear, hear!

Mr. GAYFER: As a matter of fact, it is the first promise I have seen the Premier honour since he has been in Government —the first promise which has come to fruition. I congratulate the Premier on that very score.

I will refer to the speech made by the Premier on Wednesday, the 26th September, 1962. At page 1289 of *Hansard* he said the following:—

> Members well know that in various countries throughout the world there is legislation known as the Unclaimed Moneys Acts, and these Acts invariably provide that money which is unclaimed shall not go to the person who has had the handling of it for the time being, but it shall be paid into Consolidated Revenue.

I quite agreed with that. I thought it was extremely fair. However, I agreed more with the integrity of the man who made the statement. A little later in his speech he said—

> Therefore I am proposing to Parliament that this money should not go to the racing clubs under the circumstances, but that we should send it where it will do far more good.

That is quite correct. The member for Melville then went on at great length and talked about the opening of Old People's Week and said—

> What better opening to Old People's Week could we have than to be able to hand to the people this regular income which would enable them to do such a marvellous job for this section of the community without hurt to anybody, because the money to be used will be money which rightly belongs to people who have failed to establish their claim to it?

And so he went on. Finally, to wind up that very sterling speech, he said—

> The only alteration I am suggesting Parliament should make is that when the necessary time has elapsed, instead of the money being paid to the funds of the board, whence it will ultimately be transferred to racing clubs, it shall be transferred to the Old People's Welfare Council.

I quite agreed with the member for Melville at the time.

Mr. Lewis: Times have changed.

Mr. GAYFER: I am sure the Premier does not intend to let me down after having faith in him for the past 10 years. I realise that the provision in the Bill now before us is the only way he can meet his commitment of years ago.

In 1962 a figure of £30,000 was mentioned. That is $60,000, and in the intervening 10 years it would have amounted to $600,000. Only a month ago the Minister for Health opened an old people's home for the frail aged at Beverley. The community in Beverley had to find the initial $20,000, and a subsidy of $20,000 came from the Commonwealth and another $20,000 from the State Government. The Minister will remember the fine building, and how proud he was to open it.

I can see that the provisions of this Bill will have great possibilities for the old people, when considered in conjunction with the speech made by the present Premier in 1962. I can only laud the Premier for his notable words on that occasion. I have taken particular notice of this clause in the Bill, and I am sure that the 12 boards which were referred to back in 1962 will laud the fact that the Premier is at last carrying out what he thought was right at that time.

In congratulating the Premier I might tell him that I will be writing to him shortly and requesting a "divvy." I will be pleased to hear an official announcement, fully realising that the money will have to go into Consolidated Revenue before it can go, in turn, to the old people about whom he spoke so lovingly in 1962.

Mr. J. T. TONKIN: I remember quite well the speech referred to by the member for Avon, but there was no necessity for him to read it again. Fortunately, I am fairly well endowed by capacity of memory, and I would remember a speech of that nature. I would like to assure the member for Avon there has been no change of heart.

Mr. Gayfer: I am not saying there is.

Mr. J. T. TONKIN: When one is in Government, in the position of Treasurer, one is advised by the Under-Treasurer that instead of earmarking money which comes from certain sources for specific purposes which may seem to have a priority at the time, more flexibility is provided by taking the money into Consolidated Revenue so that it can be directed to worthy causes.

Sir Charles Court: My, how things have changed! I well remember Sir David Brand saying the same words.

Mr. J. T. TONKIN: That is true, but Sir David Brand had the benefit of being Treasurer for 12 years. At that time I had no experience; that is the difference.

Sir Charles Court: You were in Government for a long time previously.

Mr. J. T. TONKIN: I would remind the Committee that I have already announced the intention of setting up a special fund from money which would not have been available if the previous Government had remained in office. This will enable the Government to provide assistance to very many worthy causes.

Mr. Rushton: And reduce help to P. & C. associations and hospitals.

Mr. J. T. TONKIN: Furthermore, I would remind the member who has just interjected—as a matter of fact, he scarcely stops talking—that during the term of this Government we have substantially increased the grants to all sorts of charitable organisations. They have been substantially increased.

Mr. Brady: For education.

Mr. J. T. TONKIN: If more time were available to me I would give a few examples.

Mr. Gayfer: But this money is to go directly to the aged people, is it not?

Mr. J. T. TONKIN: The Leader of the Opposition came back to the point that we need to show clearly in the legislation the meaning of "refund." The reason for the use of the term in the way provided in the Bill—and I have referred this back to the Treasury for the purpose of clarification—is that the original Statute put through in 1960, in section 23, states—

> (3) Any moneys payable by way of dividends, whether by the Board or a racing club through the Board, which are unclaimed for one month by any person entitled thereto, other than moneys which are credited by the Board to a credit account established with it under this Act, shall be paid by the Board into a trust fund banking account to be called the "unclaimed dividends account".
>
> (4) Any amounts standing to the credit of that banking account for a longer period than six months shall be paid by the Board to the Treasurer of the State, and shall be carried to and form part of the Consolidated Revenue Fund and thereafter the owner of the money has no enforceable claim in respect thereof.

That is the section for which the member for Avon voted. Despite what he said tonight he was not prepared to vote with me in 1962 to ensure that the money should not go into Consolidated Revenue.

Mr. Gayfer: There are two sides to the argument but my faith is well founded.

Mr. J. T. TONKIN: So the member for Avon has changed his attitude, too.

Mr. Gayfer: But surely the Premier has not changed his attitude from what he said then!

Mr. J. T. TONKIN: It is obvious to anybody who has any knowledge of racing at all that money which remains with the board as a result of an investment on a horse which does not run cannot by any stretch of the imagination be called a dividend.

Sir Charles Court: We are not quarrelling with that.

Mr. J. T. TONKIN: One's own money is not a dividend, so that is not covered by the word "dividend." The amendment in the Bill now before us proposes to delete the provision to which I have just referred and provide that all moneys payable by way of dividends and refunds shall be paid into Consolidated Revenue.

The refunds are moneys which are with the board, which are not dividends, and which the board, under its Act, is liable to repay. It has no right to retain money that has been left with it on a horse that does not run because it is not an investment at all. That is money the board is obliged to refund. I cannot see how any difficulties will arise about that.

Mr. Gayfer: I am not worried about refunds or anything else. I am looking for the amount of money that will go into Consolidated Revenue. The other day you quoted a figure of $45,000.

Mr. J. T. TONKIN: If the truth is known, the honourable member is not worried about anything except the loss of his seat next year.

Mr. Gayfer: You got out of that very nicely.

Mr. J. T. TONKIN: I have already referred back the question of refunds, and the explanation given to me is the one I have now given to the Committee; namely, that there is no doubt about it—dividends are covered and money which remains with the board to which the board has no title, and which it is bound to refund upon application, is a refund.

Clause put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Mr. J. T. Tonkin (Premier), and transmitted to the Council.

IRON ORE (McCAMEY'S MONSTER) AGREEMENT AUTHORIZATION BILL

Second Reading

Debate resumed from the 1st November.

SIR CHARLES COURT (Nedlands—Leader of the Opposition) [8.18 p.m.]: This is one of a number of agreements that have been brought forward by the Government in recent times. In my opinion, this type of agreement in the present form, following quickly upon the Rhodes Ridge agreement, makes a complete farce of any suggestion on the part of the Government of an orderly development of the Pilbara region. In my opinion, and in the opinion of most of those who sit with me who have had a chance to discuss this matter, it represents just a further fragmentation of an area which, if it is ever to be properly developed, must be properly coordinated with every step being a logical one following on the previous step.

In my opinion, this type of agreement also further weakens the State's and the national prospect of achieving the optimum development of this area, and I hope to give good reasons for saying that. It is no good the Minister getting into a tantrum every time I get on my feet to talk about one of these agreements, and saying I have some sort of vendetta against or feud with certain people. That has worn thin, and also any attempts by the Premier and his deputy to denigrate me, personally, do not achieve anything for them.

On this occasion we are dealing with some fairly powerful companies, and that fact might partly convince the Deputy Premier that it is not a question of attacking a particular individual but of attacking a principle. The parties to this agreement include Consolidated Gold Fields Australia Limited, Cyprus Mines Corporation, and Utah Development Company. Those are the three companies which joined together to form the original Goldsworthy Mining Company joint venture. The other parties to the agreement are the two local people —Hancock and Wright—and M.I.M. Holdings Limited. M.I.M. Holdings Limited is a very large and powerful group. Therefore, in expressing any criticism of this agreement I am not attacking one individual or company; I am dealing with a great principle of trying to achieve the maximum long-term development of the Pilbara area, not only for the benefit of the local people because of the security it gives them but also in the national interest.

When we look at this matter objectively and with a full understanding of the immensity of the problems of development which confronted the original pioneer companies when they went into the area, in the final analysis all we have done in connection with the last two agreements is virtually give to a group of people a very valuable piece of paper on which they can go forward and negotiate not necessarily the development of the area but a deal which so far as they are concerned could be very profitable and satisfactory but which will not necessarily make the contribution we want to the regional development.

I am not questioning the profit motive. I support it. I believe in the profit incentive. On the other hand, in development of this kind which is of such importance at the national level we must have regard for the total picture because, in the final analysis, with a long-term, properly coordinated development it invariably follows that not only does the nation benefit but the participants benefit also.

Most of the companies in this group—I refer to the Goldsworthy group and M.I.M. Holdings—have a long-term record. They are companies which want to be in business for a long term and not just for 10, 20, or 30 years. With people who want to be in business as long-term developers, it follows that what is good for the regional development, the long-term development, and the balanced development of the area is in fact in the interests of the participants. Therefore, I want to make the point that in the fragmentation of the area we do not achieve the type of development to which we believe the Government should be directing its efforts.

We must realise we are dealing with this matter in 1972. We had the initial phase when the area was completely undeveloped with no railways, no towns, and no ports. During that phase people had to be given conditions which would attract them to the area and give them the stability and security they needed. They had to have areas and deposits of a size that would make their projects economically viable. They had to convince the rest of the world that they were going to be reliable suppliers of material and that they were good people with whom to make long-term agreements. If they did not get sales contracts of sufficient duration and size they could not finance the venture. Having done all that and taken all those risks, they were successful.

It was intended that the next generation of developers would be superimposed on the first phase and that they would be able to contribute more to the community than did the original developers, for good reasons. One of the reasons the original projects were restricted to a lease area of 300 square miles, as distinct from the large temporary reserves area on which the original work was carried out, was to ensure that within a reasonable time—15, 25, or 30 years at the most—they would have to come back to the Government of the day to negotiate the expansion. It is unfortunately a matter of history that as the developers relinquished their

areas no action was taken or deemed necessary at that time to protect those areas so that the Government of the day would be in a commanding position to negotiate the deposits which could logically be developed as an extension of the original 300 square mile leases.

Since the advent of the present Government, and because of its election promises, we have seen this fragmentation taking place from time to time, and we now have a situation where I believe it will be very difficult to piece together all these operations on a basis which will give the optimum development to enable one to strengthen and support the other.

Mr. Graham: You use this word "fragmentation" with ever-increasing frequency. What is the alternative—to have a limited number of companies there?

Sir CHARLES COURT: When the present Government took over it had complete command of the whole of the iron ore areas if it wanted to exercise it. It was within the Government's competence, had it so desired, to negotiate fairly to all concerned—and I emphasise "fairly to all concerned"—a basis of development whereby the maximum economic gain to the nation would have been achieved through the use of the assets which had been carefully planned. I will not go over the original concept because the Minister has heard of it so often.

Mr. Graham: I think you should be specific instead of speaking in generalities.

Sir CHARLES COURT: I will be specific. I have been specific previously but the Deputy Premier was content to brush it aside as being so many words. We have challenged him to let us demonstrate that he has been wrong about the area plan, but he has rejected that invitation. Henceforth, we are treating his protestations on that account as being of no consequence.

When the original layout in the area was achieved, it was achieved against opposition. The original layout was designed to ensure we had development going into Port Hedland and into the Dampier-Cape Lambert area. This was not achieved by accident; it was achieved by design. It was achieved against the wishes of quite a few people who had vested interests in the area, but we insisted it had to be done. The idea was that from that point onwards, by negotiation, through the Government retaining its negotiating power, it would be possible to build these "blocks" one on top of the other, with everybody being treated fairly and getting the maximum use of the assets that were there, and in the end result the State having greater bargaining power not only in respect of royalties and rents but also in the processing of the raw materials into metals.

Now the Government says it has a new horizon and a new dimension because it has natural gas. If the Minister studies the papers on this matter, he will find there is no new dimension at all because alternative fuels were built into the original concept and the original studies. No man in his right mind would assume this or that would be found in any area. The search for minerals, oil, or gas can be a very frustrating and costly business. Therefore, the whole of this scheme was based on planned growth, whereby the Government of the day, treating everybody fairly, would negotiate for people to develop their areas in a sensible way.

What do we find? A number of new agreements are brought here and they are consistent with the Government's philosophy. They do not involve new ground at all. They do not involve processing commitments which are as good as those with the original developers who had to take all the risk. The increase in royalty is purely nominal and in some circumstances the royalty could be less than it was previously. Therefore, we have not achieved the objectives. We have not gone forward in steps. In fact, we may have gone backward one or two paces. We have barely held our own.

Mr. Graham: Tell us one thing that has been lost.

Sir CHARLES COURT: The Government has lost its great bargaining power in respect of major steel. The Government has not lost all its bargaining power but it has weakened it very considerably. The Government knows that projects such as the one we have before us will find it very difficult to get off the ground on their own because, although they might have large deposits, they will have tremendous infrastructure costs unless they sponge on someone who has taken all the risks up to date. I hope the Government will not allow that to happen because it would be grossly unfair if it did.

Mr. Graham: You have been told that would not happen.

Sir CHARLES COURT: Look what the Government has done with alumina. Look at the concessions it has made to Pacminex compared with the companies that took all the original risks.

Mr. Graham: We have been trying to correct a situation created by you.

Sir CHARLES COURT: We are told that every so often. It was not a position created by us. The Government did not have to go about it the way it did, but I am giving this as an illustration of how the Government is prepared to make concessions in two comparable industries which have to operate in the same competitive markets and, because it suits the Government's convenience, it is prepared to give one favoured treatment compared with the other. I think that is undeniable, and it does not do the reputation of the Government or the State any good at all.

Mr. Graham: What concessions are we giving here in connection with McCamey's Monster, etc.?

Sir CHARLES COURT: The Minister is giving a very considerable concession because he is entering into the agreement on the basis that it is an agreement presented in 1972 after all the risks have been taken by the pioneer companies; and he is prepared to superimpose these new people on the already established developments in the area without seeking any really well-negotiated processing commitments of a major nature.

Mr. Hartrey: What do you want? What are you asking for?

Sir CHARLES COURT: The member for Boulder-Dundas wants to know what am I asking for. Had we been involved in the negotiations we would have negotiated the total deposits as part of a total Pilbara concept to achieve the maximum development not only for the benefit of the companies but for the benefit of the nation. I repeat what I said earlier: What is good for the nation is usually good for the companies, and *vice versa*. But if we have a fragmentation by having a Rhodes Ridge here and a McCamey's Monster there, naturally we can get out of those particular deposits standing on their own only as much as can be taken from them at the time; because the companies concerned have to provide all their own infrastructure in a highly competitive market. We must remember that the escalation of costs in Australia has been fantastic over the last seven or eight years.

Mr. Hartrey: It was also fantastic during your time in Government.

Sir CHARLES COURT: Well, some of the industrial concessions made during that time under intense gun-at-the-head type of tactics on the part of the unions have not been good for Australia, and in the final analysis they will not be good for the Australian worker because a project which would have been viable at 5,000,000 tons a year eight or nine years ago would not be viable at 12,000,000 or 15,000,000 tons today.

Mr. Hartrey: That argument went out with straw hats.

Sir CHARLES COURT: The member for Boulder-Dundas has a habit of saying that such arguments went out with straw hats; but that does not convince anybody.

Mr. Hartrey: It might not convince you, but it would convince many others.

Sir CHARLES COURT: Eight or even seven years ago a project could have been viable at about 5,000,000 tons a year; but that project would not be viable today at 12,000,000 or even 15,000,000 tons. That is a reflection of the escalation of cost which has occurred in Australia without a commensurate increase in productivity.

The serious thing about this problem is that projects which are mining only or processing only up to the very first phase of their processing commitment probably can stand the costs, but when they get into the more sophisticated form of processing, which is the object of all of us—including the Government, I hope—they run into the necessity for an entirely different work force structure. Therefore, their total cost for infrastructure and their operating costs increase immeasurably.

Mr. Hartrey: Do you mean when they get to the margin of cultivation or just on the very edge of it?

Sir CHARLES COURT: We are only at the very fringe—I hope—of the great processing that will occur in this country of ours. This is where the great rewards to the nation will come from, but they will be most difficult to achieve. When a company goes from straightout mining operations into a processing operation it must have some "fat" to enable it to make the breakthrough. This is when the negotiating position of the Government is at its greatest.

Mr. Hartrey: The margin of cultivation means the very fringe when you can hardly make a living out of it.

Sir CHARLES COURT: I do not know how well the member for Boulder-Dundas has studied the economics of metal production as distinct from mineral production; but in Australia at the present time we are in such a situation that unless we can get into huge works we have no chance of being economic at all.

Seven years ago the economies of scale were such that a company could export 2,000,000 tons of steel a year and make a profit; now it must start off at 5,000,000 tons a year and build up to 10,000,000 tons very quickly.

Mr. Hartrey: It is not the productivity of the exercise that counts, it is the profitability.

Sir CHARLES COURT: I think the honourable member had better stick to his law books. He is much stronger on them than he is on the economics of metal production.

Mr. Hartrey: I do not know that I would compare unfavourably with you.

Sir CHARLES COURT: To further compound this problem, the Government in recent days made an announcement about lifting the ban on temporary reserves. I refer to the announcement in *The West Australian* of the 4th November under the heading of, "Ban to end on mineral reserves," which stated—

> The 3½-year ban on temporary reserves for mineral exploration will be lifted on Monday.

Then reasons were given by the Government. Much to our amazement we found that the lifting of the ban also applied to

iron ore. As the previous Government found—and as the Minister will quickly find from researching the records—iron ore is so different from other minerals. Gold, nickel, and uranium are most elusive metals; but when we are dealing with iron ore we are dealing with mountains of it. Even low-grade iron ore contains 40 to 50 per cent. iron, and high-grade ore contains over 60 per cent. So the question of search and finance is quite different from that involved in the more complex metals such as nickel, copper, palladium, gold and uranium.

It is quite unnecessary for the Government to give people a right to come in and apply on the conditions it has laid down for temporary reserves. The Government is simply further fragmenting the area. It is virtually saying to people, "Come to the Mines Department; take your pick; tell us what you want and leave the rest for us to see what we can do with it."

I know the Government has said it can impose certain conditions. Of course it can; but this is the very point members of the Government argued so strongly in this House and, before that, in the electorate in 1971: That, having given these temporary reserves, the Government is morally bound to go on with them and eventually to convert them into viable operations if the original grantee wants them to be converted.

In its statement the Government announced that not only will the 12 months provision apply, but also the grantee will have guaranteed occupancy for three years if he behaves himself and observes the conditions. The statement said—

> The initial term for rights of occupancy would be one year and applications for renewal would be considered in the light of exploration work carried out.
>
> However, holders would not be required to relinquish ground before the end of the third year.

So all of those areas will be tied up for another three years. Again, during that period the Government will lose the power of negotiation. It must sit and wait and hope that people will come up with some worth-while propositions. But how will they? This, of course. has added significance in connection with the agreement before us because the agreement says quite categorically that the Government can add additional temporary reserves.

So people could seek temporary reserves under the announcement made in the Press on the 4th November and they could get them. The parties to this agreement could then go to the Government and say, "Look, in the case of such and such a group of temporary reserves we want them brought under the conditions of our agreement" and the Government would be hard pressed, in view of the wording employed in the agreement, to deny the right of incorporation to the companies. Admittedly, in the final analysis, they must be reduced to leased areas; but even there the agreement gives the Government plenty of flexibility. It can still say to its friends, "Come to the Mines Department and tell us what you want; just leave us with what you don't want"; and, once again, the bargaining power of the Government has gone down the drain.

I come back again to the question of unsigned agreements. When we were dealing with another agreement recently I said that I would have more to say about this matter in connection with the agreement before us. I believe this is a complete and utter hoax; at least, that is how it has worked out. Even though the Government may have intended it to be a sincere effort to give Parliament the right to amend agreements, it is just physically impossible for the Opposition to do anything other than accept or oppose them. Of course, we can make all sorts of observations, but we have learnt that they do not mean anything.

Mr. Graham: If it were a signed agreement, what would the Opposition do then?

Sir CHARLES COURT: In that case at least the Government has staked its reputation on the agreement. It would be saying, "This is the best we can do. We have negotiated to the maximum of our capacity. We think it is a good agreement and we present it to you for ratification."

Mr. Graham: That is what we have said in regard to this agreement.

Sir CHARLES COURT: No, the Government has not.

Mr. Graham: Yes, it has.

Sir CHARLES COURT: When the Minister introduced the first unsigned agreement he made great play—and so did his Premier in the Press—about the fact that it was a new type of agreement and was unsigned. When we asked him if that meant it could be amended he said, "Yes." But what chance have we of amending agreements?

Let us look at the trial gallop for these unsigned agreements. I refer to the Rhodes Ridge agreement, and I refer members to pages 1952 to 1956 of *Hansard* of the 2nd June, 1972, where they will find that The Hon. A. F. Griffith (Leader of the Opposition in the Legislative Council) reported the results of a conference to his Chamber. That conference took place between the Premier; The Hon. W. F. Willesee; Sir David Brand (then the Leader of the Opposition); myself as his deputy and about to become the leader; and The Hon. A. F. Griffith.

Mr. Graham: In fact, everybody but the Minister whose Bill it was.

Sir CHARLES COURT: I cannot speak on that matter because the Premier is the leader of the Minister's Government, and he was present at the conference. It was a question of whether the Parliament would come back the next week or at a later date; or whether the agreement would go through in one form or another. In a spirit of co-operation we explained to the Premier that we were not happy about a number of things. An undertaking was given to us, which members will find recorded at pages 1952 to 1956 of the current *Hansard* in the comments of The Hon. A. F. Griffith. Members will find on page 1957 an acknowledgement by the Leader of the Government in the other House that Mr. Griffith had faithfully reported the proceedings of the conference.

However, to our amazement, all the requests we made at that conference seem to have produced an ominous silence on the part of the Government. Not a thing happened. We heard talk that the agreement would be signed, and then that it would not be signed. We assumed that the Government was negotiating with the companies concerned with the Rhodes Ridge agreement in the light of observations made in this Chamber and in another place. It was an interesting experiment to see whether, in fact, the comments of the Opposition—as it has had some experience in this type of exercise—would mean anything to the Government.

I might say that it was my view—as it happened it was an ill-founded view—that the Government would be reinforced in its negotiations by being able to go to the parties to the agreement and say, "The Opposition is cutting up rough about this; they think you have not done enough and that we can get a bit more out of you." It seemed farcical that a company which was not required to produce pellets at the rate of 2,000,000 tons a year until 12 years—which could be 18 years in practise—was allowed to obtain an agreement in this day and age when another company, which was one of the pioneers, was about to start up a plant to produce over 4,000,000 tons of pellets, starting ahead of schedule this year.

We felt that was a tremendous bargaining point for the Government, particularly as the other company—Robe River—was going to produce pellets from low-grade ore which might otherwise have remained undeveloped for many years. However, nothing happened until suddenly I received a phone call from the Premier at about 10 o'clock one morning saying that the signing ceremony had been arranged and it had been pointed out to him that the undertakings given on the 2nd June had not in fact been honoured.

I had to insist, as the Leader of the Opposition, that I would need to consult my colleague in another place, and there would have to be some form of further consultations with the Government before we could give the all-clear for the signing of the agreement. The Deputy Premier knows that a conference was hastily convened between the Premier, himself, and two officers of the department, and a document was presented to The Hon. A. F. Griffith, M.L.C., and myself, with a number of points listed (1) to (7) purporting to be the answers given by the Government to our reservations. But they were not answers at all.

We asked for time to go away to have a think about the proposal to see how far we could go, realising the Government's predicament, although we were the people who had good cause to feel aggrieved. I can well imagine what the position would have been had the boot been on the other foot—there would have been ructions all over the place for weeks. We studied the Government's comments and I wrote to the Premier on the 12th October setting out our objections.

Mr. Graham: First of all, would you tell us what was the undertaking that was given?

Sir CHARLES COURT: I will read the whole of it, if the Minister so desires.

Mr. Graham: No, just the undertaking that was given.

Sir CHARLES COURT: I have not the relevant *Hansard* in front of me, but one of my colleagues can get it for me.

Mr. Graham: It appears on page 1955 of *Hansard* dated the 2nd June, 1972.

Sir CHARLES COURT: The undertaking was that the points raised by the Opposition would be given proper consideration and there would be consultation. The important point at the conference, which should be recorded, was that there would be consultation, because we did not want a situation which would be farcical whereby the Government would just say, "We have thought about what you said, but we do not think much of it, and that is that." There was to be consultation, and so we accepted this in good faith as an experiment, because it was an experiment.

I now have the appropriate extract from *Hansard* and I will keep briefly to the point and not transgress by reading too much. This extract appears on pages 1955 and 1956 of *Hansard* dated the 2nd June, 1972, and it reads as follows:—

> To say the least, I do not think the agreement should be signed, and I have expressed this opinion to the Premier as late in the afternoon as an hour ago at a conference which took place between the Premier, the Leader of this House, Sir David Brand, Mr. Charles Court, and myself. The Premier gave me an undertaking that the points I am now raising will be thoroughly examined by the Government before the agreement is signed, and

> also he will give us—perhaps Mr. Court and myself particularly—an opportunity to discuss these points with him. There will be some form of consultation before the agreement is signed. I accept that undertaking and for that reason I am prepared to support the second reading of this Bill this afternoon.

The Hon. A. F. Griffith then went on to explain that he did not want to hold up the legislation in any way, and he concluded his speech by saying—

> However, at this point I will resume my seat having had the opportunity to express my point of view. I feel sure that when the Minister replies he will confirm the undertaking that was given to Sir David Brand, Mr. Court, and to myself earlier in the afternoon in relation to consultation with us on the points raised here and in the Legislative Assembly before the agreement is signed.

I do not know whether it is competent for me to make available to the House the whole document without having to read it for recording in *Hansard*, because we have not the machinery for recording documents in *Hansard* unless they are read, but the Government, very perfunctorily, gave us a piece of paper when we had this belated conference. We, in turn, replied—as we promised—on the morning of the 12th October, and the agreement was duly signed in spite of our protests. Subsequently, this week, I received a further letter from the Premier which, if anything, only adds fuel to the fire and certainly does not give us any confidence in this type of agreement.

So without labouring this point any further, and without reading this rather lengthy document which is available to the members of the House if they wish to peruse it, I wanted to refer to the points that were discussed on the situation that developed over that agreement. Henceforth we cannot regard this as being a serious way of allowing the Parliament to review these agreements in their new form with a view to amendments being made.

I am experienced at this business. I found long ago, and I take a sufficiently realistic view to understand very clearly, that there are practical difficulties. I had to face the practical difficulties that would arise around the conference table with the parties to the agreement to negotiate some of the objections and opinions put forward by the Opposition. This was one of the hopes and aspirations claimed by the Government when it put forward this new form of agreement, and we now find, to our cost and regret, that it is physically impossible to do anything about amending these agreements. It gives one no alternative but to either accept or reject, and in this case, any Opposition, be it of our political colour or any other colour, is reluctant to reject an industrial agreement even though one may feel strongly about it—and we believe that this one is not a good agreement.

Mr. J. T. Tonkin: That was always the position you put us in.

Sir CHARLES COURT: Before the Premier entered the Chamber we made that very point. I made the point that we at least were prepared to back our judgment and come to the Parliament with our agreements.

Mr. J. T. Tonkin: Which we could not alter.

Sir CHARLES COURT: But we were prepared to back our judgment. We did not come here with an unsigned piece of paper and say, "If you want to, you can amend this then authorise us to sign it." This is what the Premier was implying.

Mr. J. T. Tonkin: We are letting you know what we propose to sign and you authorise us to sign it. If you are not prepared to authorise us to sign it, then defeat it.

Sir CHARLES COURT: The member for Boulder-Dundas knows full well that the Parliament could reject the agreement if it so desired.

Mr. Hartrey: Be realistic, for goodness sake!

Sir CHARLES COURT: The practical possibility of amending it is nil. I hope the honourable member will seek an opportunity to read this correspondence I have referred to, because it is most enlightening.

Mr. Hartrey: Be realistic, for goodness sake!

Sir CHARLES COURT: I will briefly mention one or two points in the agreement, but there is nothing that we on this side of the House can do about it. After all, the ground work has been done in the area and, because of the fragmentation that has taken place, the resulting areas are too small.

In this particular case the time that is given for the company to put forward its proposals seems to be extraordinarily long; I do not know the reason for this in view of all the knowledge that now abounds in the Pilbara. The Minister may be able to explain the reason that this company has five years, when only one year has been granted in the past. In the previous instance the company was given one year and it had to come back and prove what it had done, and then come back again to do the same for each period of extension. This is a sound way of negotiating an agreement, because the Government has its check posts. Under this agreement the company has five years and it does not have to return at regular intervals to prove its point or to prove it is doing the right thing all the way along the line.

Mr. Hartrey: But that was in the boom time. The boom has been over for three years!

Sir CHARLES COURT: The honourable member is only strengthening my argument. He knows that one has to have all the negotiating strength one can get from consolidation that was built into the area and which is now being fragmented. I have attempted to show that if the Government is to do this as a series of separate projects they will all be inhibited the same way—including the existing projects.

Mr. Hartrey: Negotiating strength depends on what cards you hold. You can bet more on three Aces than on a pair of Kings.

Sir CHARLES COURT: I am not a gambler or a poker player, so I will not argue about that one. If anybody wants a boob at cards, then I am the one; I have never been skilled at that particular game.

Then we have another situation about the 500,000 tons which is to be part of the secondary process. It does not have to be undertaken until 12 years after the commencement of the exports which, in turn, could be 18 years before 500,000 tons of processed ore has to be produced. The company could do this earlier if it so desired, but it will not because of the nature of the deposits and the fragmentation that has taken place.

The Minister made play of what is a new concept by the company in order to effect economies of scale and to effect economic processes. This is nothing new. I can only assume the Minister has not understood the old form of agreements in which we had the third party clause whereby it was quite lawful, provided the Government of the day was in agreement, to negotiate with someone else to undertake commitment. In other words, if, for example, the metallised conglomerate commitment could be undertaken better by somebody else it was quite lawful to enter into negotiation. That was fair enough. Therefore there is nothing new in this concept, and I do not oppose it. It is a sensible course to follow to obtain the economies of scale of a bigger tonnage than otherwise would be the case, making a difference between an economical viable proposition and an uneconomical and nonviable proposition.

It could be that one could get a certain group to combine and concentrate their efforts on one particular type of production; be it pellets if they have the expertise, and metallised conglomerates, or steel, if that were their *forte*, particularly bearing in mind that when the original negotiations were being carried out, nobody knew whether there would be one or five projects that would get into production, and every one had to have its own considerations built into each agreement.

That stage is now passed and we can look at it in a much bolder way. I want to refer briefly to the role of McCamey's Monster in this agreement. I think it is time the real history of the Pilbara exploration was written, because the man whose fame is not sung is Stan Hilditch. He is the man who "cracked" the mineral philosophy of the East Pilbara and its iron reserves. He is the man who is responsible for Mount Newman's reserves, Mt. Whaleback, and who actually found this particular deposit, and it was because of arguments over the actual pegging of these these areas that it did not finish up in the Mount Newman temporary reserves. I think it is a pity that a man like Mr. Hilditch is not better known to the public, because he is a fine man. He is the typical prospector who goes out and takes the risks. He was backed by Mr. Warman and the combination of Hilditch and Warman produced magnificent results which we now see exemplified in the Mount Newman area.

I am also interested in the figures the Minister quoted. He mentioned a figure of 500,000,000 tons of high grade ore. This is a far cry from the original announced figure of 10,000,000,000 tons. It is in keeping with what the experienced geologists predicted in that area at that time.

I also understand that only about 100,000,000 tons of the 500,000,000 tons is low in phosphorus. That, in turn, introduces the task of blending and the integration of the ores to make sure we do not send out all our low phosphosus ores without blending, to a market that is not giving us the premium that we should be receiving. We have to be realistic because there are some countries that have huge reserves which are as large as, if not much larger than ours and which have a high iron content and are much lower in phosphorus and alumina content. In turn, this makes it all the more important for the Government of the day to indulge in the maximum integration and beneficiation of our ores at a time when the ore regions are being assessed, and we should not leave it until it is too late.

We do not oppose the Bill, but we do not think it is a step forward in the development of the Pilbara. It is further fragmentation of the area and, in particular, it will only give people a piece of paper with which they can go away and negotiate a deal with others, instead of the Government holding the trump cards.

MR. GRAYDEN (South Perth) [9.00 p.m.]: Only one aspect seriously concerns me in respect of this Bill and any other relating to iron ore introduced at the present time, and it was touched on briefly by the Leader of the Opposition. This Bill purports to deal with mining areas which are currently held by the joint venturers who have been named in the measure. This is indicated on page 12 in clause 5 of the agreement which reads—

> 5. As soon as practicable after the commencement date the State shall

upon application by the Joint Venturers cause to be granted to the Joint Venturers the sole and exclusive right to search and prospect for iron ore in the mining areas (but excluding therefrom any existing prospecting areas, claims, leases, or authorised holdings under the Mining Act and any land alienated or in the course of alienation and any land reserved (not being Crown land within the meaning of the Mining Act)) by granting to the Joint Venturers rights of occupancy pursuant to section 276 of the Mining Act over the Temporary Reserves contained in the mining areas for the period and upon and subject to the following terms and conditions—

Everyone I think is under the impression that this Bill relates to areas currently held by the joint venturers, but two major factors come into this argument and have a tremendous bearing on the Bill and make it an absolute mockery because there is no limit to the areas which could be involved. This measure does not limit them in any way.

The first major factor is the variation clause on page 56 which reads—

45. (1) The parties may from time to time by agreement in writing add to substitute for cancel or vary all or any of the provisions of this Agreement or of any lease licence easement or right granted hereunder or pursuant hereto for the purpose of more efficiently or satisfactorily implementing or facilitating any of the objects of this Agreement.

I am not objecting particularly to the variation clause, although I have done so in the past whenever an iron ore agreement Bill has been before us. On this occasion it is not the clause itself to which I particularly object. I object to the fact that from time to time areas can be added to those the joint venturers already hold.

That in itself may not seem exceptionally serious, but the definition of "mining areas" reads—

"mining areas" means the area delineated and coloured blue on the plan marked "A" initialled by or on behalf of the parties for the purpose of identification and comprising Temporary Reserves Nos. 4194H, 4326H, 5004H and 5006H together with such additional areas as the Minister may from time to time approve.

The situation is that we are considering a Bill which purports to deal with specific areas, but provision is made in the measure for those areas to be added to from time to time. Therefore we are not actually dealing only with the areas mentioned in the Bill, but also additional areas the Minister may from time to time choose to allocate to the joint venturers. But, we go even further than that of course, and now I come to the second factor which has a great bearing on the measure; that is, the recent decision of the Minister for Mines to lift the ban on temporary reserves in Western Australia. The Leader of the Opposition made brief reference to a newspaper article concerning this matter which reads—

Ban to end on mineral reserves

The 3½-year ban on temporary reserves for mineral exploration will be lifted on Monday.

The embargo was imposed in 1969 at the height of intensive mineral exploration because temporary reserves were blanketing mineralised areas.

The Minister for Mines, Mr. May, said yesterday that the Government had decided to lift the ban because proposed new mining legislation would not be dealt with by the State Parliament as soon as had been hoped.

Lifting the ban would remove any obstacles to mineral exploration and would encourage genuine developers to get out and explore.

And so the article goes on, but I will not read any more.

The main import of the article is that the ban on temporary reserves is to be lifted, and it applies not only to minerals other than iron ore in Western Australia, but also to iron ore itself. This, I believe, makes the consideration of this Bill an absolute mockery because it purports to confine the company in certain ways, but it says at the same time that the sky is the limit as far as mining areas in Western Australia are concerned. The Minister for Mines of the day may choose to allocate any area to the joint venturers.

The lifting of the ban on temporary reserves is a bombshell which will blow the Labor Government's so-called Pilbara plan to smithereens. No Pilbara plan can be successful with the type of fragmentation which must take place if anyone is permitted to make application for and obtain temporary reserves for iron ore. It is as simple as that.

This is a retrograde step and will lead to incredible fragmentation and the conditions in the north in respect of iron ore will be chaotic in the extreme.

Mr. Graham: But this situation prevailed throughout the entire period when your Government made any decisions about allocations to anyone—the entire period.

Sir Charles Court: No it did not.

Mr. Graham: Oh yes it did.

Sir Charles Court: We imposed a ban 3½ years ago.

Mr. GRAYDEN: The export ban was imposed in the 1930s as the Minister knows only too well and it remained in force

throughout Australia until 1961 because the people of Australia felt there was not sufficient iron ore in Australia to warrant its export.

Mr. Graham: The Federal Government.

Mr. GRAYDEN: To ensure adequate resources would be available for the Australian requirements the ban was imposed in the 1930s and remained until 1961 when it was lifted by the Commonwealth as a consequence of representations by the State in order that the iron ore industry might get off the ground, because it had become apparent that huge resources existed in the north. The ban was lifted for that specific purpose in an endeavour to get the iron ore industry under way in the shortest possible time so that Australia might capitalise on the markets of the world and obtain orders rather than allow them to be placed in Brazil, South Africa, India, Canada, or any of the other countries which also have large deposits of iron ore.

That was the purpose at that particular time of granting temporary reserves, but that was a different situation altogether. As a consequence of the lifting of the ban on temporary reserves in 1961, the industry did get off the ground; but 3½ years ago the ban was reimposed by the previous Government because it had become obvious in respect of all minerals that Western Australia was being blanketed by temporary reserves. It was necessary to preserve what remained of the iron ore heritage in Western Australia in order that it might be allocated in the most effective way to the greatest advantage of Western Australia. That was the reason the ban was imposed 3½ years ago.

We all know the present situation in the north-west, where we have had four major developers. Goldsworthy has been in operation since the lifting of the ban and Hamersley has been in operation virtually since that time. We also have the Mount Newman project and the Robe River project and the more recent one was the Rhodes Ridge, and now McCamey's Monster, the last two being linked to some extent.

The situation in the north-west now is that those companies already in production are experiencing difficulty in selling their iron ore. We all know what happened with Hamersley. The company spent untold millions to develop Paraburdoo, and having constructed the new mine and the railway line to it, and having made all the necessary provisions for the export of iron ore, the vast project had to be put into mothballs because the necessary orders could not be obtained. Those orders which were received were filled from existing mines.

The logical and reasonable thing to do in the best interests of Western Australia is to protect what remains of our iron ore in the north-west and preferably place it with the existing producers. If a new deposit is found and it is big enough, it may justify a new outlet.

Mr. Graham: You are singing a different song now from the one you were singing 12 months ago.

Mr. GRAYDEN: I am the only one being consistent.

Mr. Graham: I remember what you said 12 months ago.

Mr. GRAYDEN: I opposed the granting of temporary reserves even at the outset, but the decision was made because it was imperative to get the iron ore industry off the ground as quickly as possible and the project was highly successful because precisely that result was achieved.

After the iron ore industry was launched the Government reimposed the ban on temporary reserves in order to protect the resources which were not allocated so that they might be used to the best advantage of the State.

Now the Government of the day is cutting completely across that policy. It has thrown the whole of the north-west open for people, entrepreneurs and companies—anyone at all—to make application for and prospect on temporary reserves.

Mr. Graham: What a terrible thing—

Mr. GRAYDEN: What a terrible thing it is!

Mr. Graham: —to have the Pilbara prospected!

Mr. GRAYDEN: The Minister seems to be very proud, but he ought to be making an announcement—

Mr. Graham: He will when you sit down.

Mr. GRAYDEN: —to the world along these lines: "The Government of Western Australia has this day disposed of the remaining iron ore heritage of Western Australia." Last night the Federal Leader of the Opposition (Mr. Whitlam) made a statement in respect of our natural resources. The newspaper report reads—

> Mr. Whitlam said that Labor would put Australians back into the business of owning and running Australia.

Mr. Hartrey: Hear, hear!

The SPEAKER: Order!

Mr. GRAYDEN: To continue—

> National development bonds would be issued and insurance companies would be encouraged to invest in development projects.
>
> It was time to stop the great takeover of Australia. More important, it was time to start buying Australia back.

While Mr. Whitlam was making that statement to the people of Australia from Canberra, the Labor Government in Western Australia was busily engaged in disposing of the rest of Australia's iron ore deposits and it has done it extraordinarily effectively.

The Government is, this day, giving away what remains of our iron ore heritage. Every member of the House knows of the tremendous areas which have already been allocated to existing producers. These companies, having been in the field for up to 10 years, have had unlimited opportunity to look around. They have flown over the areas in helicopters and landed on every 50 yards of outcrop which looks like iron ore. They have examined in detail, with the use of aircraft, every place where iron ore could possibly exist. They have had geological teams scouring the north.

When the present Government lifts the ban on temporary reserves and leaves the situation wide open we know that the existing entrepreneurs and companies have only to go out and blanket the north with temporary reserves, because they know where all the iron ore is. This is the iron ore that was once Western Australia's heritage. It was a heritage which Western Australia could have kept until it could be used to the best advantage. If any member has had any experience in the army —and in the infantry in particular—he would know that an infantry company has three platoons. The company commander commits two platoons and always keeps one in reserve to use when it is necessary. In a brigade with three battalions, the brigadier in charge of the brigade commits two battalions and keeps one in reserve to use when it is necessary.

In the case of iron ore in the north-west, major producers have huge deposits on which to operate. Surely the logical course is to keep the rest of the iron ore resources of Western Australia in reserve and to use them when it is necessary. Surely it would be logical to have iron ore reserves to cater for the situation of a company coming along prepared to enter into the right kind of commitment or to make an offer which goes far beyond what we may now anticipate in respect of secondary processing. We must have these iron ore deposits at our disposal to make such plans possible.

The Government has, as I have said, put a bomb under its so-called Pilbara plan. Only a few months ago we read about this plan and although I forget the precise amount to be spent, I seem to recall a figure of $6,000,000,000. Perhaps it was infinitely more than that and the idea was to give effect to a great overall plan for the Pilbara. The Government has actually put a bomb right in the centre of the so-called Pilbara plan and, as I have mentioned, has blown it to smithereens. There cannot be such a thing as a Pilbara plan if there is to be fragmentation of this kind.

We all know what will happen. Goldsworthy, for example, instead of being allocated additional iron ore reserves in the future, will be forced to go out now and apply indiscriminately for temporary reserves, which may be scattered across the north-west and miles away from its railway lines and other facilities. Mount Newman will do the same thing. It will not merely go out and apply for temporary reserves in the vicinity of its railway lines or port and other facilities. This company, too, will be forced to scour the north-west, the Pilbara, and the Kimberley and to take up temporary reserves in these areas.

Robe River will do precisely the same thing as will Hancock and Wright. In fact, every existing producer will do this. In addition scores of others—overseas companies, too—will be coming to Western Australia and applying for temporary reserves. When the temporary reserves are granted, in the first instance the term is for one year. However, the company will not have to relinquish 50 per cent., annually as formerly, but may keep them for three years. Consequently the ground will be tied up for three years. Further, there is a moral obligation on the part of this Government, or any other Government, to permit the companies to do something with the temporary reserves.

The situation will be that entrepreneurs, prospectors, and others around the countryside will be allocated vast temporary reserves, 50 square miles in extent. There is no limit to the number for which they can apply. Many will apply for temporary reserves although they have no intention whatsoever of doing anything themselves with those reserves. They will go to some of the existing companies and offer the temporary reserves on a royalty basis. The companies will pay the royalties and will then make application to the Federal or State Government for assistance with infrastructure. This will be the situation because, over the past few years, we have seen company after company complaining about the cost of infrastructure. With Pacminex, the Government went out of its way to spend a huge amount of money to assist that company with its infrastructure costs.

Despite this, the Government has now lifted the ban on temporary reserves. The situation I have described must prevail. Many who apply for temporary reserves will have no interest whatsoever in iron ore, or in developing the deposits. They will go along to the nearest iron ore company and demand a royalty for the use of the resources on a particular temporary reserve. This will load the cost of iron

ore to the company which, in turn, will go with its hand out to either the State or Federal Government for assistance in connection with infrastructure.

What I find incredible is tne statement made last night by the Prime Minister to the effect that Labor would put Australians back into the business of owning and running Australia.

Mr. Graham: You are a few weeks early. He will be Prime Minister on the 2nd December.

Mr. GRAYDEN: That was a slip of the tongue; I meant the Leader of the Opposition. In respect of the interjection by the Deputy Premier, there is absolutely no chance of that.

Mr. Bertram: Would you be prepared to have a few bob on that?

Mr. GRAYDEN: I would love to, but unfortunately it is illegal.

Mr. Bertram: I forecast accurately the result of the last election.

Mr. GRAYDEN: I have forecast accurately the results of all elections since 1947 and I am sure my forecast in respect the coming election will also be accurate.

Mr. Graham: What has this to do with the Bill?

Mr. GRAYDEN: The Federal Leader of the Opposition made the statement that Labor would put Australians back into the business of owning and running Australia. Whilst he was saying that in Canberra, the Labor Government in Western Australia is lifting the ban on temporary reserves and giving the huge remaining reserves away. The Government must surely realise that most of the iron ore reserves in the north-west have been allocated to the companies already in operation. The Government must know full well that what remains is the property of the people of Western Australia and of Australia, for that matter. The reserves should be worked to the best advantage of all Australians and of Australia. Instead, the Government is giving them away. The Government will not necessarily give the areas to companies which are already in operation—or to Australian companies, or to Australians. Many overseas companies will apply for temporary reserves. While Mr. Whitlam was saying that he will buy back Australia the Labor Government in Western Australia is busily giving it away at an unprecedented rate.

I cannot imagine anywhere else in Australia where such an opportunity existed for orderly development and for the resources to be used most effectively in the interests of the nation. There could not conceivably be a comparable situation. We once had tremendous reserves in Western Australia, but we do not have them now, because the Government has taken this attitude.

It is already too late, even though the ban has been lifted for only a week or two. In the first week applications were made for 70 temporary reserves and virtually all of them were in the Pilbara. If there were 70 in the first week I wonder how many there were in the second. Was the number 70, 170, or 1,000 in the second week? The whole of the north-west will be blanketed. Without question all the iron ore areas will be blanketed. In the last week or two the Labor Government has given away what remained of the iron ore resources of Western Australia. It is as simple and as silly as that. In fact, it is absolutely incredible.

What we should be doing, instead of debating this Bill, is possibly to observe two minutes silence for the death of the so-called Pilbara plan.

Mr. Davies: Do not tell Dean Hazlewood.

Mr. GRAYDEN: There is now no such thing as the Pilbara plan or, if there is to be a plan, it will be only a fraction as effective as it would otherwise have been. How can we have a Pilbara plan and pursue orderly development of the iron ore industry in the Pilbara if we have no resources left; if we cannot add to the reserves held by the various companies; and if we cannot take advantage of a future situation?

I, together with most people, would have thought that the Labor Government, when confronted with this question, would have said, "These huge companies are already operating. They have vast reserves. Let us keep what is left in the control of the people of Western Australia. Let us use it to the best advantage of the people and of the State."

Sir David Brand: Hear, hear!

Mr. GRAYDEN: It is too late for any thoughts of that kind now.

Mr. Jamieson: That is socialism.

Mr. GRAYDEN: It is far too late, because the Government has lifted the ban on temporary reserves and all the areas have now gone. They will not be going tomorrow or the following week; they have gone, because the companies have had 10 years and longer to look around. The companies know where there is even a remote possibility of finding iron ore.

The iron ore areas have been well defined. They have been defined by our own Mines Department and by the Federal Bureau of Mineral Resources. In addition, if any extra work were necessary, they have been defined by the companies themselves. The companies have known for years precisely which areas contain iron ore deposits. I am not referring merely to deposits above the ground but to those which are possibly 50 or 100 feet —or more—below the ground. Do members think that the entrepreneurs and

companies interested in mining in Western Australia are so foolish that they would not immediately take advantage of the ban on temporary reserves being lifted? Of course they took advantage of the situation and went straight in and blanketed the iron ore areas of the Pilbara.

Now nothing is left. The Government has effectively given away our iron ore heritage which could have been used with such good effect as far as Western Australia and Australia are concerned.

This is the aspect of the Bill in connection with which I am most concerned. The Government's action in respect of lifting the ban on temporary reserves was irresponsible in the extreme. I consider the Government has simply frittered away the extraordinarily valuable resources of Western Australia.

One of the reasons, and perhaps the main reason, for the Government taking the action of lifting the temporary reserves ban, stems from its recent doubling of the annual rental on mineral claims. As a consequence, the Government found that people were reluctant to take up mineral claims at 50c an acre per annum instead of the 25c an acre which applied previously. So the Government thought it would have to do something to rejuvenate mining in Western Australia, having effectively mortally wounded it by the savage impost in respect of mineral claims. The Government looked around to see how to effect this rejuvenation and said, "Now we will grant temporary reserves." Of course, this cuts right across the original objective of raising money. Instead of receiving an extra 25c an acre for mineral claims, the Government will now grant huge areas of country—77.2 square miles in the case of minerals other than iron—to anyone who makes application, for virtually nothing.

On the one hand the Government raised the annual rental of a mineral claim, hitting every small prospector and producer in Western Australia in the process, and doing irreparable harm to mining; and on the other hand it says, "We will have to make amends and we will introduce temporary reserves and allocate huge areas for virtually nothing." In the process of doing that it says, "We will include iron ore as well." This was a disastrous thing to do. The Government cannot retrieve the situation now. The iron ore areas, or what remains of them, have been applied for by means of temporary reserves in the last week or two and the Government now has a moral obligation to the people who have applied for them. These people have spent money pegging the land on the assumption that the Government will let them do something with it.

We now have the situation of shocking fragmentation of temporary reserves. Areas are being taken up all over the Pilbara, the Kimberley, throughout the Murchison, and other mining areas of Western Australia. Now the big companies which are already in operation have to go cap in hand to other companies if they do not have sufficient temporary reserves of their own.

The SPEAKER: I think the honourable member is straying from the Bill.

Mr. GRAYDEN: Yes, Sir. I am concluding now. These reserves should have remained with the State and they should have been used to bring the most advantage to the State. I raise this point because it is most serious. The action taken by the Government is shocking in the extreme, and it will become very much aware of this in the years to come.

MR. GRAHAM (Balcatta—Minister for Development and Decentralisation) [9.34 p.m.]: It is usually the measure of the depth of argument that there should be a minimum of extravagant language and no necessity to repeat and keep on repeating the same point. Also, when making an address, it is necessary to have at least some regard for the facts.

Mr. O'Connor: Are you thinking about the jetty at Kwinana?

Mr. GRAHAM: For the information of the member for Mt. Lawley, it is necessary to read agreements. If he reads the agreement in connection with Pacminex in exactly the same way as the member for South Perth should read the proposed agreement in connection with McCamey's Monster, and measures it against other agreements, he may have a better appreciation of the facts.

I want to say here and now that it is more than passing strange to me—no doubt there is a reason for it—that he who was the greatest advocate for Hancock and Wright within the last 12 months, puts himself on the other side of the fence this evening. He assails this Government for taking some action to make it possible for Hancock and Wright, who, on the testimony of the member for South Perth, have done so much in the matter of iron ore discovery, prospecting, and developing, to do something in respect of an area where these two Western Australians have a holding totalling 41⅛ per cent. To my knowledge this is the greatest share held by Western Australians in any venture.

Sir Charles Court: Tell us of one development?

Sir David Brand: What development are you referring to?

Mr. GRAHAM: I am speaking about the Bill presently before us. If you, Mr. Speaker, are generous enough to allow me to wander as far from the Bill as did the member for South Perth, I may be able to answer that. It surely indicates the inability of the member for South Perth to come to grips with this measure that he finds it necessary to career all over the

universe in an attempt to criticise this Government, no matter how irrelevant the criticism is to this particular matter. Of course, this has no relationship whatever to the recent decision of the Government to allow applications for temporary reserves to be approved.

Sir Charles Court: Yes it does; you have not read your own Bill.

Mr. GRAHAM: Whether applications are allowed or not allowed, this Bill is before Parliament in its present form and the agreement is to be assessed on its inherent merit or demerit—if that be the viewpoint of others.

Mr. R. L. Young: Something else which has no relevance is the difference between the comments of the member for South Perth in regard to pure justice and what you are trying to accuse him of now.

Mr. GRAHAM: There we have words and more words in regard to justice and the necessity to do something in respect of Hancock and Wright. Here we have a Bill incorporating an agreement which will allow something to be done and not just talked about. We now find he, who was the greatest protagonist for Hancock and Wright, is the person now using all these extreme words to condemn this agreement in which Hancock and Wright have a 41⅔ per cent. interest.

Mr. R. L. Young: It is a completely different situation, and you know it.

Mr. GRAHAM: I am not here for the purpose of carrying the banner for Hancock and Wright.

Sir Charles Court: We thought you were preparing your speech for the next issue of the *Sunday Independent*.

Mr. GRAHAM: I am here to present this agreement to Parliament in the interests of Western Australia. The Leader of the Opposition—I am not referring to the member for Mt. Lawley because he apparently does not read agreements—

Mr. O'Connor: The big know-all reads them all.

Mr. GRAHAM: The honourable member is not having regard for the facts of the situation. Certain matters appear in the agreements, and they should be obvious to anybody who pretends to know sufficient to desire to talk about them.

Mr. O'Connor: You could not see fact in your own Bills.

Mr. GRAHAM: Such as?

Mr. O'Connor: Do not tell me you do not remember the Bill relating to Kwinana and the grain going out from the same jetty as the alumina?

Mr. GRAHAM: That has nothing whatever to do with this Bill. I suggest the member for Mt. Lawley should read the terms of the Bill and he may then know something about it. This does not require an explanation from me—it is in the Bill in black and white.

I would like to return to the present issue, although apparently the member for Mt. Lawley desires that we should do anything but that. It is patent in this agreement, as it is patent in other agreements, that broad guidelines are set out. Within a stipulated period, which may be varied, the venturers must submit to the Minister of the day propositions in respect of some 10 or 12 different headings. These headings cover such matters as the siting of the port, the direction of the railway, the townships to be established, and this type of thing. So with the passing of this Bill embodying the agreement, there is nothing finite—nothing specific. It enables the companies to set about carrying on their studies, investigations, research, prospecting, etc.

Sir Charles Court: You can say that again!

Mr. GRAHAM: The provisions included in all the other agreements are precisely the same. This is no different in concept. However, the Opposition is pretending that this will be a completely new departure and the word "fragmentation" keeps on occurring. These are just words.

Sir Charles Court: Appropriate words.

Mr. GRAHAM: The decision is entirely in the hands of the Government. Instead of the shocking situation which developed under the previous Government, where every single temporary reserve expired—

Sir Charles Court: And was kept under control.

Mr. GRAHAM: —and where the previous holders of the temporary reserves continued in occupation without any legal right to occupancy at all—

Sir Charles Court: And the Government retained control.

Mr. GRAHAM: —this Government has taken some action. The previous Government did not follow the law of the land. A finger was pointed at certain companies who were told not to negotiate with other companies but to negotiate with the Government. This Government clearly demonstrated within a matter of months of coming into office, commencing from the 26th June of last year, that it was once again possible for these companies to negotiate with each other. Because of this, it has been possible for the Government to bring agreements before this Parliament—agreements to enable the companies to set about some purposeful activity. When the companies within a stipulated period have concluded or made some progress in their investigations, they come back to the Government which has the final say in such things as whether to

go out through Port Hedland, Cape Lambert, or Dampier; whether to share railway lines with other companies or have their own railway lines, and this type of thing. There is no question of fragmentation or lack of fragmentation. Before we had sterility and stagnation.

Sir Charles Court: Don't be stupid—hundreds of miles of railway lines, water supplies, and ports were built.

The SPEAKER: Order!

Mr. GRAHAM: Three companies were in existence and operating and a fourth was under construction. Other than this there was no progress whatever. All the people concerned were frustrated because they were denied occupation of the areas irrespective of the money they had spent or the amount of work they had accomplished. The previous Government denied them everything.

Sir David Brand: They have had a mighty reward in the royalties that will come their way for next to nothing.

Mr. GRAHAM: I have said three companies were in existence and operating and a fourth was under construction. There was absolute chaos and the late Government was acting contrary to the law.

Sir David Brand: This plan has cut dozens of years off the life of the iron ore industry in the north-west of Western Australia.

Mr. GRAHAM: The ex-Premier may know something about something, but he would know very little about this.

Sir David Brand: I would know twice as much as you, on the evidence to date.

Sir Charles Court: He was the chairman of the committee.

Mr. GRAHAM: I repeat myself here—these companies are now to have a chance which of course they did not have under the previous Government. They have an opportunity to prospect and see how the land lies. They may develop some of the areas further themselves or ally themselves with existing companies.

Sir David Brand: At a price.

Mr. GRAHAM: At a price, of course.

Sir Charles Court: Not a price to the State, though.

Mr. GRAHAM: All I can say in respect of the price to the State, be it ever so insignificant—to use the term of the Leader of the Opposition—is that these agreements have been negotiated at a slightly higher royalty than was provided for in the previous agreement.

Sir Charles Court: Under certain circumstances, by the way.

Mr. GRAHAM: Actually the Leader of the Opposition would not know that, because until such time as the companies come forward with their plans and claims it would not be known whether they would be better or worse.

Sir David Brand: Yes, I do, and I would be very interested in what the finance will be.

Mr. GRAHAM: Of course we will all be interested.

Sir Charles Court: You cannot go beyond the agreement, and the condition is not as onerous as in the previous one.

Mr. GRAHAM: If they were not printed here I would recite the details of the agreement. They would provide for all these factors, and the Leader of the Opposition knows that under all the headings it is necessary to obtain the consent of the Minister who is in office for the time being.

Sir Charles Court: Up to the limit of the agreement only; you cannot go beyond the agreement.

Mr. GRAHAM: Yes, that is so, but rail routes, ports, establishment of townsites, and so on, are all matters within the control of the Government of the day and this Government has taken action to generate some movement, whereas previously in these areas there was stagnation and nothing whatever was happening.

Sir Charles Court: That is completely untrue.

Sir David Brand: There is evidence of plenty of movement in the Pilbara.

Mr. GRAHAM: In the areas not covered by the agreements brought to the Parliament by the previous Government there was nothing but stagnation and confusion, and if there is any member on the other side of the House who has any doubts in respect of that matter he can ask any of the present occupiers of the temporary reserves whether that is correct.

Mr. R. L. Young: I am fairly sure that if you were doing now what we did even in the last 12 years you would not have been budgeting for a deficit of $6,000,000.

Mr. GRAHAM: I point out that when we became the Government there were three companies in existence and a fourth project was in the course of being built.

Sir Charles Court: And mighty companies they were!

Mr. GRAHAM: Which no-one is denying, but what I am saying is that when we became the Government there was confusion and chaos in respect of the plans for the Pilbara and this Government took immediate action to send its representatives to other parts of the world in order to explain the situation, and the people in those other parts accepted and welcomed what we put forward. Indeed, the greatest

opposition that was expressed here was on the part of Hancock and Wright and members would be aware of that, but they have learnt that there is merit in the Government's plan; they have learnt that when the Government makes a decision it is not lightly made, and the Government has not backed down on any one of its decisions.

In other words, the world can see that when a decision is made by the Government it is final and accepted as such.

Sir Charles Court: It is so easy; they must be laughing their heads off.

Mr. GRAHAM: The Leader of the Opposition, full of his usual criticism, is, in point of fact, casting a reflection on departmental officers who well and truly served him and who equally are well and truly serving this Government. Most of them are the identical officers who, without any prompting on the part of the Government, have come forward with draft agreements which we have studied and finally approved without imposing the general policies of the Government other than saying that we wanted an opportunity for these companies to do something instead of sitting idly by waiting for the production of a plan about which we have heard a great deal, but which nobody has seen.

We wanted to give the companies the opportunity to do that, but also we wanted, wherever possible, to increase the royalty, having regard to the established escalation of costs. In other words, with the prospect of much higher costs, the Government has realised it has not been possible for it to move very far at this stage towards imposing higher royalties. In relation to the temporary reserves the extravagant language that was used about selling birthrights and all that sort of thing has gone by the board. The position now is that instead of there being so much idle land, people now have the opportunity to undertake prospecting and investigation generally. They now hold these temporary reserves for a limited period subject to certain conditions, and the member for South Perth would endeavour to tell us that it is far better to leave these areas unattended than to have somebody doing something worth while with them. As to what happens eventually is a matter for determination by the Government.

Mr. Grayden: Surely you will not go back on your moral obligations in regard to the temporary reserves?

Mr. GRAHAM: I am hoping the Government will not go back on anything whatsoever. Many things, as the member for South Perth would know, will depend on the area of mineral deposits discovered, the amount of work done on the area, and so on. Actually, this is a kind of red herring, because it does not impinge directly on this question.

Finally, I want to say to the member for South Perth that he seemed to think that it was terrible that in this agreement there was a condition under which additional areas could be made available to the venturers of McCamey's Monster, but this, of course, is something which does not appear specifically in the agreements I read out to him. I asked the Clerk to bring me one of the previous agreements introduced by the former Government and he brought me the Mount Newman agreement. In clause 26 on page 22 of that agreement, the following appears:—

> The parties hereto may from time to time by mutual agreement in writing, add to, cancel or vary all or any of the provisions of this agreement or of any lease, license, easement, or right granted herein . . .

So it will be seen that without any reference to Parliament, every single word in the agreement could have been altered and the whole of Western Australia could have been added to the Mount Newman territory if the Government of the day had been so disposed, because that is the wording in the agreement.

Mr. Grayden: It is a different thing altogether, and you know it.

Mr. GRAHAM: It is an easy thing to tell the difference between the outlook of the parties, I agree, but the position is that the previous Government gave itself a blank cheque under which it could alter every word and every clause in regard to the agreement relating to the area already held by any one of these companies, whereas this Government has been a little more specific in regard to this matter. Yet we hear all this caterwauling as if something undignified and something morally wrong had been done by this Government.

I hazarded a guess on an earlier Bill that wherever the names of Hancock and Wright appear one could expect a storm to emanate from the Leader of the Opposition—

Sir Charles Court: That is plain nonsense.

Mr. GRAHAM: —instead of being proud of the fact that the Government was now making it possible for another company to get off the ground—subject to conditions over which the Minister or the Government will have control—and, in this case, with two Western Australians having a 41⅔ per cent. interest in the venture. Instead of the company and the Government being backed in their efforts to get this project off the ground we heard all this talk about fragmentation which is completely wrong, because the position is absolutely under the control of the Government of Western Australia. We now have a position where something is being done—

Mr. Hartrey: Hear, hear!

Mr. GRAHAM: —whereas previously there was a situation of stagnation. We have changed all that and it is somewhat passing strange to think that in every single announcement this Government has made in respect of any issue there have been bitter criticisms and recriminations by the Leader of the Opposition to the extent that he has disgusted even his own supporters. Surely there would be an occasion once in a while with the Government taking steps to foster industry, enterprise, and development that we could satisfy the Leader of the Opposition, or that the present Government could at least fluke something that would be of advantage. But no, the Leader of the Opposition maintains this negative outlook constantly.

Such an attitude is not worrying the Government because it is becoming monotonous, but I know it is concerning some people who are customarily supporters of the Liberal Party.

Sir Charles Court: We are waiting for you to do something good even if it is only by accident.

Mr. Bryce: He is the biggest knocker this State has.

Sir Charles Court: Why don't you go back and play with your dossiers?

Mr. Bryce: So that you can play with your phoney writs.

Mr. GRAHAM: We have had so many examples from those who have just interjected from the Opposition side of the House protesting about references to personalities and that sort of thing, but it will be noticed that those members are rather adept at this art themselves, and almost invariably their barbs are directed at the newer and younger members on this side of the House.

Sir Charles Court: That will be the day when you are classed as a younger member here.

Mr. GRAHAM: I can only wish that I could remember that far back. The agreement embodied in this Bill is to enable something to happen. The agreement does not subtract from the authority of the State in any respect. What was previously an area of idleness, and confusion, has now been given an opportunity to become an area of opportunity. As to whether McCamey's Monster, Rhodes Ridge, Wittenoom, or any of the other areas will ultimately come to fruition, one can only guess.

Finally, I can sincerely tell the House that there could be a prospect of success with Texas Gulf of the United States of America which has been associated with this type of enterprise for a period of generations. I had the good fortune to see some of its operations when in the U.S.A. That company has confidence in the Rhodes Ridge agreement passed by Parliament recently and which is treated with scorn by the Leader of the Opposition at the present moment. It seems more than passing strange that everybody else apparently is happy and content with this new concept of allowing something to happen; the black days are passed when there was uncertainty, when there was suspicion, and when companies were prevented from doing business.

Mr. Hartrey: Hear, hear!

Mr. GRAHAM: A number of representatives of an international organisation entered my office and expressed some concern that this Government had a majority of only one. I assured them that if an unfortunate situation did occur and we ceased to be the Government any arrangements entered into by us would be faithfully honoured by our successors because that is the way business is done in Western Australia. Incidentally, this is one of the selling points we have; that is, stability of Government and the fact that when the Government's word is given it is honoured.

These gentlemen told me, "Be that as it may, we do not want to do business with the late Government; we want to do business with you." I immediately interrupted and I said, "Excuse me, not because I have not heard aright, but would you mind repeating those words?" and they were repeated in identical terms.

Therefore all this highfalutin stuff from the opposite side of the House and the belief that they, and only they, have the confidence of investors, be they Australians or others, is so much tommyrot. We are on a basis of good relations with these people who appreciate that the days of uncertainty have passed. What the previous Government had in mind in its much-vaunted plan, which incidentally no departmental officer can find, was just so many words.

Sir Charles Court: That is not correct. Why not let us have this famous interview with the officers?

Mr. GRAHAM: The investors are pleased with the fact that this Government has come forward with a project, and they know exactly where they are heading. This Government, of all Governments, has no desire to sell Western Australia down the drain. We are interested in this State and its people. We have been informed through political jibes from the opposite side of the House that we have very little time for the capitalists; we are the ones who will discourage them; and that they will not want to do business with us because of a fear of confiscation, or of socialisation of their enterprises, or something of that nature.

In view of those terms it is more than passing strange that these companies are approaching this Government almost every day of the week. It is now possible for

Bills to come forward where previously a scene of inactivity prevailed. It is now possible for people who have knowledge and experience, not only in the negotiations but in the hard, physical, and practical work on the ground, to join with others with expertise in certain directions in making approaches to us; and willingly we have consented to agreements being drafted and submitted to this Parliament with the safeguard that the situation will remain completely and utterly in the hands of the Government of the day.

So, I hope that following these agreements which we hope will be the forerunners of activity—I would like to know why the Leader of the Opposition said there shall be four and only four—some others will be permitted to start in their own right or to join with others in projects; that is to say, to join in partnership with others for supplying materials or something of that nature, or form a semi-partnership by utilising in conjunction with others certain facilities that are established there. Of course, the use of these facilities will be paid for by the new venturers.

This is nothing more nor less than another instalment of activity and development. Accordingly the measure should be passed by this Parliament. Let us have our party political exercises on lesser matters, but where a $200,000,000 project involving development is concerned—and there is the possibility of this State achieving this—our sense of responsibility should ensure that we do everything within our power to give the project an opportunity to become a reality; and we should refrain from playing the previous game of leaving this as an area of great uncertainty, which was the situation until this Government was elected to office.

Sir Charles Court: God save the Queen!

Question put and passed.

Bill read a second time.

In Committee

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

Clause 1 put and passed.

Clause 2: Execution of Agreement authorized—

Sir CHARLES COURT: Can you, Mr. Chairman, give us a ruling on how you propose to handle the schedule? Will you allow us to deal with it clause by clause, as is done with the clauses of a Bill, or will you be dealing with the clauses of the agreement in groups?

The CHAIRMAN: We will follow the procedure used the other evening. I will play it by ear, depending on how the Committee feels.

Mr. THOMPSON: I wish to speak in a general way on the measure, and to point out that the Brand Government had 12 years of action in the field of iron ore development, during which time towns, ports, and other facilities were established for the benefit of the people of this State as well as for Australia.

Mr. J. T. Tonkin: At that time temporary reserves were granted on a day-to-day basis.

Mr. THOMPSON: That was under the control of the Government. During that period there was tremendous development in this State, but since the change of Government we have heard a lot of words but seen very little action.

Mr. Graham: You are opposing everything introduced by us.

Mr. THOMPSON: Not at all. What a bunch of hypocrites sit on the other side of the Chamber. This is evident from the advertisement which appeared in *The Sunday Times* of the 14th February, 1965, under the heading "The Iron Ore Scandal."

Mr. McIver: So it was.

Mr. THOMPSON: It still is now.

Mr. McIver: What about the embargo by the Commonwealth Government?

Sir Charles Court: There was no embargo in 1965.

Mr. THOMPSON: The following appeared in that advertisement by the A.L.P.—

> Evidence is available which proves beyond all doubt that a long range plan has been in existence to allow the complete exploitation of our iron-ore by foreign interests.

I find it difficult to reconcile that sort of advertisement with the actions of the present Government. I believe it to be hypocritical in the extreme.

Mr. GRAYDEN: The Minister has referred to some remarks I made, and he gave the impression that I was criticising Hancock and Wright, and also the Bill. If he reads the statement I made he will find it contains no reference at all to Hancock and Wright.

Mr. Graham: You were critical of this venture in which those people have a holding of more than 40 per cent.

Mr. GRAYDEN: If the Minister reads my statement he will realise what I did say: that this Government has made provision for additional reserves when we had a situation that banned temporary reserves. That puts the matter in a completely different category.

The Minister then read the variation clause in the agreement, and said it was almost identical with one which was introduced when the Mount Newman Bill was before us.

Mr. Graham: I did not say that. It was a blank cheque when your Government was in office.

Mr. GRAYDEN: It was a completely different matter, because when the Mount Newman agreement was brought before Parliament there was a ban on the allocation of temporary reserves as far as iron ore development was concerned.

Now we have before us a Bill which contains a provision which permits additional areas to be allocated to the company. At the same time the Government has lifted the ban on temporary reserves, and the company is able to take up half the Pilbara if it so chooses and if the applications for the temporary reserves are granted. That is the difference.

When the clause in the agreement to which the Minister referred was introduced it was not possible for any company to acquire iron ore areas; and the reserves had to be allocated by the Government. So, it is absurd for the Minister to give the explanation that he did.

Clause put and passed.

Clause 3 put and passed.

Schedule—

The CHAIRMAN: I will put the clauses in the schedule in groups. Firstly I will put clauses 1 to 10, and if any member wishes to speak on any particular clause in this group he should indicate his intention.

Sir CHARLES COURT: I wish to speak to clause 1 of the agreement contained in the schedule. This is the appropriate place to deal with the question that has been raised by the member for South Perth. I refer particularly to page 8 of the Bill on which the definition of "mining areas" appears. The definition is as follows:—

> "mining areas" means the area delineated and coloured blue on the plan marked "A" initialled by or on behalf of the parties for the purpose of identification and comprising Temporary Reserves Nos. 4194H, 4326H, 5004H and 5006H together with such additional areas as the Minister may from time to time approve;

This has nothing to do with the variation clause. Whatever the Minister says is in and becomes part of the "mining areas." The Government has lifted the ban on temporary reserves completely.

Even during the negotiation period of the Rhodes Ridge agreement another temporary reserve was to be included as a "sweetener," according to the words of the Minister, because it happened to be low in phosphorous content. Here we have an agreement drawn up on the basis that these are the areas before us at the moment as set out in the plan which has been tabled. If one looks at the location of some of the areas in relation to the Whaleback deposit they appear to be rather ominous. The Government of the day, without reference to the variation clause, can add anything it wants.

The Minister referred to the variation clause in the Mount Newman agreement as a sample case of our version of variation clauses, and that is fair enough because it did follow substantially our standard variation clause; but he did not read out all of the variation clause when he spoke to the second reading debate. It is important that I mention it. If the Minister consults the Crown Law Department he will find that the powers of the Government in respect of major variations are very limited in the original agreements. Under the present agreement they are as wide as the sea, as long as the Minister says they are not necessary for submission to Parliament. He alone is to be the arbiter.

Mr. Graham: Under your agreements there was no mention of referring anything back to Parliament.

Sir CHARLES COURT: There was.

Mr. Graham: Tell me where it appears.

Sir CHARLES COURT: The Minister is very wrong in saying that. I would invite him to refer this matter to the Crown Law Department and to get its interpretation of the clauses which it drew up. I will read the clause out, because the Minister read only a little bit of it.

I will quote from page 568 of the Statutes for 1964. Clause 20 (1) of the Iron Ore (Mount Newman) Agreement reads as follows:—

> The parties hereto may from time to time by mutual agreement in writing add to cancel or vary all or any of the provisions of this Agreement or of any lease license easement or right granted hereunder—

Note, no reference to temporary reserves.

Mr. J. T. Tonkin: Not much restriction in that, is there?

Sir CHARLES COURT: To continue—

> —or pursuant hereto for the purpose of implementing—

And those are the critical words. To continue—

> —or facilitating the carrying out of such provisions or for the purpose of facilitating the carrying out of some separate part or parts of the Company's operations hereunder by an associated company as a separate and distinct operation or for the establishment or development of any industry making use of the minerals—

I ask members to note the following:

> —within the mineral lease or such of the Company's works installations services or facilities the subject of this Agreement as shall have been provided by the Company in the course of work done hereunder.

Mr. Graham: The Leader of the Opposition has read out the relevant clause but he omitted to emphasise there are three alternatives. Two do not relate to making use of the minerals within the mineral lease.

Sir CHARLES COURT: The Minister is trying to get himself off the hook by creating a situation which does not exist. If he will take this matter to the senior Crown Law officer he will find the power of the Government is very limited.

Mr. Graham: That is where the Leader of the Opposition is wrong.

Sir CHARLES COURT: I defy the Minister to produce one single case where the Brand Government made a major alteration which we did not bring to this Parliament.

Mr. J. T. Tonkin: According to the argument raised by the Leader of the Opposition, additional areas cannot be given to the Robe River company without being brought to Parliament.

Sir CHARLES COURT: That would be the case. I have explained to the Premier, and to the Committee—in fact I explained the matter to the Premier and his colleagues at a conference on about the 11th October—that the whole secret of the philosophy of the previous Government, in negotiating the 300 square mile leases, which had to be selected out of the temporary reserves, was that the time must come when the companies had to come back and talk to the Government. That was the great strength in our agreements.

Mr. J. T. Tonkin: Supposing the companies came back, would the matters have been brought to Parliament?

Sir CHARLES COURT: Of course, unless they related to tupenny ha'penny matters which would be covered by clause 20 (1) of the agreement.

Mr. Graham: This Government recently looked at the Mount Newman agreement, the Hamersley agreement, and the Robe River agreement, and none of those have come back to Parliament.

Sir CHARLES COURT: As I understand the situation, the Government has only granted additional temporary reserves to those companies without any right to develop. However, under the terms of this agreement—and this was the point raised by the member for South Perth —the temporary reserves become part of the agreement. That is something separate and distinctly different from the agreement with Mount Newman. Mount Newman and others have to come back.

Mr. Graham: Parliament will know what it is doing. Under previous agreements areas can be added with no conditions applying at all.

Sir CHARLES COURT: The Minister is so wrong. It is frightening to think that the Minister thinks as he does. Anyone can be granted additional temporary reserves to undertake certain exploration. But under previous agreements such a person would have to come back every 12 months and prove that he had carried out an agreed exploration programme. He then receives the right to negotiate, but not to develop. Under the present agreement the situation will be entirely different. The additional temporary reserves become part of the agreement.

Mr. Graham: I am glad there is emphasis on the right to negotiate.

Sir CHARLES COURT: The member for South Perth was so right when he mentioned fragmentation because companies will be chasing all over the place in an attempt to get areas to explore. Those areas could be hundreds of miles away from their base area and, of course, that would be an uneconomic situation.

Mr. Graham: The companies make their own decisions as to where they explore.

Sir CHARLES COURT: Because the Government has forced them into a fragmented situation. They probably hope like fury there will be a change of heart on the part of the Government.

Mr. Graham: The previous Government had the companies handcuffed so that they could not move.

Sir CHARLES COURT: The definition of "mining areas" is far reaching. The areas can be added at the will of the Government and they will become part and parcel of the agreement. That provision is different from anything which has occurred previously.

I think it is desirable that we place these details on record so that we make it clear, not only to the Government but to others in the community, that at least we tried to warn the Government. The Government seems to have locked the door and thrown the key to sound development out of the window.

Mr. GRAYDEN: I cannot understand why this clause has been included in the agreement. The Minister may, from time to time, include additional areas. The clause means nothing. We have been given the impression that the agreement deals with specific temporary reserves, but that is not the situation at all. The Minister may give to the company any reserves in the State.

The definition of "mining areas," in those circumstances, does not seem to be necessary. There is no significance in leasing to the company four temporary reserves because any additional number can

be added to the agreement. In those circumstances I cannot see any purpose in including a clause of that kind.

As the Deputy Leader of the Opposition has said, the clause is fraught with all sorts of dangers to Western Australia. The same provisions have not appeared in any previous agreement in respect of iron ore. I can recall that the Minister for Development and Decentralisation was one who vigorously opposed the variation clauses in past agreements. I agreed with him and I used to oppose them also. However, they never went quite as far as this one.

As a result of the inclusion of this clause the company will be able to be granted temporary reserves in any part of Western Australia. There will be a fragmentation of the mineral reserves in Western Australia, and we are not in agreement with the clause.

Schedule put and passed.

Schedule to the principal schedule put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

MR. GRAHAM (Balcatta—Minister for Development and Decentralisation) [10.27 p.m.]: I move—

> That the Bill be now read a third time.

SIR CHARLES COURT (Nedlands—Leader of the Opposition) [10.28 p.m.]: I want to refer briefly to a matter with which I intended to deal during the second reading stage of the Bill, and on which the Minister touched in the course of his rather vitriolic reply to the member for South Perth and myself.

I refer to the Minister's allegation that certain companies were warned that if they negotiated with certain people here, whilst the Brand Government was in office, they would be placed under a ban. When this matter was raised previously, we on this side of the House challenged the Minister to name those people but he would not do so. Subsequently, an article appeared in the *Sunday Independent*, dated the 4th June. The article was headed "Graham 'knows 9 warned by court' ".

As a result of that article I wrote to the Minister and asked him to name the persons concerned. He wrote back and mentioned that this matter had not been challenged in the House. In fact, it was challenged. I now realise the Minister was in some difficulty in replying to my letter so I decided not to pursue the correspondence.

Mr. Graham: Would the Leader of the Opposition care to read my letter in full?

Sir CHARLES COURT: I have not got the letter with me, but I do have the Press cutting. I want to say that we on this side of the House deny the allegation. If the Minister is at all fair, and supposing the newspaper article is true, will he name the people concerned?

As far as my ministry was concerned, I can think of no-one who, in the life of the Brand Government, was placed under any ban at all, regardless of which company it was. People bandy words around when it suits their convenience and when they want to ingratiate themselves with other people and Governments. Therefore, I think it is only fair, if the Government persists in its allegations about people being under a ban in respect of the matter under discussion, that the Deputy Premier should name the people. I am giving him the opportunity, within the machinery of this House, to name these people in the House. I realise he may have been in some difficulty in naming them in the letter he wrote to me. If he is not prepared to name them, he should retract and desist from further reference.

MR. GRAHAM (Balcatta—Minister for Development and Decentralisation) [10.31 p.m.]: I do not know the relevance of this matter to the Bill. I assure the Leader of the Opposition that I did not say there were nine. I said I had a list of companies—I take his word for it that the number was nine—which were anxious to proceed but were unable to do so. I said, and I repeat, that principals of concerns in Australia informed me they were to cease negotiating or that people from other parts of the world had been told they were to cease negotiating with the people in Australia; otherwise they could not expect any co-operation, assistance, or allocations from the Government. When I went overseas I checked with these people and they confirmed what was said here.

Sir Charles Court: Why do you not tell us who they are?

Mr. GRAHAM: Because of the attitude of the previous Government in respect of certain people, and because of the action I have just outlined, the last thing I would do is mention the names of the companies in order to give an opportunity to the same political party, if it were ever again in Government, to wreak its vengeance upon these companies.

Sir Charles Court: Why mention the matter at all? It is grossly unfair to me and the former Premier.

Mr. GRAHAM: I am not prepared to name them.

Sir Charles Court: We would not tolerate such a thing.

Mr. GRAHAM: We know perfectly well what the previous Government did in respect of those who were erstwhile occupiers

of temporary reserves and who had spent hundreds of thousands and in some cases millions of dollars. Their temporary reserves were allowed to expire and they were occupying them illegally; that is, without any legislative consent.

Sir Charles Court: What has this to do with my question to you?

Mr. GRAHAM: They had no idea what would happen, such was the unreliable attitude of the previous Government towards certain people. I would not do anything that would put them at a disadvantage in the event of the return of that Government.

Mr. O'Neil: Answer the question.

Sir Charles Court: You have made it absolutely phoney.

Question put and passed.

Bill read a third time and transmitted to the Council.

APPLE AND PEAR INDUSTRY BILL

Second Reading

Debate resumed from the 8th Novemmer.

MR. NALDER (Katanning) [10.35 p.m.]: When introducing the Bill last week, the Minister for Agriculture gave the reasons for this legislation. He went to some pains to point out the causes of the difficulties associated with the industry in Western Australia. He said the main objective of the legislation was to assist the industry in the export of apples from this State to overseas markets. I emphasise that point because I will later refer to the sale of apples on the local market.

It is obvious that a problem exists in the industry. It has been brought about by the changing conditions which have affected this industry and other industries, not only in this country but also in other parts of the world. The system of production, presentation, sale, and export of apples and pears in every State of Australia has undergone a dramatic change in recent years. According to information available, the costs involved between the orchard and the point of consumption have risen to such an extent that no keen financier could shut his eyes and not be concerned about the developments that have taken place. Increased costs for machinery, handling, materials, chemicals, containers, grading, transport, port charges, cool storage, and shipping have placed the growers in this State in a difficult situation which needs to be examined very closely.

Growers have reached the point where they must decide whether they can continue in the industry, whether they will diversify, or whether they will go out of the industry altogether and retire or seek employment somewhere else and become a burden on the employment market. This problem will not be solved easily, and it cannot be dealt with on an across-the-board basis. We must look at the various facets of the industry. We must consider the different areas of the State, the seasonal factors, and many other factors in a problem such as this.

For some farmers, the production of apples, pears, stone fruits, or citrus fruits is only part of their activities. They can increase their production in other lines. Some farmers are in a position to diversify because, for them, the production of apples and pears is only a sideline. They are in a position to reduce gradually their production of these fruits and go into other types of agricultural production, perhaps by increasing their breeding herds of sheep, cattle, and pigs, or by turning to the production of vegetables, which can be done in this country. The production of vegetables in Carnarvon, Geraldton, the metropolitan area, and parts of the south-west enables the consumer in this State to have fresh vegetables all the year round. This is practicable in some districts where farmers have larger areas of land, thus making vegetable and other types of production an economically sound proposition.

In the hills districts the holdings of orchardists are smaller in area. In these districts the orchardists specialise in the growing of fruits for the local market, and great credit is due to them. People who visit this State have remarked on the quality of the fruit. In the hills districts the fruit matures earlier and therefore comes on the market earlier. These growers are not in a position to diversify their interests and engage in other forms of agriculture. In the main, they depend entirely on the production of fruit on their properties. Many of those properties consist of only 15, 20, or 25 acres of land, and it would therefore be impossible to diversify into stock production. Perhaps they could diversify into limited production of vegetables.

There are also those who regard their gardens or orchards as a spare time activity in the weekends. When we are considering the problems of this industry, we must therefore take into account the differing circumstances in various parts of the State.

The Minister indicated the seriousness of the present position. No doubt he has been informed by officers of his department of the estimated production. From time to time the officers of the department visit the main growing areas and they are able to estimate the quantity of fruit that is likely to come on the market in the months ahead. The prediction is that in the vicinity of 3,300,000 bushels of apples could be sold from Western Australia in 1973. I take it that figure includes both the export and the local markets.

The Minister also indicated that a percentage would be sold on the local market, and some of that fruit would be used by processing companies in the metropolitan area. I will make further mention of that in a moment. I think he said 1,000,000 bushels of Granny Smith apples could be exported. Is that correct, Mr. Minister?

Mr. H. D. Evans: No. The available space offered for shipping at this time is less than 1,000,000 bushels.

Mr. NALDER: Then at the moment the shipping position controls the situation, and 1,000,000 bushels of Granny Smith apples which could be exported could remain in the State. That indicates the position is difficult. I do not think the Minister indicated the number of bushels likely to be used for local consumption and processing.

Mr. H. D. Evans: I thought I mentioned that.

Mr. NALDER: Is it in the vicinity of 1,300,000 bushels?

Mr. H. D. Evans: Yes, hopefully.

Mr. NALDER: One does not need much imagination to understand that a very serious problem is facing the industry at present. As the Minister mentioned by way of interjection a moment ago, the shipping shortfall is one of the difficult problems influencing the end result, and is probably the most difficult problem facing every producer. The producers are concerned about the end result. Their first problem is to produce fruit of the required quality both for export and local consumption. Then they are faced with the problem of ensuring that their fruit is transported and presented to the consumers all around the world. So they are faced with the most difficult problem of finding sufficient and adequate shipping space to transport their goods and to keep them in the best condition.

I do not think it is necessary for me to point out that up to this point every effort has been made to transport fruit from the trees to the packing shed, to pack it, and to place it on board ships in such a way as to keep it in the best possible condition. The timing is most important. One cannot play around with perishable products; they must be placed on the market as soon as they are ready. In this respect Western Australia has a slight advantage over the other States because of its geographical position in relation to the markets of the world. I cannot overemphasise the importance of placing fruit on the market as soon as it is practicable to do so. Therefore, shipping plays a very important part.

Mr. Jones: For the sake of clarity, will you tell us whether you are opposing or supporting the measure?

Mr. NALDER: I have been indicating briefly the problems associated with the production of fruit. I am sure it is appropriate that I should comment upon the remarks of the Minister, and that in leading the debate from this side of the House I should have some cognisance of the position and stress the problems facing the producers. If the member for Collie has not enough patience to listen he may go outside and whistle. He will have to wait until I am ready to indicate to the House my views on the matter. He will hear them in due course.

The Minister underlined the importance of the European market. This is a very interesting situation, although I feel not all the information has been made available. The Minister said—

> Australia's share of the U.K. market dropped from 77 per cent. in 1951 to just over 40 per cent. in 1971.

I have no doubts that probably the 40 per cent. in 1971 represented an amount just as great as, if not much greater than, the amount represented by 77 per cent. in 1951. However, I make that comment in passing. The Minister continued—

> In that period Australia's share of total export from all southern hemisphere countries dropped from 40 per cent. to 11 per cent. due to a rapid increase in South African and New Zealand supplies, rather than a diminution of Australian exports.

So another aspect that we cannot ignore is competition from other countries. The Minister also referred to the position regarding the European Economic Community. I think we all know only too well the problems that will face us in the very near future—if they are not already here—regarding the quantity of fruit and other produce which will be accepted by the European Economic Community. We know that a levy of 2 per cent. will be introduced in 1975, and it will rise to 8 per cent. by 1978.

Mr. H. D. Evans: It is 2 per cent. a year over four years.

Mr. NALDER: I presume by 1978 Australian exports will be completely phased out of the European Economic Community unless we can make a greater saving in costs somewhere along the line. Possibly a different system will be introduced before that time, but we cannot afford to ignore the problem.

This leads me to another point I wish to make: the importance of seeking other markets. I know much has been done in this field, but I remember not so very long ago I travelled to the north and to the Far East and found the demand for red apples was changing. This is something we cannot ignore. I know it is not easy to change our production in a short period of time, but if in future our markets for Granny Smith apples are also tied to markets for varieties of red apples, we will not be able to ignore the situation. If the Bill is passed it will be the responsibility of the Apple Sales Advisory Committee to study

very closely the requirements of our local market for red apples and the possibility of increasing our sales in Asia. That is terribly important.

The Minister also referred to the Japanese situation. We know that Japan has placed a ban on our apples, mainly because in Western Australia we have fruit fly and the Japanese are not keen to accept fruit from any country which has fruit fly because they consider their own production may be prejudiced. I believe we must institute an inquiry in depth to ensure that if in the future we can break through in this field every effort will be made to do so.

Another factor mentioned by the Minister is the cost of shipping to the U.K. and continental markets. He said that freight of approximately $3 represents 50 per cent. or more of the landed cost of a bushel of fruit on that market. He went on to stress the necessity to keep costs down, and he gave some examples.

I believe a difficult problem which faces all sections of the industry has arisen since the Minister introduced the Bill. Members on this side of the House were rather taken aback at the bother to which the Minister went when he introduced the measure. It will be remembered that we were in the process of debating another Bill at the time, and the Minister was able to influence the Premier to cease the debate on that measure at 7.40 p.m. sharp, and he then went to work to introduce the measure before us. I do not know the reason for that; I do not know whether it was done to tie in with a Press announcement or an arrangement the Minister made with somebody; but I do know that such a procedure rarely occurs in this House. As a matter of fact, I think many things which have rarely occurred previously have happened in this session.

Mr. J. T. Tonkin: I hope many more will, too.

Mr. NALDER: Therefore, probably we should not be very surprised about what happened in this regard. However, I think the Minister must take the responsibility for the problem that exists in the State at the moment. In the last few days growers have spent a tremendous amount of time attending meetings and trying to find out exactly what is happening and what is not happening. I believe the Minister made a bad blue by presenting the Bill to the House in the manner he did. Had he taken a little more care in analysing the situation, I feel he could have obviated much of the concern expressed by many growers throughout the length and breadth of the State.

Upon studying the Minister's speech it is obvious where the confusion has arisen. I believe the Minister should have considered more carefully the information he provided.

I can recall that in 1962 we established the Apple Sales Advisory Committee. If the provision I am discussing had been omitted from the Bill growers would not have expressed so much concern. I am quite sure they have not been fully informed because if they had been they would not have found it necessary to hold so many meetings. The confusion has arisen because many growers have felt that this particular portion of the Bill will interfere with the local market. I want to give detailed reasons for their concern.

The growers have been told they will have to license their cool stores and report each month to the Apple Sales Advisory Committee the quantities of apples they hold in those stores. First of all they must register them and give authority to an inspector to enter the cool rooms and then report monthly. I consider this detail is quite unnecessary at this stage.

Surely when completely new legislation is being introduced the confidence of those to be affected should be gained. This confidence is lacking at the moment.

The Minister has taken a wrong step by including this particular portion in the Bill and I want to tell him—although probably he knows by now because of the amendments of which I have given notice —I intend to vote against this part. I believe that if it were deleted from the Bill those who supply the local market and who want to continue to do so without interference would have their confidence restored.

Not one person in the deputations we have met has stated he is opposed to the establishment of a board under certain conditions. However the growers should have been fully informed of the Government's intention.

Although the Minister made the situation fairly clear in his second reading speech, those who have read the Bill had no idea of what the Minister said, and were very confused. Consequently they reacted, and rightly so. A person who is not informed and does not know the intention of the legislation has a right to take steps to look after his own interests; and this is what a number of producers have done. I make this point because it is important.

Another aspect to be considered is that under the Bill the board would be in a position to flood the local market with export apples it is unable to sell. Surely the Government realised this provision would create a problem. Suppose, for example—although this is not likely to occur —500,000 bushels of apples were predestined to go overseas, but for some reason the board could not export them. Under this legislation the board could dump those apples on the local market. It does not have to confer with anyone. It could

make the decision and overnight the 500,000 bushels of apples could be thrown onto the local market. What would be the position then? Nothing but chaos would result. The growers who had gone to the trouble to pick, pack, and store fruit for the local market—

Mr. Moiler: Could not the growers do that of their own accord? If they had 500,000 bushels surplus, would they not automatically go onto the local market?

Mr. NALDER: The honourable member should read the Bill.

Mr. Moiler: I have read it more thoroughly than you have.

Mr. NALDER: The honourable member apparently does not understand it.

Mr. Moiler: We will see about that in a moment.

Mr. H. D. Evans: Have another look at it.

Mr. NALDER: I will read the provision as follows:—

> (6) Notwithstanding any other provision of this Act, where the Board has accepted delivery of apples or pears and it subsequently appears to the Board that it will be unable to export those apples or pears, either absolutely or so as to obtain a reasonable return therefrom, it may sell or arrange for the sale of those apples or pears within the State.

What does that mean? What is the interpretation? It means that the board can sell them on the local market. It must be the local market.

Mr. H. D. Evans: But if those people had delivered to the board and they are, in fact, doing a service, and it transpired that the ship sank and therefore did not arrive, should they be penalised because they have delivered to the board? Would that not be the case at present if this situation arose? I believe you should think about it a little further.

Mr. NALDER: That is the interpretation of the Bill as drafted.

Mr. H. D. Evans: That is right. There is no doubt that anyone reading the Bill or rereading it would come to the conclusion that the board can do this.

Mr. Moiler: What alternative do you suggest?

Mr. J. T. Tonkin: What do you think the board should do with the apples? Feed them to the pigs?

Mr. NALDER: I suggest that real consideration should have been given to the matter before such a provision was included.

Mr. I. W. Manning: I suggest that if the ship went down the shippers would lose.

Mr. NALDER: The solution is not easy to find, but the growers who have apples to sell on the local market are concerned that the board can do this. The problem could be minimised if all concerned got together to discuss it rather than give the board the responsibility and the opportunity to dump this type of consignment on the local market.

Mr. H. D. Evans: You have another look at the situation.

Mr. NALDER: I have looked at it many times and have held many discussions about it. If the Minister is determined to proceed along these lines probably other action will be necessary.

Mr. H. D. Evans: You give it some more thought.

Mr. NALDER: I might mention now rather than come back to it later, that I believe the words "after full consultation and agreement with the Apple Sales Advisory Committee" should be added after the word "may" in line 6 of clause 16 (6). If these words were added everyone involved in the industry would have an opportunity to study the problem and come to a decision.

We expect that grower representatives will be on the board, and we know the composition of the advisory committee. These people will represent various areas of the State and will have a full knowledge of the problem.

Subclause (6) refers to the sale of the apples or pears within the State. I believe that after the word "State" we should add the words "or other States of the Commonwealth." I am informed that at present our surplus apples are being sold, with some advantage, in the Eastern States. Why should we restrict the sale of surplus apples to this State alone when they could possibly be sold in other States?

Mr. T. D. Evans: You should not exclude the Territory.

Mr. NALDER: I include all the areas of the Commonwealth in "other States of the Commonwealth."

I now wish to deal again with the board. I have held discussions with various sections of the industry, and I have been informed that, in discussions with the Minister, the industry requested a grower majority on the board. It is obvious from the provisions in the Bill that the growers will not have a majority. As a matter of fact they will be in the minority. Under the Bill the board shall consist of five persons of whom one shall be the Director of Agriculture or his nominee; three shall be appointed by the Minister; two shall be growers; one shall have commercial expertise and experience in fruit shipping; and the other shall be a person appointed by the Minister to be a member and chairman of the board.

The Minister said something else in his speech which I cannot let go without some comment; and strangely enough only an hour ago the Premier supported my contention in this situation. The Minister said—

> It is also pointed out that the chief executive officer is not precluded from being appointed to the position of chairman.

Only an hour ago the Premier said that under no circumstances would an executive officer be chairman of a particular board and he gave every reason for his not being chairman.

Mr. H. D. Evans: That was a different situation.

Mr. NALDER: It was not a different situation.

Sir Charles Court: We are talking about principles.

Mr. NALDER: The Minister could talk to his heart's content, but he would not convince me that this is a different situation. It is not a different situation to have an executive officer as chairman.

Mr. H. D. Evans: You are splitting hairs.

Mr. NALDER: Splitting hairs my foot. I was pleased I was here and heard the Premier.

Mr. H. D. Evans: But here you have a specialised marketing situation.

Mr. NALDER: That does not alter the position one little bit.

Mr. H. D. Evans: Of course it does. Why did you stand for the Milk Board being constituted as it is?

Mr. NALDER: We are talking about the legislation before the House and it appears as if the Minister cannot take it. He wants to draw a red herring across the trail. The chief executive officer has his hands full if he is doing his job properly. He has his work cut out following the board's instructions, and he should not be the chairman of the authority.

I believe that four persons on the board would be quite sufficient and I see no reason whatever for the Director of Agriculture or his nominee to be on the board. These people are specialists and they have a job to do.

I can recall the previous Director of Agriculture saying to me when I was the Minister that he was absolutely fed up with being on boards and committees because he was unable to do his proper work and carry out his duties. He said that on many occasions, and yet we are asked to agree to the appointment of a specialised officer to the board. I know only too well—in fact the Bill contains such a provision—that any officer of any department can be made available to the board at its request for advice and assistance or for any information it requires. Clause 14 (5) reads—

> (5) With the consent of the Minister administering a department of the Public Service of the State, the Board may, on such terms and conditions as are agreed between it and that Minister, use the services of a person employed in that department.

That provision is already in the Bill.

From my own experience in the past I know that not one request for an officer with specialised information was ever refused, whether the request was made by the Minister, by any board, or by the chairman of a board. The officer was always made available when the request was made. Therefore, why should we tie a departmental officer, hand and foot, and say that he must be a member of a board? That officer can go to the board, advise it, and give all the information required. He can then retire and allow the board to carry on with its work.

I know that every department today has its specialists. This is especially so in the case of the Department of Agriculture, which has specialists in every section. Not one officer would usurp the authority of another officer in a different department. From time to time when a request was made for information from one section, the officer would say that he could not give the information but it would have to be obtained from another officer. I am sure there will be a complete waste of energy and effort in demanding that the director or his nominee be on the board. Later I intend to move an amendment that this person should not be on the board. In this way, his time and effort would be better spent in the job he has been selected to do. This would not be the case if he were a member of the board. He could sit on the board all day and not be able to contribute anything toward the discussion. I believe four members would be able to carry out all the duties of the board.

We saw an illustration of this when the Lamb Marketing Board was appointed last year. This is a comparable situation and proves it is unnecessary to have five members on the board. I shall move in this direction at the Committee stage, if we get that far.

Mr. J. T. Tonkin: I understood that you would support the Bill.

Mr. NALDER: I have never said anything about supporting it.

Mr. J. T. Tonkin: I thought you said you would support it subject to amendment.

Mr. NALDER: I have not said anything to this effect.

Mr. T. D. Evans: Not even on a television programme?

Mr. NALDER: I have not said anything in this House.

Mr. T. D. Evans: But on a television programme?

Mr. NALDER: Many things can happen between the time of a television programme and the time a measure is debated in the House. The Premier and his Ministers would be well aware of this.

Mr. T. D. Evans: Something has happened?

Mr. NALDER: The Bill goes further and states that a person shall be appointed by the Minister to be a member and chairman of the board. I believe that a person appointed to a position such as this should have some qualifications. I consider it is necessary to include in the Bill a provision to the effect that the chairman should be able to contribute to the requirements of the debate, in the first instance, and should have some knowledge of the difficulties associated with such an important industry. When the Bill reaches the Committee stage I intend to move that this person should have some qualifications to which I shall refer a little later on.

Mr. T. D. Evans: Do you mean, "If we reach the Committee stage tonight?"

Mr. NALDER: The Premier is long-winded on some occasions as are members of the Opposition. If the Premier is prepared to sit until Christmas doubtless he may be prepared to sit until quite late in the evening.

Mr. J. T. Tonkin: No, I am not, but I am still prepared to sit till Christmas.

Mr. NALDER: Another aspect of the legislation needs attention and I am surprised that the Minister for Development and Decentralisation has not been able to look at the question of appeals which is omitted from the Bill.

Mr. Gayfer: He is tripping around.

Mr. NALDER: The measure contains no provision whatsoever for any appeal. The board may make decisions affecting growers as may the committee. Once the decision is made that is the finish in terms of the Bill, as printed. A grower cannot appeal to anybody under this legislation. He can whistle for all he is worth, but the Bill does not provide for a person at least to have his case reconsidered or reheard by anybody else. An appeal provision should be included in the legislation. If we reach the Committee stage I intend to move to introduce a clause to cover this position.

The Minister gave some explanations when he moved the second reading. I believe the fifth provision could be transferred to another part of the Bill. This provision gives the Apple Sales Advisory Committee the responsibility of looking at future plantings of trees. If we are overproducing at the present time it would be sheer folly and catastrophic for people to go ahead and plant trees without having some knowledge of what the future will bring. I know we can expect consumption to rise slowly in this State. We believe other markets will be found and every effort will be made to make it possible for this industry to continue. The industry has played an extremely important role in the past and we hope this situation will continue.

This provision will allow the Apple Sales Advisory Committee to look closely at and study the requirements of the future. I mentioned this earlier on when I said there is a developing market for the red apple in Asia. I think the committee could closely examine the need for further planning to ensure that what is done is in the best interests of the State.

Before I resume my seat I want to mention again the other clause because I believe it is vitally necessary to obtain some information in the interests of the industry in this State. I believe this should be done by amending the Agricultural Products Act. If this had been done in the first place, we would not have the problems we are facing today. The growers would have clearly understood the situation. It may be possible to look at this part of the Bill at a later stage to see what advantages can be gained. The Minister tried to explain that it was designed in order to gain information which could be used in the interests of the industry at a later stage, but it has confused the issue at the present time. I believe it would lead to better co-operation and understanding if this clause were deleted from the Bill, thus allowing those engaged in production for the local market to continue unhindered.

I am prepared to support the Bill on the conditions I have outlined. If the Minister is prepared to accept my conditions, the board will be appointed. From reading the Bill, I do not know what authority the board will have. The Minister did not mention having received a letter from the Minister for Primary Industry or the Chairman of the Apple and Pear Board in Melbourne. We do not know whether or not the board will be given a license. If the board is not given a license, I do not see how it can operate. However, that will be dealt with in the future.

I think it will be of advantage to appoint the board and let it assess the situation. I do not suppose it will in any way interfere with the present system this season. Therefore, all those who have a responsibility to ensure the crop is marketed will carry on this season without interference,

but the board could be in a position to assess information which will be of value to the industry in the future. I am prepared to support the second reading.

Debate adjourned, on motion by Mr. Moller.

BILLS (2): RETURNED

1. Fire Brigades Act Amendment Bill.

   Bill returned from the Council with amendments.

2. Married Persons and Children (Summary Relief) Act Amendment Bill.

   Bill returned from the Council without amendment.

PERTH REGIONAL RAILWAY BILL

Council's Further Message

Message from the Council received and read notifying that it had agreed to the Assembly's request for a conference, and had appointed The Hon. L. A. Logan, The Hon. I. G. Medcalf, and The Hon. J. Dolan (Minister for Railways) as managers for the Council; the Select Committee room as the place of meeting; and the time 6.45 p.m., Wednesday, the 15th November.

MR. JAMIESON (Belmont—Minister for Works) [11.26 p.m.]: I move—

That the time and place fixed by the Legislative Council be agreed to.

Question put and passed; the Legislative Council acquainted accordingly.

ADJOURNMENT OF THE HOUSE: SPECIAL

MR. J. T. TONKIN (Melville—Premier) [11.27 p.m.]: I move—

That the House at its rising adjourn until 11.00 a.m. tomorrow (Wednesday).

Question put and passed.

House adjourned at 11.28 p.m.

Legislative Council

Wednesday, the 15th November, 1972

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 2.30 p.m., and read prayers.

QUESTIONS (3): WITHOUT NOTICE

1. TOWN PLANNING: CORRIDOR PLAN

Honorary Royal Commission: Report

The Hon. A. F. GRIFFITH, to the Leader of the House:

I am led to understand that a considerable number of inquiries have been made concerning the availability of the report of the Honorary Royal Commission into the Corridor Plan. Apparently the public is inquiring whether copies of the report will be available. Is it the intention of the Government to have the report printed in order that copies may be made available upon request to the public and to each member of the State Parliament?

The Hon. W. F. WILLESEE replied:

Yes. I am advised that sufficient copies of the report will be printed for sale to the public and for supply to each member of Parliament who requests one. I suggest that members submit their names to their party Whip and I will take the responsibility to make copies available.

2. FIRE BRIGADES BOARD

Contributions

The Hon. A. F. GRIFFITH, to the Chief Secretary:

It will be necessary for me to explain a little before I ask the question. In this morning's issue of *The West Australian* appears an article which is headed, "Rebuffs by Council hit Government funds." The article then continues—

> The State Government faces a revenue loss of about $680,000 because of rebuffs to Budget proposals.
>
> The Legislative Council last night amended a Budget Bill which sought to reduce the Government's contributions to the operation of the W.A. Fire Brigades Board.

It goes on to explain what the Press thinks happened. A comment made by the Chief Secretary is then printed as follows:—

> The Chief Secretary, Mr. Stubbs, said that the amendment would cost the Government about $180,000 a year.
>
> He told the council that the amendment would not be accepted by the Government. If it did not pass, the local authorities would be denied a saving of $400,000 a year.

The report is obviously erroneous and gives the impression that the Committee of the whole of this House amended a Bill causing the Government to lose $680,000. If my understanding of the legislation and the amendment is correct, that is a wrong report of the situation. I ask the Chief Secretary whether he saw the report—and I know he did because