

Opposition of being irresponsible and of all sorts of other things, the Government should realise that these things must be done. I hope the Government will do something instead of indulging in fancy and luxurious block development, such as the one it has guaranteed at Yundurup.

I do not think for a moment that the blocks at Yundurup are luxurious. Indeed, I am sorry for the people who may buy them because they have a small frontage and front onto stale water which will silt up and ultimately create a slum. However, I am quite sure the price is luxurious even though the blocks are not. Prices of \$7,500 to \$15,000 for land 60 miles from Perth must be considered to be luxurious. This is the type of area with which the Government is concerning itself, instead of concerning itself with the vital problem of marketable blocks.

Mr. O'Connor: Who is supporting that stand?

Mr. MENSAROS: I am sure the member for Mt. Lawley is well aware of my attitude to this development.

The motion before the House is not unlike the one we moved last year in connection with daylight saving. It does not condemn the Government; it simply asks the Government to do something. It is hard to imagine that any member would be opposed to the motion, because all members must view with concern the deterioration of the position relative to the availability and price of domestic land.

All the Minister could do was deny the fact that such a problem exists, and I do not think he did that convincingly. With regard to the second part of the motion, can anyone oppose our wish to receive a clear and precise statement of the position? I do not think anyone could. I say the Minister has not complied with the wish of the motion with regard to the second part, and he has not provided a clear and precise statement. I hope he will again try to do so. I support the motion.

Debate adjourned, on motion by Mr. Rushton.

House adjourned at 10.20 p.m.

Legislative Council

Thursday, the 19th October, 1972

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 2.30 p.m., and read prayers.

INLAND SUPERPHOSPHATE WORKS *Feasibility Study: Tabling*

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [2.33 p.m.]: In tabling the second phase of the study on the feasibility of estab-

lishing an inland superphosphate plant, I mention that in September, 1971, the Government commissioned Davy Ashmore, consultants, to prepare a report in two phases. The first report was tabled earlier in the year in the Legislative Assembly, copies of which are available in the Legislative Council.

QUESTIONS (2): WITHOUT NOTICE

1. CLOSE OF SESSION *Legislative Programme*

The Hon. A. F. GRIFFITH, to the Leader of the House:

As the Leader of the House has given notice of two motions to suspend Standing Orders, would he, between now and next Tuesday when he moves those motions, endeavour to give us some idea of the programme the Government intends to carry out in the coming weeks?

I have in mind the state of our notice paper which is not too bad. But when one looks at the notice paper of the Legislative Assembly one finds that it contains a considerable amount of legislation. I think all members would appreciate knowing what is the intention of the Government in relation to its legislative programme.

The Hon. W. F. WILLESEE replied:
Yes, I will endeavour to do that.

2. ELECTRICITY SUPPLIES

Halls Creek: Reduction of Charges

The Hon. J. L. HUNT, to the Leader of the House:

(1) With reference to the recent Press statement regarding cost of electricity from isolated generating stations and as Halls Creek power was not mentioned, will the Government give consideration to reducing cost of power at this town?

(2) If so—

(a) what would consumers expect to pay per unit under the new rate, and

(b) what was the cost under the old schedule?

The Hon. W. F. WILLESEE replied:

(1) Halls Creek was not mentioned in the Press statement as the scheme announced referred to electricity undertakings not under the control of the State Electricity Commission. Tariffs at Halls Creek were reduced as from the 1st October, 1972.

(2) (a) From the 1st October, 1972.
Industrial Commercial and General.

First 50 units per month—
8.50c.

Next 950 units per month—
8.00c.

Next 4,000 units per month—
7.00c.

Next 45,000 units per month
—6.00c.

All over 50,000 units per
month—5.00c.

Minimum charge at the rate
of \$5.00 per quarter.
Domestic.

A fixed charge at the rate of
\$5.00 per quarter. Plus all
metered units at 5.50 cents.

- (2) (b) Prior to the 1st October,
1972. Industrial Commercial
and General.

First 50 units per month—
11.00c.

Next 950 units per month—
10.50c.

Next 4,000 units per month—
9.50c.

Next 45,000 units per month
—8.50c.

All over 50,000 units per
month—7.50c.

Minimum charge at the rate
of \$5.00 per quarter.
Domestic.

A fixed charge at the rate of
\$5.00 per quarter plus all
metered units at 8.00c.

QUESTIONS ON NOTICE

Postponement

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [2.39 p.m.]: I ask leave of the House to postpone questions, including the proposed question without notice by Mr. Hunt, until a later stage of the sitting.

The **PRESIDENT**: Leave is granted.

LOTTERIES (CONTROL) ACT AMENDMENT BILL

Third Reading

THE HON. R. H. C. STUBBS (South-East—Chief Secretary) [2.40 p.m.]: I move—

That the Bill be now read a third time.

THE HON. A. F. GRIFFITH (North Metropolitan—Leader of the Opposition) [2.41 p.m.]: I take the opportunity of saying a few words on the third reading of the Bill. It is obvious that in moving the third reading the Chief Secretary intends the Bill to be despatched to the Legislative Assembly for its consideration.

When the second reading debate took place he did say that if the amendments I had moved were adopted by this House the Government would drop the Bill and not proceed further with it. I appeal to

the Government not to do that. If it does, I think it will deprive many people who, it was intended by the Government, should derive some pleasure from the playing of this game. Members know my feelings towards this game and its application to gambling.

I hope that wiser counsel will prevail, and that the Ministers of the Government will decide to accept the original proposals of this House which the Chief Secretary, to use his own words, accepted and put forward in good faith. If that is not the case then the reverse situation will prevail; and instead of the Legislative Council defeating a Government Bill, on this occasion the Government in the Legislative Assembly will defeat its own objective.

I appeal to the Government to reconsider the situation. If it is the desire of the Government to fulfil the original intention of its legislation and to meet the wishes of the Chief Secretary, it should accept the Bill when it is considered in another place.

THE HON. R. H. C. STUBBS (South-East—Chief Secretary) [2.43 p.m.]: Perhaps I can say, now that the smoke of the battle and the heat of the debate have died down, I am just as interested as other people to permit the game of bingo to be played. I can assure members that when the Bill reaches another place it will be given a fair hearing.

Question put and passed.

Bill read a third time and transmitted to the Assembly.

RACING RESTRICTION ACT AMENDMENT BILL

Third Reading

Bill read a third time, on motion by The Hon. R. H. C. Stubbs (Minister for Local Government), and transmitted to the Assembly.

PERTH REGIONAL RAILWAY BILL

Further Report

Further report of Committee adopted.

YOUTH, COMMUNITY RECREATION AND NATIONAL FITNESS BILL

Second Reading

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [2.45 p.m.]: I move—

That the Bill be now read a second time.

In Western Australia activities concerning general community fitness, community recreation, and youth work are supported by two separate agencies—the National Fitness Council of Western Australia and the Youth Council of Western Australia.

The background to the initial establishment and subsequent role of each agency will no doubt be of interest to members.

In 1939 the Western Australian Council for Physical Fitness was called into being by the State Minister for Health as a direct result of Commonwealth legislation which generated interest in all States.

The broad aim of the council was to make the community generally "fit"; the emergency of war dictated that something be done. As a result, the National Fitness Council of Western Australia (Inc.) was established in 1940, and in its first year of incorporation lent its main emphasis to youth work. In the first few years, police boys' clubs were established followed by attempts to set up youth centres for "unattached" young people.

The organised groups which conducted youth work were brought together in a combined committee known as the Youth Welfare Committee which in 1942 became the Associated Youth Committee of Western Australia under the auspices of the National Fitness Council.

In 1945 the National Fitness Act was passed establishing the new structure with teachers seconded from the Education Department to act as professional officers and the original functions of the council were enlarged.

In 1964 the Youth Service Act was passed establishing the Youth Service Council of Western Australia which at that stage appeared to complete the cycle of emphasis which began in 1939, except that activities were now split between two councils under separate Acts.

The following is an extract from the 1965 annual report of the National Fitness Council provided by the Minister for Education at that time:—

Experience may, in the course of a few years, show that the Council for Youth Service should merge with the National Fitness Council, or even absorb it. The desirability or otherwise of this can, the committee considers, only be determined as the result of events in the meantime.

Time and experience, since the 1964 Youth Service Act was introduced, has demonstrated that the two councils with evident duplication of services and personnel are unnecessary. Instead of setting up a third council to co-ordinate the two now existing a simple *modus operandi* is required to streamline the existing structure, to retain the best features of the two Acts and to merge the two councils rather than to follow an expansionary process.

With this in mind a detailed report was prepared by the Chairman of the Youth Council following a private tour of overseas countries during which time he studied organisations and youth services.

The recommendations contained in the report to consolidate the activities of the two councils were generally acceptable to both parties and constituted the basis for guidelines in implementing the proposed legislation now before the House.

Some of the main factors influencing this decision are—

- (1) There is a similarity of the functions in both councils in terms of the community as a whole.
- (2) Both Acts at present require the agencies to advise the Minister on similar things, and indeed to advise the same Minister.
- (3) There is a similarity of duties undertaken by both agencies in such areas as leadership training, assistance for the development of camp facilities, and the like.
- (4) A third of the members of the Youth Council are also National Fitness councillors.
- (5) A number of areas of duplication of effort and consequent duplication of staff and equipment have arisen and appear to be growing.

In order to achieve a cohesive, co-ordinated instrumentality charged with servicing the needs of youth and the community, it is considered highly desirable to repeal both the existing Acts and consolidate them as one.

This Bill achieves that objective with a minimum of variation to the existing functions of both councils. One noticeable change is the provision for the chairman of the new council to be appointed by the Minister. At present the Minister for Education is the statutory Chairman of the National Fitness Council, but as a result of heavy demands connected with this portfolio it has been usual practice for the deputy chairman to preside at practically all meetings. In recognition of this circumstance, it would appear appropriate to correct the situation at this time.

Debate adjourned, on motion by The Hon. Clive Griffiths.

ENVIRONMENTAL PROTECTION ACT AMENDMENT BILL

Second Reading

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House)
[2.50 p.m.]: I move—

That the Bill be now read a second time.

Section 21 (1) of the Environmental Protection Act, 1971, to which this Bill proposes to add an additional subsection, makes provision for deputies of members to be appointed by the Governor.

Subsection (1) of the section provides that the Governor may appoint a person to be a deputy of a council member and may terminate such appointment at any time.

Subsection (2) provides that a person so appointed is, in the event of the absence from a meeting of the council of the council member of whom he is the deputy, entitled to attend that meeting and when so attending has all the powers, functions, and duties of a council member.

It is apparent that in the drafting of this legislation there was no intention to empower the Governor to appoint deputy members as such; nor does this Bill propose otherwise. The intention is that a deputy so appointed is regarded as being the deputy of the particular member and not the deputy in the respective office held by the member of the council.

Accordingly, under existing provisions a deputy of a council member may quite properly represent the council member for whom he is deputy at a meeting which the member is unable to attend.

No provision has been made, however, to ensure continuity of council proceedings when a member of the council relinquishes office for any reason; and this for the reason that his deputy is then not competent under existing provisions to represent him at a meeting of the council.

As a consequence it has been decided that, in order to ensure continuity of council proceedings, an additional subsection should be added to section 21 to provide that where a council vacancy occurs in an office of member of the council, the deputy of that member may continue to have full powers as a deputy until that casual vacancy is filled.

The proposed additional subsection reads as follows:—

If at any time a Council member ceases to hold office before the expiration of the period of his appointment, the person who was at that time the deputy of that member is, until the office of a member is filled by the appointment of another member, entitled to attend any meeting of the Council and when so attending has all the powers, functions and duties of a Council member.

Debate adjourned, on motion by The Hon. G. C. MacKinnon.

TOTALISATOR DUTY ACT AMENDMENT BILL

Second Reading

THE HON. J. DOLAN (South-East Metropolitan—Minister for Police) [2.54 p.m.]: I move—

That the Bill be now read a second time.

The purpose of this Bill is to amend the principal Act imposing duties in respect of the takings of totalisators to now include greyhound racing.

An alternative method of dividend calculation termed the "losing bets method" is also proposed. The percentage commission deductions specified will provide a common deduction which, taken on an annual basis, is not expected to exceed the percentage commission deduction already in force in the principal Act.

This system has been used by the Totalisator Agency Board for some years and is considered to be the most equitable method of dividend calculation available. It provides a better balanced dividend structure than the so-called standard method which has the effect of unduly depressing or inflating a dividend. Display of anticipated dividends by on-course totalisators is also possible.

Example: Losing Bets Method Place Betting

Deduction of 25 per cent. of losing bets used by T.A.B. for off-course pools:

- (1) Divide place pool into three equal parts.
- (2) Deduct units invested on each placed horse from relative one-third of the pool.
- (3) Deduct 25 per cent. commission from losing bets in each one-third of the pool.
- (4) Add back units invested on each placed horse to the relative one-third of the pool.
- (5) Divide the units invested on each placed horse into one-third of pool after finalising step (4) above.

The Hon. R. F. Claughton: How does one beat the system?

The Hon. G. C. MacKinnon: I thought that was a rather simple explanation.

The Hon. J. DOLAN: When honourable members read the explanation in *Hansard* they will have no difficulty in understanding what I have said.

The Hon. A. F. Griffith: I wonder if the Minister would describe it simply to me now as a normal punter.

The Hon. J. DOLAN: I am afraid I have a punt about once every five years. To continue: This method of place pool dividend calculation has the effect of keeping the dividend on the shorter priced horse at a reasonable level because a commission would only be taken from the losing bets balance relative to that horse.

Should more than one-third of the place pool be invested on one placed horse then a dividend of 50c is paid out of the pool for that horse without affecting the true dividend on the remaining placed horses. The dividend of the other two placegetters is kept at a reasonable level because of this method of dividend calculation.

If the horse with more than one-third invested is not placed, then the amount invested on that horse is spread over the three placegetters thereby giving a slightly increased dividend to the placegetters.

This system is suitable for use on on-course totalisators for probable dividend display purposes by means of barometers or visual display screens.

**Example: Standard Method
Place Betting**

Standard 15 per cent. deduction in use in the Eastern States:

- (1) Deduct 15 per cent. from total place pool.
- (2) Divide balance of pool three ways.
- (3) Divide units on each of the three placed horses into each one-third of pool available.

This method of place pool dividend calculation has the effect of producing sub par dividends on short priced horses, which requires a subsidy to 50c and higher than usual dividends on longer priced horses.

In other words, part of the investment unit—50c—on the short priced horse is used to make part of the dividend for longer priced horses and therefore is not considered a reasonable system of dividend calculation.

This system, however, is the most suitable for probable dividend display purposes by means of a barometer tote.

Place Dividend Calculation Examples.

Example A. Standard 15% Commission deduction with pool divided into three parts.

	\$	
Pool	20,000	
Commission	3,000	
	17,000	= \$5666.60 for each placing.

Units on placings—

- 1st 10 000 dividend = 55 cents.
- 2nd 2 000 dividend = \$2.80.
- 3rd 1 000 dividend = \$5.65.

Example B. Losing bets 25 per cent commission deduction.

Pool \$20,000.

Units on places—

- 1st 10000 dividend = 60 cents.
- 2nd 2000 dividend = \$2.60.
- 3rd 1000 dividend = \$5.10.

Example C. Standard 15% commission deduction with pool divided into three parts.

	\$	
Pool	20,000	
Commission	3,000	
	17,000	= \$5666.60 for each placing.

Units on placings—

- 1st 15000 dividend = 37 cents.
- 2nd 2000 dividend = \$2.80.
- 3rd 1000 dividend = \$5.65.

Example D. Losing bets 25 per cent commission deduction.

Pool \$20,000.

Units on—

- 1st 15000 dividend = 50 cents.
- 2nd 2000 dividend = \$2.45.
- 3rd 1000 dividend = \$4.80.

The Hon. A. F. Griffith: Before the Minister resumes his seat, I understand this Bill will take in greyhound racing.

The Hon. J. DOLAN: That is right.

The Hon. A. F. Griffith: Has the Government any idea of the amount of tax it will collect as a result of greyhound racing?

The Hon. J. DOLAN: I cannot answer that, but I will find out the information for the Leader of the Opposition.

The Hon. A. F. Griffith: I think it is necessary that Parliament be given some idea of what the Government anticipates will be the income from greyhound racing.

The Hon. J. DOLAN: I think there is a great deal of guesswork attached to this.

The Hon. A. F. Griffith: There should not be.

The Hon. J. DOLAN: The honourable member is suggesting something that is entirely new. If this is to be based on the experience of other States, and the popularity of it here is consistent with its popularity in other States, a position could exist somewhat similar to that in New South Wales where, for example, the greatest investment on the T.A.B. is from racing, the second greatest from the dogs and then there is the investment on trotting.

The Hon. A. F. Griffith: Between now and the time you reply to the debate I think the Government should do some research and tell Parliament what you expect as income from greyhound racing.

The Hon. J. DOLAN: It will do that, but I feel it will be difficult to make an assessment.

Debate adjourned, on motion by The Hon. A. F. Griffith (Leader of the Opposition).

**TOTALISATOR REGULATION ACT
AMENDMENT BILL**

Second Reading

THE HON. J. DOLAN (South-East Metropolitan—Minister for Police) [3.02 p.m.]: I move:—

That the Bill be now read a second time.

This Bill is complementary to the Totalisator Duty Act Amendment Bill and its purpose is to amend the principal Act in order that a club conducting greyhound racing may be licensed to operate a totalisator on course.

Debate adjourned, on motion by The Hon. A. F. Griffith (Leader of the Opposition).

CONTRACEPTIVES ACT AMENDMENT BILL

Returned

Bill returned from the Assembly with amendments.

ALUMINA REFINERY (MITCHELL PLATEAU) AGREEMENT ACT AMENDMENT BILL

Second Reading

Debate resumed from the 4th October.

THE HON. A. F. GRIFFITH (North Metropolitan—Leader of the Opposition) [3.03 p.m.]: This Bill with a schedule containing an agreement signed by the Government will, I am sure, be received in this House with mixed feelings. I feel the members who represent the north of the State will be disappointed at the necessity to introduce the Bill, while those who represent the southern portion of the State will feel pleased to think that Alcoa will increase its output as a result of the changes provided in the agreement accompanying the Bill, which seeks to amend the Alumina Refinery (Mitchell Plateau) Agreement Act, 1971.

Personally, I feel some disappointment at the necessity for this legislation to be introduced, and I am disappointed that it should seem necessary to make the changes as outlined in the Minister's second reading speech.

I introduced the original legislation in 1968, and this became an Act in 1969. You may recollect, Sir, that The Hon. F. J. S. Wise took the adjournment of the debate and his speech is recorded in *Hansard* No. 4 of 1968-69 at page 3339. Incidentally I was happy to see Mr. Wise in the corridor the other day and to shake his hand and observe he was making progress after his illness.

At the time Mr. Wise spoke very enthusiastically about the Bill which was introduced into this House together with the agreement that was attached to the legislation setting out the proposed venture.

I feel sure that everybody who lived in the north—not merely in the Kimberley—at that time was also very pleased at the prospects and the anticipation of the benefits that were likely to accrue as a result of the fulfilment of the original agreement.

A great industry was foreshadowed in a part of Western Australia that is so remote and far removed that the likelihood of the development of a harbour, an established town, and a great industry exporting its products—together with other ancillary industries—seemed an unlikely possibility; indeed it almost seemed like a dream, such were the proposals at the time.

Admittedly the original agreement provided for long-term development and promised, as I have already said, a diversified type of operation extending beyond the actual mining and treatment of bauxite; because beneficiation was to follow together with the production of alumina. Indeed the industry was prepared to go into such things as forestry, fishing, agriculture, and pastoral pursuits.

The original agreement provided for a period of development during which the company had to submit its proposals. The original date for this was the 30th June, 1969; or another date to be approved by the Minister.

Members will recollect that in 1970, I think it was—the legislation certainly became an Act in 1971—it was necessary again to amend the agreement in that Bill when the accompanying agreement went through this House.

Now it has been explained by the Leader of the House that due to the world situation in relation to the production of bauxite, alumina, and aluminium and the low prices of these commodities, it is proposed again to extend the agreement.

These extensions are outlined on page 11 of the Minister's speech where he told us that under the provisions of the amending legislation the original license fee of only \$250 a year is to be increased to \$5,000 a year in the first three years; and, if required, a further extension of three years would cost \$10,000; and yet a further extension of three years would involve a fee of \$15,000; and from thence the fee would be \$25,000 a year for the rest of the period, until the leases are issued and mining begins.

The agreement provides for a basic extension of eight years and a further extension of another four should that become necessary due to a lack of marketing, or because of financial arrangements not being able to be made for an earlier start on the part of the company.

I read in this morning's paper that the Premier of the State (Mr. Tonkin) pointed out to the people who read his article that although arrangements had been made for the company to defer its obligations under the agreement, the State would profit to a very considerable extent by the increased rentals. I thought it may be worth while doing a little homework on this aspect. Accordingly, I asked the Leader of the House a question yesterday and received a part answer. The question was as follows:—

What are the total estimated tonnages of bauxite at the Mitchell Plateau covered by the Alumina Refinery (Mitchell Plateau) Agreement Act—

- (a) proven as a result of drilling;
- (b) inferred tonnages?

Proven tonnages are based on the results of drilling operations and inferred tonnages are estimates of what ore may be in the area assessed on geological calculations. As the word implies, the geologists infer that this additional tonnage, as well as the proven tonnage, is available. To part (a) of the question, the Leader of the House replied—

The company advises it has proven reserves in excess of 200 million tons of washed and screened ore.

I find the answer to part (b) a little difficult to understand. It reads as follows:—

Details of the exploratory work have been lodged as confidential progress reports with the Mines Department and enquiries will be made to see what information can be released on the latest position in regard to proven and inferred reserves.

The first answer is that the company has 200,000,000 tons of washed and screened ore but the second part qualifies this to say somebody will attempt to see what figures may be released in respect of this figure and also in respect of the inferred tonnage. I cannot take the matter any further than that.

It is safe to say that limonitic bauxite is usually spread over quite large areas and that the inferred tonnage could be considerable. I am unable to hazard a guess myself, and anyway it would be incorrect to make a guess on such a matter as this. Therefore, I have taken the basic figure given to me of 200,000,000 or more tons of proven ore.

I decided to do a little arithmetic to find out how much it will cost this company to hang on to the 200,000,000 tons of bauxite in this remote area until 1980—the extreme date on which the company may do something about it. The company will pay \$5,000 rental the first year and I have worked out that the ore will cost .000025c per ton for the first year. The rental for the fourth, fifth, and sixth years will be twice that amount if the company wishes to secure the deposit for those three years, and the ore will then cost .00005c per ton—double the first amount. The rental in the seventh, eighth, and ninth years, will be three times that of the first year, and in the 10th, 11th, and the 12th years the company will be paying \$25,000 in rent—five times as much as the first year or .000125c per ton.

I then made a calculation of the total amount of rent over the 12-year period. It is \$165,000. If we divide that by the 200,000,000 tons of bauxite ore, we arrive at a figure of .000825c per ton for a period of 12 years to hold this deposit. The remaining calculation was the cost per ton per year over the whole of the programme and I came up with a figure of .0000687c

per ton per year to hold the 200,000,000 tons of ore. Whilst it sounds a considerable sum of money in comparison with the \$250 which was provided for in the original agreement, in fact it is not when measured on a ton basis for the right to hold this ore with no-one else having the right to touch it until the year 1980.

The Hon. R. F. Claughton: With all that practise in mathematics, the betting arrangements would not have been any problem to you.

The Hon. A. F. GRIFFITH: That is probably so, but I thought the honourable member may have been busily checking to see that I am correct. After I gave the first calculation, I felt Mr. Claughton would have quickly worked out the other figures to save me the trouble.

The \$250 figure mentioned was in respect of what was hoped would be a going concern, whereas the \$165,000 over 12 years is simply a holding fee and nothing more. I thought it worth while making the calculations to see what it will cost the company.

I realise that under the agreement the company is obliged to do two things. It must keep some of its facilities going, and members are aware that it is entering into a pastoral pursuit with its 1,350,000 acres of pastoral country near the bauxite deposit. The land is being fenced as the Minister told us, water has been provided, a considerable amount of stock is on the site, and it is going ahead. This is a very good thing, although it has nothing to do with the agreement which is basically a mining agreement. I would have thought that 1,350,000 acres in the Kimberley was worth while having—is that not so?

The Hon. W. R. Withers: Most certainly.

The Hon. A. F. GRIFFITH: I am sure that the other member representing the North Province will agree with that point of view. Whilst this is desirable and will keep the company interested in the project, and we wish it every success, on the other side of the picture the Minister has explained some of the mining provisions in the Bill. More correctly stated, the agreement is consequential to Alcoa of Australia giving notice of its intention rapidly to increase the growth, capacity, and output of its alumina refinery at Pinjarra. I find this is a strange way for the Government to enter into an arrangement with Alcoa. I would like to refer members to clause 2 of the agreement on page 3 which reads as follows:—

(1) The provisions of this Agreement other than Clause 3 shall not come into operation until the Bill referred to in that Clause has been passed by the Parliament of Western Australia and comes into operation as an Act.

Turning over the page, we find that the State has to introduce this Bill on a certain date and have it ratified by the 31st December, 1972. The agreement, in clause 4(1) provides—

The Company—

That is the company under the Alumina Refinery (Mitchell Plateau) Agreement—

—covenants with the State that the Company shall, prior to the 31st day of December, 1972, cause Alcoa to give to the State written notice of the intention of Alcoa to construct additional facilities at the Pinjarra refinery site for the treatment of bauxite to produce alumina which shall have the effect of increasing the total capacity of the Pinjarra refinery to produce not less than eight hundred thousand (800,000) metric tons of alumina per annum.

I thought that the way to get Alcoa to increase its output at Pinjarra was not to make the request under this agreement, but to ask the company direct and perhaps amend the Alcoa agreement as a result. However, the obligation has been left to this company, and under the agreement it undertakes to get Alcoa to give that notice. Clause 4(2) of the agreement provides—

The notice required of Alcoa under subclause (1) of this Clause shall include the proposed date of commencement of construction, which date shall be no later than the 31st day of March, 1973, and the estimated date of completion of the additional facilities, which date shall be no later than the 31st day of March, 1976.

Clause 5 then reads as follows:—

5. Anything contained in the principal Agreement to the contrary notwithstanding, the Company's obligations under the principal Agreement whether or not such obligations have presently accrued, shall be deferred until the 30th day of June,—

That is the crucial date. Continuing—

—1980 PROVIDED THAT if, during the calendar year 1980 and prior to the 30th day of June of such year, the Company submits a detailed report to the Minister that in the opinion of the Company development of the bauxite reserves within the mining areas is not then economically feasible or is not feasible due to the insufficient number of participants for the project the subject of the principal Agreement the State shall, at the option and request of the Company, defer the Company's obligations for an additional four (4) years until the 30th day of June, 1984.

So it can be seen that it is the company's opinion that counts in the scheme of things. There is, of course, a saving clause on page 6 of the agreement which provides—

The Company shall not later than the 30th day of June in each year prior to the commencement date submit to the Minister a report concerning the position of the Company in connection with the project the subject of this Agreement.

So, each year, the company has to report to the Government on the existing situation. Be that as it may, the company will then be able to hold the deposit until 1984. The only other clause that really counts in the amending agreement is clause 7 which provides—

7. In the event that Alcoa fails, by the 31st day of December 1972, to give the State notice of its intention to construct the said additional facilities at the Pinjarra refinery site or fails, subject to the provisions of Clause 8 of this Agreement by the 31st day of March 1973 to commence construction of the said additional facilities or to complete construction of the said additional facilities by the 31st day of March, 1976 the State shall be entitled, if such failure is not remedied within ninety (90) days after notice thereof by the State to the Company to cancel this Agreement. . . .

That is a saving clause. It still seems to me to be a little strange that this agreement should contain the provision for Alcoa to produce its additional amount of alumina. The Minister's notes indicate to us that the Government feels sure Alcoa will be able to assist the company under this agreement with the Government to give that notice, and I have to accept that as being the position.

It is clear, of course, that if Alcoa does not, by the dates set in the agreement, produce the additional amount of alumina, the agreement will fail. Apparently, as I have been told, the Government has received advice to the effect that Alcoa will proceed with its additional undertakings at Pinjarra. The Minister explained to us that the shortfall in the Mitchell Plateau project alumina requirements will be met by purchasing an additional amount from Alcoa. That is the position, as explained by the Government.

Another sound feature of the agreement is that the notes relate that at Pinjarra 1,000 men will represent the construction force next year, and as soon as the capacity of the refinery comes on stream further employment will be created for an additional 250 men who will be added to the permanent work force at Pinjarra. I am of course pleased to note this.

The Government's advice on definite alternative development in the interim period is that Alcoa will commence construction before the end of this year, increasing the pace of construction steadily until a full-scale building programme is under way during the following 12 months.

It is also noticed from the Minister's notes that Alcoa will bring a second alumina refining unit into production at Pinjarra, and that this will increase the annual capacity to 420,000 tons a year. In addition, Alcoa will also begin a two to three-year construction programme costing at least \$25,000,000 to increase the capacity of the refinery to a minimum of 800,000 tons of alumina a year. So that is the situation.

My criticism of the arrangement is that I think the Government would have been better advised not to extend the term of the Mitchell Plateau consortium to 1984. That is a long time. I thought it would be better to have the ability to bring the company in at more frequent periods than this instead of extending the agreement until 1984. I know that a company of the calibre and nature headed by Mr. McGregor, whom I know quite well, will, if circumstances provide, bring in the Mitchell Plateau project at a date sooner than the last date mentioned in this agreement. Be that as it may, it would have been far better for the Government to keep control of the situation to a greater extent than that laid down in the agreement.

What it amounts to is that to some extent the substance has been thrown away for the shadow. Some immediate benefit will be gained, I know. Those who represent the Pinjarra area will be pleased, but the project in the Mitchell Plateau, running into \$100,000,000—I think that was the figure—in the original agreement, is something the Government of the day and the present Government had a great hope of satisfactorily negotiating. However that is being set aside now for a considerable time.

I satisfy myself with those remarks. I feel the company has been treated quite generously by the Government. It can now hold that very large tonnage of bauxite ore for a considerable period and, as I have said, it will cost the company only a very small portion of a cent per ton to do so. Therefore I am somewhat critical that the Government was not able to drive somewhat of a harder bargain with the company than it has. Apparently this was the best the Government could do, and we are obliged to accept the situation at least for the time being in the sincere hope that the world demand for bauxite for alumina, and the demand for aluminium products will improve in the near future rather than the distant future, and that the Mitchell Plateau people will be able

to get on with the development of that project as they originally intended when they first entered into the agreement with the Government.

I repeat that this project was the great hope of the Kimberley area. It was something which would have given a considerable fillip to the Kimberley and it is a pity that the prospect is that it will be delayed for so long.

THE HON. W. R. WITHERS (North) [3.32 p.m.]: Many people in the Kimberley and elsewhere have been disappointed as a result of this Bill and future hopes and ambitions of participating in a great venture such as the one envisaged have been dashed. It might well be said that Amax would not progress if it could not find a suitable partner and that the people would have been disappointed anyway. However I would like to point out that individuals who wish to participate in any project and are planning on doing so, very rarely plan eight to 12 years ahead. After reading the Bill, anyone who had any ideas of participating in any of the projects associated with the Amax company operating on the Mitchell Plateau will forget them because the incentive has been killed.

I would like members to take notice of the following words which were contained in the second reading speech of the Leader of the House:—

World consumption is currently growing at a rate well below the long-term average level and while the market growth pattern will eventually recover under a well-established cyclic pattern, the present market climate has prevented members of the development consortium from attracting further consumers.

This preponderance of words hardly deserves consideration, but that paragraph appears to contain the major argument presented by the Government in support of the Bill. As we are asked to comment on the Bill I would agree that at this time there is a low market demand for bauxite, but I believe it will be for only a brief period, and I will endeavour to prove that assertion later. If I were asked to comment on the rest of the second reading speech I would be forced into the Australian vernacular which I believe could not be used with dignity in this House. However let me say it has very close connotation to green pastures, soiled gum boots, and a large amount of male cattle; and there is a great deal of it in the second reading speech of the Minister.

The Hon. J. Dolan: You are getting fussy all of a sudden.

The Hon. W. R. WITHERS: In the political notes on page 30 of today's *The West Australian*, the Premier of Western

Australia (Mr. J. T. Tonkin) referred to Mr. Ian McGregor, the Chief Executive Officer of Amax. The article reads—

On October 12, the Australian Broadcasting Commission quoted Mr Ian McGregor, chief executive officer of Amax, as having stated baldly in Tokyo that the project had been deferred "until the world demand for alumina had recovered."

Mr McGregor said that the project had been hampered by the huge investment in hospitals, schools, houses and power supply implicit in its remoteness—and stated moreover that, though the "West Australian Government had previously not been interested in giving the financial support necessary," he now expected a "far more sympathetic approach."

Let us consider this sympathetic approach. Mr. McGregor's expectations have certainly been fulfilled. In fact the Government has been so sympathetic it has acted almost with servility to this great American company, the directors of which must be laughing. They must be overjoyed with their ability to handle the inexperienced Western Australians.

I am proud to belong to a political party the then leader of which—the then Premier—with a senior Minister, and his Cabinet, asked overseas companies to participate in the infrastructure of the new towns, and developments in this State. This saved the taxpayers a great deal of money. The Cabinet of the day said, "We have something to sell. You wish to buy it and exploit it; but let us not exploit it at the expense of the taxpayers. Let us take your investment money and make the quality of life high for the people of this State."

I do not think that this Government has considered this aspect. On reading the Bill it would appear on the surface that it has. Let us look at the further comments of the Premier in the article to which I have just referred. They read—

Mr McGregor has thus plinned on Sir Charles Court's administration much of the blame for the failure of Amax to get under way—but he went even further.

I cannot believe that, particularly when the Premier goes on to say—

By suggesting that world demand for alumina would revive by 1975, and that work at the Mitchell Plateau would resume then, he completely destroyed the Opposition Leader's statement that my Government had "sold out" for a "mess of pottage."

This amazes me. How can the Premier write such words and believe them, and then give an eight to 12 years' deferment? It just does not make sense. In the same political notes the Premier also said—

Most recently, and most specifically, the Opposition Leader launched a not

exactly unexpected tirade against deferment of the Amax alumina project in the Kimberley.

Of course, it was not unexpected. It was expected, because the Premier would well know the mistakes that he and his Government are making and that a good Opposition would, of course, criticise those mistakes. The Premier also knew he had an opportunity to present a popular front to the people. Unemployment is high in Western Australia and, consequently, he said, "Let us fix this problem. Let Amax enter into a deal with Alcoa at Pinjarra. This will allow more workers to be employed." The Premier was then hoping he could say to the people, "Look what we have done for you. We have decreased unemployment."

Does not the Government realise that unemployment would be far less if another great project could be started in the north?

The Hon. L. A. Logan: More employment opportunities.

The Hon. W. R. WITHERS: That is right. The Premier probably does not realise that the employment opportunities would have been far greater had the Government helped to start another project in the north or in some other isolated area which has great natural resources.

The Hon. D. K. Dans: We need some in the south.

The Hon. W. R. WITHERS: That is so, and I hope they are found for the benefit of the State.

The Hon. J. Dolan: You are plucking fruit off trees that do not bear.

The Hon. W. R. WITHERS: I wonder whether the Government invited other companies to join Amax. I wonder whether the Government pointed out the opportunities. I am referring to the proximity to a port; the proximity to overseas markets; the possibility of service industries, other than alumina or bauxite, from which money can be made. In saying this I am referring to the fishing industry and to the potential for a timber industry right on the coast.

The Hon. V. J. Ferry: It would be opening up a whole new region.

The Hon. W. R. WITHERS: Did the Government point out that the north has great resources of power? I will mention this feature later.

The Hon. R. Thompson: Did the Government which you supported point it out in the initial agreement?

The Hon. W. R. WITHERS: At the time I was certainly not aware of the enormous amount of gas which is available. If the honourable member knew of this, why did he not tell the previous Government? Had I known about it, I would have been writing letters nonstop.

The Hon. R. Thompson: I am not talking about gas.

The Hon. W. R. WITHERS: I am talking about sources of energy. What is the honourable member talking about?

The Hon. R. Thompson: You were talking about fishing and a whole load of rubbish.

The Hon. D. K. Dans: I would agree that there are vast amounts of gas, but the people looking for it maintain it is not yet proven.

The PRESIDENT: Order!

The Hon. F. D. Willmott: It is not the only place there is a lot of gas.

The Hon. D. K. Dans: Turn him off.

The Hon. L. A. Logan: How can your Government propose a \$6,000,000,000 scheme when the gas has not been proved?

The Hon. D. K. Dans: A quantity of 6,000,000,000 would not get the first well going.

The Hon. A. F. Griffith: The Pilbara plan by the present Government—

The PRESIDENT: Order! Order! Mr. Withers is on his feet. I ask the honourable member please to address his remarks to the Chair and avoid interjections.

The Hon. W. R. WITHERS: Frankly I enjoyed the rest, Mr. President, and the comments, but I thank you for drawing the attention of members to my debate.

The Premier also stated that the truth has received scant consideration. He referred to Sir Charles Court and said that the latter has stated that all the unemployment in Western Australia has been caused by the present Government. If Sir Charles Court had said this, I would have to disagree with him, because all the unemployment has not been caused by this Government. We all know of the economic downturn which has occurred throughout the world—and throughout the whole of Australia. This has happened in the last two years. However, I wish to point out that Western Australia has the highest percentage of unemployment in Australia.

The Hon. A. F. Griffith: It is worst in Western Australia.

The Hon. W. R. WITHERS: This is something about which the Government should be able to do something. In saying this, I am referring to the high percentage of unemployment in Western Australia in comparison with the other States of Australia. I consider that many members of the present Government lack the capacity to read the situation.

I will now refer to a current situation in the Pilbara to prove this point. Later I will come back and refer to statements which have been made to show that mistakes are occurring in the Pilbara. I will quote from a newspaper article.

The PRESIDENT: Order! I direct the attention of the honourable member to the fact that we are discussing a Bill which deals with an agreement, not with the Pilbara.

The Hon. W. R. WITHERS: Thank you, Mr. President. There is a reason for my reference to the Pilbara. I think it is rather necessary for me to point out a mistake which is being made in the same field. In this particular case I must refer to the Mitchell Plateau. I can see that a mistake is being made, because of lack of knowledge. If I give the exact situation as it applies to the Pilbara and then refer this to the present measure, I am sure this would be allowable under Standing Orders.

In this particular case I gave a news release to *The Hedland Times* which appeared in that paper on Thursday, the 12th October, 1972, under the heading, "Govt. Strangling Development in North says M.L.C." It reads in part—

"This Government is strangling development in the North and it lacks the knowledge required to help develop the small service industries initiated by northern settlers," Liberal Member for North Province in the Legislative Council, Mr. W. R. Withers, said in Perth this week.

Mr. Withers said that the Government seemed to make a lot of noise about development that had depended on federal aid. They also made flamboyant announcements prior to negotiating at high levels with industry or treasury.

This often resulted in severe disappointment for many people, he said.

Mr. Withers said it was obvious that the State Government did not even understand the requirements of small businesses that were so necessary to any industrial complex or community. It was also evident that they expected any small family business to materialise huge sums of money.

There was ample evidence to support this statement he said in the answers given by the Government to the questions he had asked in the Legislative Council recently.

Sitting suspended from 3.48 to 4.07 p.m.

The Hon. W. R. WITHERS: I referred to an article in *The Hedland Times* which I was using as an example to show that in some cases the Government was not competent to make a decision and that it could not read a situation correctly. To finish on that subject, and by way of comparison, I would like to draw attention to the answer to a question I asked of the Minister in this House. Part of the question reads—

(a) does the Minister realise that a young family commencing a small business, such as joinery or

plumbing, with the services of a caretaker, will require a capital expenditure of \$48,000 to \$50,000 if they are to meet the Minister's demands, and at the same time live in a house;

- (b) does he realise that this situation will limit the development of the North?

The Minister replied—

- (a) No. This would depend on the type of business but I do not condone sub-standard accommodation as a means of reducing cost. Health Bylaws must not be relaxed in the interests of economy.

He did not realise that people in this situation were meeting the requirements of the health by-laws, and when he was asked whether he realised the situation would limit the development of the north his answer was, "No." I use this as an example to show there is evidence that the Government cannot read a situation for the benefit of Western Australians.

If we look at the Minister's second reading speech, on page 3703 of *Hansard* he said—

Alcoa has been placed in a position where it can proceed immediately with expansion plans as a direct result of the decision to delay a start on the Mitchell Plateau project and through Amax's additional requirement for alumina in the interim period.

That is amazing. Did we get this impression from the first part of the Minister's second reading speech? I certainly did not. In fact, I thought the reverse was the situation.

I said earlier that the Premier has quoted a Mr. Ian MacGregor. Let us have a look at the speech made by Mr. Ian MacGregor to the National Foreign Trade Council in the U.S.A. this year. I will quote parts of it. The first extract is—

In a period of uncertainty these basic raw material inputs to our complex modern industrial society are quickly shut-off—like the propellers of a giant ocean liner in a fog, while the ship continues to glide forward on its inventory of energy. Ultimately, of course, the ship will stop, unless the energy input is again applied. So it is with raw materials.

Some of us have to keep our sights out ahead and focus on what we see for the longer term, because the world industrial economy will, we expect, soon again be charging ahead.

He also said—

An increasing number of Americans recognize that we have a major crisis ahead in energy, with serious implications for many aspects of our lives. A raw material crisis is only slightly less imminent, yet today it is far from being recognized.

I wonder whether, during any of the negotiations with Amax, the Government considered pointing out the newly found energy resources of the Pilbara. Mr. Ian MacGregor says energy is one of the major problems in the manufacture of aluminium, which comes from alumina; and alumina comes from bauxite, which can be found in vast tonnages on the Mitchell Plateau very close to the energy resources—the natural gas field. I wonder whether the Government pointed out or considered the advantages of decentralisation in this particular area. I just wonder. Let us have a look at something else Mr. Ian MacGregor said—

I believe that the world will make the choice to continue to live in an advancing technological society. For it should be obvious to sensible people that even the basic needs of today's populations can only be taken care of by placing heavy dependence on modern technology. And the exploding world population that now appears to be an inescapable fact of the late 20th century will surely require much further development of present industrial and scientific technology and its much broader extension throughout the world. The effort to control urban and industrial pollution and protect the environment will also require even more elaborate technology than we know today.

What better place in which to use the present-day knowledge, the natural resources, and the vast fields of energy that are in this area? Did the Government present these ideas or try to negotiate with other companies so that Amax could go ahead with the Mitchell Plateau project and commence something so huge that it would employ all those who are unemployed in this State at the moment? I do not think it did.

Another point made by Mr. MacGregor was—

Population growth adds another dimension to the raw materials problem. Forecasts of world population growth are beginning to vary, reflecting worldwide concern, and possibly a small hope for improved trends. But despite some downward corrections, demographers are still confident that the year 2000—

Let us face it: that is only a little over 27 years away. To continue—

—will see a world population of 6½ to 7 billion, nearly double today's. A comprehensive study of world population growth by a committee of the National Academy of Sciences, just released, notes that if the rate of population growth were to be brought down from the present 2% to 1% per year by the year 2000 the baby crop would have to be reduced by 1 billion in the next 30-year period.

I am simply trying to point out that it is quite obvious the project at Mitchell Plateau will need to be commenced very soon. The comments I have been quoting are those of a man who is a senior officer of Amax.

I do not think the present Government gave sufficient support to Amax in the way of obtaining partners, offering it the services in the Pilbara and Kimberley areas, and telling it what was available in those areas so close to the Mitchell Plateau.

To cap this off we find that the homeland of this great company—American Metals Climax—is the United States of America. That great industrial power is short of bauxite; in fact, it can supply only 10 per cent. of its needs. That is why I said I consider that the directors of Amax must have been laughing when they were dealing with our inexperienced Western Australian Government. I think all world experts would agree with the following extract from Mr. McGregor's speech:—

It is not too early to begin to consider how the world's resources are going to be apportioned 30 years from now and to face up to the problems of providing world mineral resources for the future.

At present, we have many reasons to be discouraged. Nationalistic and short-sighted seizures of mineral properties of great value are attracting world attention.

Market forces bring sure economic retribution to those countries which offend international law and common sense arrangements between the resource-rich developing countries and the countries able to provide the development capital.

I think that applies to us. Mr. McGregor went on to say—

Capital will not flow to countries where its rights have been mistreated. And the flow of technology and technical skills which accompany private capital will cease. Without efficient and skilled management, the profits of nationalized properties may disappear, as well as their tax-paying ability.

It seems a little strange that just over 18 months ago we had a Government which was able to attract to this State a large amount of overseas capital and development, to the benefit of Western Australians; but today we have a vast amount of unemployment and a company saying that it cannot afford at the moment to develop the Mitchell Plateau. The company says that in the near future it will be able to commence development.

Reading between the lines, could it be that the company is saying, "We have a Government that is very keen on socialising and has gone very close to nationalisation in the past; when it goes out of

office then we will start developing"? I am not directing an accusation to members on the other side of the House; I merely raise it as a query.

I have already pointed out that I am a little concerned about the ability of the present Government to make the decisions necessary to meet the challenges of this great State of ours. I know that our Cabinet is composed of respected men who have been elected by the majority of people in their electorates. They are honourable men, and that is not said with tongue in cheek. However, I wonder just how many members of our present Cabinet have ever had to project the future, and to allocate their own money towards a project born of their own judgment. Mr. President, I do not think there would be many; there may not be any.

I do not think the members of our Cabinet have sufficient experience to conduct negotiations even at the low level of private enterprise. As they have not had sufficient experience at that level, are they suitable men to negotiate at a very high level with international companies? The actions of the Cabinet to date indicate it may be politically wise because it has alleviated unemployment by virtue of this agreement between Alcoa at Pinjarra and Amax.

However, I do not think that is a good thing for Western Australia in the long term. I think it would be a lot better for Western Australia were the Government to help Amax find a partner, to offer it resources, and to offer it a little help, whilst still asking the company to maintain the quality of life of Western Australians by developing the infrastructure at its own cost.

I think it would be most irresponsible of us to defeat the Bill. I say that because I realise a great deal of planning has taken place and there has been much negotiation between the companies concerned. If we defeat the measure, it would still take a long time for us to change the attitude and the thinking of the Government—if we could do it at all. Therefore, I hope Amax will find it is able to develop the Mitchell Plateau by 1975. It has my best wishes in this regard.

THE HON. N. McNEILL (Lower West) [4.23 p.m.]: I would like to devote a few minutes to an examination of only one aspect of the Bill. Not surprisingly, my remarks will be mainly in reference to the effect and the impact of the measure upon my own province, to which the Leader of the Opposition has already referred; that is, the considerable benefits to be experienced in the Pinjarra locality.

I took note of Mr. Withers' remarks, with particular reference to his reflections upon the capacity of the Government and his

declaration of his lack of confidence in the ability of the Government to achieve the greatest benefit possible for our State from an agreement such as this. I would throw the minds of members back to a question without notice I asked of the Leader of the House on the 1st August. My question related to what I will now describe as a very premature statement made in the Press by a Mr. Marks following a disclosure apparently made by the Premier some days before at a meeting with certain trade union people.

I elaborated on this subject on a previous occasion, and I do not intend to pursue it to any great extent on this occasion. I believe it has been covered already. However, I use this opportunity to refer to it from the point of view of the embarrassment which was obviously caused in a number of quarters as a result of the disclosure, bearing in mind that the Press statement which appeared in *The West Australian* on the 1st August was made one month before the announcement that an agreement had been entered into between Alcoa, Amax, and the State Government.

I believe this illustrates what Mr. Withers was saying: that such occurrences do not give us any degree of confidence in the capacity of the Government to handle a matter of this nature. If the climate established by that procedure is to be continued throughout the whole of the arrangement, I think we are justified in expressing some misgivings apart from those which have been examined in great detail by the Leader of the Opposition in relation to the deferment of the Amax Mitchell Plateau project. I make no further comment on that.

However, I come back to the question of unemployment—the subject which precipitated the disclosure in *The West Australian* on the 1st August. I noticed that special mention was made of the employment position in the Press of the 30th August when a heading appeared in *The West Australian* stating “\$20m. alumina deal is near in W.A.” The article was written by D. B. Smith, and in part it stated—

This would probably create direct employment for a construction force of more than 1,000 and would boost the flagging engineering industry.

Later in the same article the following was stated:—

It was believed that Amax has an option to take more than 400,000 tons of cheap alumina a year from Alcoa for 20 years.

If that is to be the situation I would express a great deal of pleasure that the period of recession is to be eased in the

Pinjarra locality by the employment of labour on the resources in the process of being established at the Alcoa site.

However, that article was a Press reporter's statement; and in *The West Australian* of the 1st September we saw the actual announcement under the heading of “Alcoa expands at Pinjarra.” The article stated—

Alcoa of Australia will begin work soon on a \$25 million extension to its Pinjarra alumina refinery as a result of a long-term alumina contract signed yesterday with American Metal Climax (Amax).

The article repeats—

The addition of a third unit to the Pinjarra refinery will provide employment for 1,000 men next year during construction.

It will also mean a permanent increase of about 250 in Alcoa's work force.

So first of all we had the indication—apparently by the Premier—on the 1st August that a considerable lag in the demand for employment would be taken up by a possible resumption of work on construction at Pinjarra. Then on the 30th August Mr. D. B. Smith reported something of a similar nature and quoted certain figures. The following day we saw reference in the Press to the effect that the agreement was signed and that 1,000 men would be employed on construction work, and that there would be a permanent increase of 250 men in Alcoa's work force.

So I think we can say it is fairly certain that is the rate of employment to be achieved as a result of the agreement. Of course, this is one of the very considerable fringe benefits to which Mr. Withers referred. He referred to certain other benefits which might or might not accrue as a result of the agreement. Undoubtedly the employment benefit has been used by the Government as considerable if not total justification for entering into the agreement.

As a person who knows the locality, I feel that no member in this House would have any doubts at all as to the capacity, the intentions, and the market prospects of Alcoa itself in the not-too-distant future, to employ the resources in the Pinjarra area for its own benefit, and subsequently directly for the benefit of the Pinjarra region and the State.

The fact that Alcoa has entered into an arrangement with Amax is not all-important in the utilisation of the resources at Pinjarra. In my view this would have been achieved in any case. I have made reference to the figures and they are to be accepted. If one needs further verification of them I would refer to the Minister's

introductory speech in which he gave certain figures. The Minister said in that speech—

Construction of new alumina capacity at Pinjarra will provide employment for a construction work force building up to a total of 1,000 men next year. Once the new capacity comes on stream, further employment will be created for an additional 250 men who will have to be added to the permanent work force at Pinjarra.

My whole purpose in making reference to this is that I feel sure members will recall their visit to the Alcoa site. On that occasion particular emphasis was laid by those who explained the site to us that much of the initial work for the extension of the refinery at Pinjarra had already been done—bearing in mind that that site and its development were based on a far greater capacity than is at present in use, or intended to be used under this agreement to supply Amax with the amounts mentioned. So, a great deal of this initial work had already been undertaken.

I wish to direct a question to the Minister for the verification of these figures, as to the amount of employment to be provided, firstly, on construction and, secondly, within the permanent work force. I do not say that I necessarily believe the rumour which is current in the locality that these figures will not be achieved.

The Hon. J. L. Hunt: That is an assumption.

The Hon. N. McNEILL: Perhaps it is. That is why the figures need verification.

The Hon. A. F. Griffith: If it is an assumption that these figures will not be achieved, then what we ought to have is clarification that they will be achieved.

The Hon. N. McNEILL: That is the point. I hope the expressions I have been making will be shown to be groundless, that there will be an addition to the work force, and that the capacity of the plant will be increased as intended over the next three-year period, because a great deal of the development which is taking place—namely, in the construction of houses and other infrastructure facilities—is capable of accommodating a far greater work force and population than are currently engaged in the Pinjarra area.

Whilst I do express the fears of a number of people down there, it would be a further embarrassment if it were found in the course of time that with the construction of the additional unit, firstly, 1,000 men were not required on construction, and secondly, that with the additional units being completed a further 250 men were not required on the permanent work force. I cannot help feeling there is every prospect this may be the situation in the future, in view of the way in which events have proceeded up to this point of

time. I believe the atmosphere has been created to indicate that there may well be a further slip twixt the cup and the lip.

I must express what is obviously a disappointment to Mr. Withers, in particular, to the Leader of the Opposition for the part he played in arriving at the initial agreement, and to many other people. A group of people who must come in for mention, because I have personal knowledge of this, had for a long time during the depressed days of the metal market and the engineering industry in this State expressed the hope for the completion of the Amax project in the Mitchell Plateau.

Many people thought that the Mitchell Plateau project would be the solution to their problems, particularly in bringing about greater utilisation of their resources and work force. We should bear in mind that over a considerable number of years we have built up a construction force in Western Australia for projects of this nature. I am sure it will be recognised by all members that this is not a work force which at one particular time can be engaged on the construction of a project, but in the following month can be engaged on other work within the community. In fact, these people specialise in project construction; and there is need to integrate all this work to keep that force gainfully employed.

As a result of the cessation of the work at Pinjarra many problems and difficulties were created in respect of this section of the community. These people regard themselves as construction workers. They are accustomed to this work, and most of them have spent their working lives on these types of projects. Without the opportunity to undertake any other work they are left with a great problem.

I regret the situation which will arise if this work force, which hopes to gear itself to a considerable amount of work at Pinjarra in the absence of the work at the Mitchell Plateau, finds that work does not eventuate. In making these remarks to the Minister I hope he may be able to add some clarification on the particular point I have raised.

With those comments I give my support to the Bill.

THE HON. J. L. HUNT (North) [4.38 p.m.]: I have listened with a great deal of interest to the debate this afternoon. I feel disappointed that at the moment this industry is not getting on its feet. I realise, as I am sure do most members, that the main reason the project has been shelved for a certain period of time is the lack of a market for alumina.

For a good many years I watched the project at Admiralty Gulf progressing. On the first occasion I went up there with some geologists from Amax, and that was six or seven years ago. I was able to look

at the situation for myself. Owing to the isolation of the area there was some doubt as to whether this project would get off the ground eventually. However, there were great hopes for it, and if it could be got under way great benefits would flow to the north, through the construction of roads, communications, and other works.

I do not think Amax was particularly worried about the financial aspect. This project was to cost in the vicinity of \$300,000,000, but later the estimate was increased to \$400,000,000. Amax would have no great problem in raising the finance. Initially it did experience some problems in getting the Mt. Newman project off the ground, but it was able to form a consortium and proceeded with the project. However, it was in the position where it had firm contracts, and this looked to be a viable proposition. The project has progressed, and we all hope to see great benefits flowing to the Pilbara through the development of the Mt. Newman deposits.

However, the same conditions do not apply to the Admiralty Gulf bauxite deposits. If the company thought the proposition was a viable one then I feel the finance would have been made available to get it off the ground.

The Hon. A. F. Griffith: Do you agree the extension should be to 1984?

The Hon. J. L. HUNT: Extensions of time crop up frequently. I remember one industry in the Pilbara which was similarly placed. B.H.P. held some high-grade manganese deposits in the Mt. Sydney area. It had no trouble in holding on to the leases for about 20 years.

At the time two other companies were mining manganese in that area. If they had been able to get hold of the deposits held by B.H.P. they would have been able to operate the mines for a considerably longer period. I am referring to the deposits which were worked by Rhodes, and those at South Woody Woody which were worked by Bell Bros. These two companies scratched along for many years; yet within a few miles of their deposits B.H.P. held some high-grade manganese deposits.

The Hon. A. F. Griffith: What use was manganese to B.H.P.?

The Hon. J. L. HUNT: It is getting manganese from the Northern Territory at the present time.

The Hon. A. F. Griffith: Is manganese not used in the manufacture of steel? B.H.P. would need reserves of manganese.

The Hon. J. L. HUNT: That is correct. These are not big enough reserves for the company. They are rather small, compared with the deposits held by that company in the Northern Territory. The deposits held by B.H.P. would have been of considerable assistance in upgrading the manganese at Woody Woody.

The Hon. A. F. Griffith: What you are suggesting is that those reserves should have been taken away from B.H.P. and given to some other company.

The Hon. J. L. HUNT: I imagine there is no objection to the deposits at Admiralty Gulf being held by Amax.

The Hon. A. F. Griffith: The Amax deposits are no different from any others.

The Hon. J. L. HUNT: I would sooner see the project being shelved for a time, than have the situation which arose at Woody Woody. Recently we saw what occurred at Carr Boyd Rocks, where Great Boulder commenced operating a mine which has quite a high grade of nickel ore. It found the state of the nickel market so depressed that last week the company put the mine in moth balls until the market rises again.

It is unfortunate that the same situation has occurred at the Mitchell Plateau at the present time.

The people in the north were very happy that Amax was to move into the area. I think some considered that the electric power which would be available would make a great difference to the north. However, I do not think that electric power would have been a big issue in the development of the plateau. I imagine that the biggest source of potential power in this country has been available for many hundreds of years, and it is much closer to the north than the natural gas which has been found at the present time.

Feasibility studies have been made of the tidal power which is available in Secure Bay. I do not think an electric power project would be very expensive to get off the ground. The source of power is there and it would have been available in a far greater quantity than will be the case through the development of natural gas, or through the construction of conventional types of power houses.

I would like to see this Bill pass. It is most unfortunate, especially for the people of the north, that the project has to be postponed. Perhaps in the not-too-distant future, when the world market has picked up, Amax will have no trouble in forming a consortium—as was the case with Mt. Newman—to get the project off the ground.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [4.46 p.m.]: I thank members for their contributions to this debate, and for their analyses of the various aspects of the agreement. I especially thank the Leader of the Opposition for his detailed analysis. One would expect such an analysis from him because he was intimately associated with the beginning of the agreements which have come before Parliament during the last 12 or 14 years.

It is a great pity that the Amax development project is not to be a goer—the term so freely used. It seems that Amax was destined to run into difficulties from the time it commenced negotiations. I refer to consortium partners rather than anything else.

I am very conscious of the fact that the company, in the period which has elapsed since the signing of the original agreement by the previous Government, has spent some \$6,600,000 of its own capital in assessing and developing the area. When one considers the 12-year period of postponement one must also have regard to that expenditure of \$6,600,000 which could have been invested in some other development by the company.

The period of eight years plus four years does seem to be a long time—as indeed it will be—but I have faith in the company and I think it will get into production within that period of time. Not only does the company have a capital investment of \$6,600,000, but it will continue to spend money on its examination of the area whilst holding the leases.

The investment already made had to be weighed against the proposition of expanding operations at Pinjarra. As the Leader of the Opposition pointed out, the employment situation was given very serious consideration.

The Hon. A. F. Griffith: Well, the Minister pointed out the number of people to be employed. I merely commented and said that that was good. Mr. McNeill doubts whether the figures are correct.

The Hon. W. F. WILLESEE: It is unfortunate that Mr. McNeill has taken that view. The figure which was given to me was quoted freely prior to the Bill coming to Parliament.

The Hon. A. F. Griffith: I think that all Mr. McNeill asked for was some figures.

The Hon. W. F. WILLESEE: I have not come to Mr. McNeill's comments yet, and I have not said I am arguing for or against him. I said it is unfortunate that the employment figure was questioned because I do not think the figure would have been quoted if it had not been closely examined. However, the figures have been given. Regarding the future operations of the two companies we do not know that in the future they might not merge in some way to develop the Mitchell Plateau. Of course, that is sheer conjecture on my part.

If it is satisfactory to Mr. McNeill, and other members in the House, I will delay the third reading of this legislation and endeavour to supply the latest figures regarding employment.

I understand that work has already commenced at Pinjarra in connection with this agreement. I do not know what the work is but some activity is already occurring—so I am advised.

I can sympathise with members from the northern areas. The Mitchell Plateau venture was to be a vast one, and it did receive much publicity. I can assure those members that the Minister does not lightly accept the responsibility of agreeing to a delay in the project.

The interaction of the development of the agreement influenced me to support the change in the agreement. Also, the company is of world-wide standing, and because of its early heavy expenditure it was obviously genuine in its efforts to develop the project. I know that the company will get into production at the first opportunity, but I was convinced that it could not do so at the present time.

The Hon. A. F. Griffith: Then it would not have hurt to make the period of negotiation shorter.

The Hon. W. F. WILLESEE: I would probably have said exactly the same thing were I sitting on the other side of the House. I understand these were the best terms.

The Hon. A. F. Griffith: I think the Minister would have been more cruel to me than I have been to him.

The Hon. W. F. WILLESEE: I have learnt a lot more about cruelty in the last few weeks than ever before in my life! I believe in the early stage of discussions the period was to be longer.

The Hon. A. F. Griffith: Longer than provided in the agreement? How much longer did they want?

The Hon. W. F. WILLESEE: I understand it was longer than the total period, but it was shortened. I think a year or two was cut off in the break-up of the eight years plus four years. I hope the eight-year period is never reached, and that the company will be in production long before then.

If this Bill had been discussed yesterday I think the speech made by Mr. Withers would have been considerably shorter because he would not have had the article which appeared in today's paper on which to devote so much time.

The Hon. W. R. Withers: That is correct.

The Hon. W. F. WILLESEE: Thank you. However, I regret that it seems we do not have the business acumen which he thinks we should have. We do have the same advisers as the previous Government, and our Ministers negotiate through them with the same people as did the previous Government. I do not think the ultimate result would have been very much different had the previous Government handled the arrangement.

The Hon. A. F. Griffith: I do think the Ministers in the previous Government did more of the negotiating than it appears the present Ministers are doing.

The Hon. W. F. WILLESEE: Well, I could not answer that.

The Hon. A. F. Griffith: Frankly, I feel that is the case.

The Hon. W. F. WILLESEE: After all, the Leader of the Opposition was the Minister for Mines for a period of 12 years. I think a lot of activity increased as he gained more and more experience in the job. In fact, I sometimes think that he has too much experience!

There is no point in delaying the passage of the Bill. I appreciate the sentiments expressed by members representing the north-west areas. I would have done the same thing had I been in their position. I believe we have submitted to Parliament the best proposition in the circumstances.

The Hon. A. F. Griffith: I do not think there is any doubt about that.

The Hon. W. F. WILLESEE: We can only hope that the second part of the great Mitchell Plateau project will become a reality and create the employment opportunities associated with the venture itself and with the associated industries which will go with it. As Mr. Withers said, ancillary works will follow with an increase in the working population. I thank members for their support of the Bill, and I commend the second reading.

Question put and passed.

Bill read a second time.

In Committee, etc.

Bill passed through Committee without debate, reported without amendment, and the report adopted.

LAW REFORM COMMISSION BILL

Assembly's Message

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

ACTS AMENDMENT (ROMAN CATHOLIC CHURCH LANDS) BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. W. F. Willesee (Leader of the House), read a first time.

QUESTIONS (4): ON NOTICE

1. *This question was postponed.*
2. CORAL BAY HOLIDAY RESORT

Finance

The Hon. G. W. BERRY, to the Leader of the House:

- (1) What is the present financial position regarding Coral Bay Holiday Resort?
- (2) What is the amount of the Government's involvement in the project?

The Hon. W. F. WILLESEE replied:

- (1) The affairs of Coral Bay were placed in the hands of a special manager under a scheme of compromise and arrangement, which commenced in June, 1969, with the approval of the Supreme Court of Western Australia.

No reduction in the amounts due to secured creditors took place in the period, but interest and insurance continued to accrue. On the 15th August, 1972, the Rural & Industries Bank, as a secured creditor, appointed a Receiver and Manager.

Because the special manager has not yet presented an account of his management of the company, the present overall financial position is not known, but it is known that no secured creditor has received any payment of principal or interest.

- (2) \$141,492, plus interest, accrued since 30th June, 1972.

3.

TOWN PLANNING

Acquisition of Road Reserves

The Hon. L. D. ELLIOTT, to the Leader of the House:

Who is financially responsible for—

- (a) acquisition of property required for roads designated 'blue' by the Metropolitan Region Planning Authority;
- (b) the construction of the roads?

The Hon. W. F. WILLESEE replied:

- (a) (i) The authorities normally responsible for the construction of roads.
- (ii) The Metropolitan Region Planning Authority has an interim responsibility to protect land reserved for road purposes under the provisions of the Metropolitan Region Scheme and to purchase land within the limits of its financial resources.

- (b) See (a) (i) above.

4.

FISHING

Rock Lobster

The Hon. S. J. DELLAR, to the Leader of the House:

What is the policy regarding the taking of the Western Rock Lobster and other species of lobster in coastal waters outside the area of the coast line between 24° and 30° of South latitude?

The Hon. W. F. WILLESEE replied:

The present regulation states that within the area between latitudes 24° and 34° south, vessels may

not be used for the taking of rock lobsters unless they held a license to do so as at 1st March, 1963. At the last meeting of the Rock Lobster Industry Advisory Committee held on 29th September, 1972, the Committee agreed to recommend that the concession area be extended north of latitude 24° and south of latitude 34°. This recommendation is at present under consideration. Licenses authorising the taking of Southern rock lobsters for sale are not restricted east of Augusta. Similarly, licenses to take northern species of rock lobsters for sale are not restricted north of Exmouth Gulf.

LIQUOR ACT AMENDMENT BILL

Second Reading

Debate resumed from the 17th October.

THE HON. R. J. L. WILLIAMS (Metropolitan) [5.08 p.m.]: There is not much that can be said when speaking to the second reading of this amending Bill, which is largely concerned with amendments to the Liquor Act. Most of what was said during the debate on the previous legislation has moved us into a state where we have liberalised our drinking laws to such an extent—after the cry in 1969 that they should be liberalised—that during the 168 hours in a week people in this State are legitimately able to drink for 133 hours—the only vacant hours, for anyone who may wish to take advantage of these conditions in order to open up another trade, are between 3.30 a.m. and 6.00 a.m. from Monday to Saturday.

So one can see that in achieving the liberalisation of our drinking laws the pendulum has swung quite far the other way. As certain members in this House mentioned perhaps this is not a bad thing; but, of necessity, when a new piece of legislation or a new piece of machinery is introduced into the State after a certain time we find that defects and cracks start to show up; and the purpose of this Bill is to amend what has now proved to be unsatisfactory.

At this stage it would be wrong of me to go into great detail, but one can see that every session new and continuing amendments will be introduced to the Liquor Act as faults and cracks show up. Indeed it is quite possible that a Select Committee of this House will recommend certain amendments to the Liquor Act.

I would, however like to say, that in liberalising the drinking laws in this State not sufficient attention has been paid by a lot of newcomers into the field to the resources and facilities provided to those newcomers by the investment on a large scale that has gone in to the hotel and associated industries in the past.

I think the hotel trade, as such, is now in an interim period. It is in an interim period where perhaps it will suffer some marked losses and, eventually, the hotel trade will change in character completely.

It was not more than four or five years ago one did not expect there to be any great entertainment provided when one visited a hotel on a Saturday. Now, however, the hotels have to compete and provide large scale entertainment at considerable cost. It would appear, however, that certain sections of the Liquor Act almost discriminate against the hotels. That, however, is the business of the Australian Hotels Association and the associated bodies—it is for them to deal with this aspect. It is not the purpose of the amending Bill before us.

As I say the purpose of the amending Bill, as such, is only to patch up and repair; to remove certain anomalies and failures which have become evident in the parent Act.

I think the great worth of a House such as this is that it is a House of review. But even though this may be a House of review it would not be a good thing if after we pass this legislation and it is incorporated in the Liquor Act we find after two years that further amendments are necessary.

There are goodness knows how many amendments on the notice paper and it is vitally necessary that all members interest themselves in those amendments and the wording that goes with them; otherwise it could be possible that we will have leaving this Parliament legislation which is not the best.

We had the spectacle of the Police Force—particularly the liquor branch—having to run around, and being given the run around, because of the inadequate wording of certain sections of the Act which, on the surface appeared to be quite satisfactory when they were considered in this House and in another place.

But such are the vagaries of the English language that the interpretations left a lot to be desired and this resulted in a considerable degree of acrimony at the time. I think it should be pointed out that it is our responsibility to frame legislation; it is the responsibility of the Police to act upon the legislation as it is framed.

The Hon. J. Dolan: Every prosecution was successful.

The Hon. R. J. L. WILLIAMS: I am in no way disparaging what was done. I can only reply to the Minister's interjection by saying that it is not the duty of the Police Force to interpret the law; and that we as the legislators should not leave the force in such an invidious position. The law only

becomes flesh in the mouth of the magistrate or the judge. We prepare the skeleton and if there is some flaw in that structure it is up to the House when it is in Committee to do the best it can to provide simple, clear, language.

The Hon. A. F. Griffith: I agree with your second point, but every man is deemed to know the law.

The Hon. R. J. L. WILLIAMS: I agree that ignorance of the law is no defence; though I would suggest that there are certain sections of the law which require a specialist to interpret, and in this way I feel it is poor legislation—not bad legislation, but poor legislation—when one has to get an expert to interpret the law.

So with those few remarks I look forward to the Committee stages of the Bill which are bound to be arduous, because there are so many amendments on the notice paper.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the House) [5.15 p.m.]: I thought another member wished to make a contribution to the debate, and I would not like to forestall him.

The Hon. A. F. Griffith: It is quite all right. Any member wishing to comment may do so during the Committee stage.

The Hon. W. F. WILLESEE: I do not intend to take this measure through the Committee stage today. The several speakers to the debate have clearly indicated that it is a Committee Bill. I am also of that opinion. No speaker actually opposed the Bill, but several points have been raised by members which certainly warrant discussion during the Committee stage.

I believe two points raised are not Committee material. Mr. Willmott mentioned some amendments which he had considered but eventually found he could not use in the context of this legislation. I propose to consult him and later submit the amendments to the appropriate Minister for consideration with the licensing authority. Inevitably we will have further Bills to amend the Liquor Act.

Mr. Ferry has also raised a point which he would like noted for a future occasion. I do not have the actual submissions before me, but I assure the honourable member that his suggestion will be looked at.

Mr. Willmott dealt with the Bill in great depth. I feel other speakers have touched on points connected with his comments. I have amendments on the notice paper as do other members. I repeat that this Bill is one to be debated during the Committee stage. The House is very light in members

and I am not prepared to go further tonight. Accordingly, I thank the members who have contributed to the debate and commend the Bill to the House.

Question put and passed.

Bill read a second time.

House adjourned at 5.19 p.m.

Legislative Assembly

Thursday, the 19th October, 1972

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

INLAND SUPERPHOSPHATE WORKS

Feasibility Study: Tabling

MR. GRAHAM (Balcatta—Minister for Development and Decentralisation) [11.05 a.m.]: I have here a copy of a report of a feasibility study on inland fertiliser works, prepared by consultants Davy-Ashmore which I present to be laid upon the Table of the House. I wish to point out, if I may, that the Department of Development and Decentralisation has not as yet completed its studies and accordingly the Government has made no determination whatever in respect of the submissions in the report.

The report was tabled (see paper No. 431).

JETTIES ACT AMENDMENT 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) [11.07 a.m.]: I move—

That the Bill be now read a second time.

The purpose of this Bill is to amend the Jetties Act with objects of—

- (i) ensuring that absolute liability for injury to public jetties by vessels is imposed upon owners and/or masters of vessels;
- (ii) imposing absolute liability for damage to the Government's jetties upon persons, other than owners and masters of vessels, using and causing damage to them;
- (iii) placing a reasonable qualification on the operation of the proposed absolute liability provisions to protect users of a jetty against liability when such