eliminate any possible doubt in the matter of the legal right of the institute to charge tuition fees.

Debate adjourned, on motion by The Hon. R. F. Claughton.

House adjourned at 8.52 p.m.

Legislative Assembly

Tuesday, the 22nd October, 1968

The SPEAKER (Mr. Guthrie) took the Chair at 5.30 p.m., and read prayers.

BILLS (4): INTRODUCTION AND FIRST READING

1. Plant Diseases Act Amendment Bill.
   Bill introduced, on motion by Mr. Nalder (Minister for Agriculture), and read a first time.
2. Reserves Bill.
   Bill introduced, on motion by Mr. Bovell (Minister for Lands), and read a first time.
3. Traffic Act Amendment Bill (No. 2).
   Bill introduced, on motion by Mr. Craig (Minister for Traffic), and read a first time.
4. Hairdressers Registration Act Amendment Bill.
   Bill introduced, on motion by Mr. O'Neil (Minister for Labour), and read a first time.

DELAYED SITTING

Reason

MR. BOVELL (Vasse—Minister for Lands) [5.34 p.m.]: I would like to ask, Mr. Speaker, if there should be a record of the reason for our late meeting today.

THE SPEAKER [5.35 p.m.]: It will be recorded in the *Vote and Proceedings* that we commenced the sitting at 5.30 p.m. so that there is a record of the reason for our delayed sitting today. I would point out—as most members are aware—that a piece of plaster in the ceiling was found to be dangerous and had to be removed before the sitting proceeded. As a consequence, we were delayed for an hour. I would also like to place on record the appreciation of members of the promptness with which officers of the Public Works Department got the job in hand.

Members: Hear, hear!

QUESTIONS (17): ON NOTICE

SCIENTOLOGY

Complaints

1. Mr. GRAHAM asked the Minister representing the Minister for Health:

   (1) From how many persons has he received complaints regarding scientology?

   (2) Will he make available (omitting names) the details of the complaints?

   (3) What steps did he take to check the veracity of the statements in each case?

   (4) Were inquiries made of the scientology organisation and, if so, in how many cases?

   (5) Will he make available (omitting names) details of the organisation's explanations?

   Mr. ROSS HUTCHINSON replied:

   (1) and (2) Details of these complaints cannot be provided, because accurate records were not kept at the time, but the general tenor of these complaints related to what can only be described as persecution.

   (3) and (4) At an interview with Mr. Tampion (at that time in charge of scientology in Western Australia) a number of these cases were discussed, but the discussions were fruitless.

   (5) The explanations followed the lines of those offered in reply to the complaints investigated by the Victorian Royal Commission, to which the honourable member's attention is drawn.

   Mr. Graham: What a shocking reply—a complete evasion!

   The SPEAKER: Order!

POWER STATIONS

Percentage of Power Produced

2. Mr. JONES asked the Minister for Electricity:

   What percentage of power was generated by the undermentioned power houses on a weekly basis for the period from the 1st June, 1967 to the 31st December, 1967—

   (a) Bunbury;

   (b) Muja;

   (c) South Fremantle;

   (d) East Perth;

   (e) Collie?

Mr. NALDER replied:

The information is as follows:—

Week ending	East Perth	South Fremantle	Bunbury	Mujа	Collie	Wellington Dam
1967—	%	%	%	%	%	%
10th June	2.22	10.94	26.70	58.09	2.05	....
17th ,,	2.66	10.95	30.01	54.46	1.92	....
24th ,,	1.71	10.08	30.12	56.08	2.01	....
1st July	3.36	11.24	31.77	51.81	1.82	....
8th ,,	4.21	10.77	29.02	53.70	1.88	.42
15th ,,	3.85	13.76	31.10	48.60	1.70	.99
22nd ,,	4.08	12.47	30.87	49.61	1.86	1.11
29th ,,	4.95	13.34	30.03	48.86	1.82	1.00
5th August	4.44	13.54	30.36	49.10	1.72	.84
12th ,,	4.19	14.25	29.31	49.56	1.71	.98
19th ,,	4.48	12.76	31.00	49.02	1.74	1.00
26th ,,	4.02	11.63	30.24	51.26	1.73	1.12
2nd September	3.26	10.01	29.37	54.54	1.91	.91
9th ,,	2.13	9.33	32.85	52.61	1.95	1.13
16th ,,	2.51	9.40	30.05	54.97	1.95	1.12
23rd ,,	1.03	9.20	31.35	55.18	1.97	1.27
30th ,,	3.48	6.47	29.47	57.61	1.96	1.01
7th October	2.66	8.81	27.03	58.34	2.03	1.13
14th ,,	2.23	9.73	24.11	61.42	2.18	.33
21st ,,	4.38	10.86	25.45	56.71	2.02	.58
28th ,,	3.70	10.18	24.15	58.99	2.03	.95
4th November	4.23	10.69	25.52	57.02	1.92	.62
11th ,,	4.12	11.41	25.94	55.98	1.97	.58
18th ,,	.69	8.33	30.50	57.86	2.06	.56
25th ,,	.41	9.10	30.09	57.85	2.03	.52
2nd December	.22	9.00	30.15	57.97	2.04	.62
9th ,,	.57	16.56	25.98	55.50	.85	.54
16th ,,	.08	14.27	25.31	57.60	1.94	.80
23rd ,,	.03	10.45	28.36	58.14	1.95	1.07
30th ,,	.28	6.94	21.87	67.76	2.43	.72

South Fremantle: Conversion

3. Mr. JONES asked the Minister for Electricity:

When was the South Fremantle power station fully converted to an oil burning station?

Mr. NALDER replied:

Coal stocks at South Fremantle were exhausted during the week ended the 17th August, 1968.

"READER'S DIGEST"

Lucky Number Contest: Legality

4. Mr. DAVIES asked the Chief Secretary:

(1) Has his department examined the $46,666 lucky number contest distributed through the post by *Reader's Digest* as a form of sales promotion?

(2) If so, is the contest legal?

(3) If not, would he be interested in examining the literature if supplied to him?

Mr. CRAIG replied:

(1) to (3) I think this question should have been referred to the Minister for Labour. I might say that from inquiries so far it is suggested that there is no infringement of the Lotteries (Control) Act. However the matter will be referred to the Crown Law Department and the honourable member advised at a later date.

The SPEAKER: For the benefit of the Minister, I point out that a question like this was raised once before. Will the Minister ensure that the information is made available to the House?

Mr. CRAIG: Yes.

BUILDING BLOCKS

Sales by State Housing Commission

5. Mr. GRAHAM asked the Minister for Housing:

With reference to my question of the 16th instant regarding housing lots sold by the State Housing Commission—

(1) What was the sale price of the 360 lots allocated at Taxation Department values?

(2) What is the approximate value of these lots today?

Mr. O'NEIL replied:

(1) and (2) Sales for the three year period were—

Metropolitan:

271 sites realised $534,440 at values ranging from $800 at Medina to $4,200 at Balga.

Country:

49 sites realised $42,490 at values ranging from $40 at Meekatharra to $2,000 at Busselton.

North of the 26th parallel:

40 sites realised $20,565 at values ranging from $50 at Marble Bar to $1,000 at Carnarvon.

It would be difficult for the Crown or its valuation advisers to provide a reliable estimate of current market values of all of these sites. This would necessitate a detailed review of the sites

and also their locality, availability of services, facilities, and amenities, as well as dates and conditions of sale of reasonable comparable sites. However, the commission has broadly estimated that the range of values of comparable metropolitan land would be (if sold on the same building conditions) of the order of—

	$
Kwinana	4,000
Woodlands—	
In excess of	10,000
Balga	4,500-5,500
Coolbellup	4,200-5,000
Karrinyup	5,500-7,800
Koongamia	3,500
Wilson	5,500

MIDDLE SWAN SUBDIVISION

Approval

6. Mr. BRADY asked the Minister representing the Minister for Town Planning:

(1) When was the area of land west of the De La Salle Boys' College at Middle Swan approved for subdivisional purposes?

(2) Were the health and sewerage departments required to give approval to the subdivision of the land before the Metropolitan Regional Planning Authority approved?

(3) Was consideration given to possible drainage and septic tank problems arising in the area?

(4) Did the Swan-Guildford Shire's health and building committee approve the use for building of houses?

Mr. LEWIS replied:

(1) Conditional approval was granted by the Town Planning Board in April, 1965.

(2) In accordance with the usual practice, the comments of various authorities, including the Department of Public Health and the Metropolitan Water Supply, Sewerage and Drainage Board, were sought by the board before it issued its determination.

(3) Yes.

(4) The Swan-Guildford Shire Council recommended approval of this residential subdivision subject to various conditions, including land filling and draining, and road construction. In making its recommendation the council took into account a report from its town planning committee.

INDICTABLE OFFENCES

Convictions

7. Mr. HARMAN asked the Minister representing the Minister for Justice:

What was the number of persons convicted of indictable offences for the period from the 1st July, 1967 to the 30th September, 1968 who were—

(a) placed on probation;

(b) placed on good behaviour bonds, by the Criminal Court?

Mr. COURT replied:

(a) Probation—95.

(b) Bond—14.

STATE GOVERNMENT INSURANCE OFFICE

Rates

8. Mr. HARMAN asked the Minister for Labour:

(1) Has he seen an advertisement by the Motor Marine and General Insurance Company Ltd. in the *Daily News* dated the 30th September, 1968 setting out its rates?

(2) What are the corresponding rates charged by the State Government Insurance Office?

Mr. O'NEIL replied:

(1) Yes.

(2) The State Government Insurance Office does not use the same bonus scale as Motor Marine and General Insurance Co. Ltd., and has an additional increment for claim-free drivers. The following is the State Government Insurance Office's scale for the same values as

shown in the Motor Marine and General's advertisement of the 30th September, 1968:—

Metropolitan area and country—private cars—schedule 1 (Holdens, Fords, etc.)

Cover	25% No claim bonus	33⅓% No claim bonus	50% No claim bonus	50% + 10% claim free discount. No claim bonus
$	$	$	$	$
400	33.56	29.83	22.37	20.14
600	38.93	34.60	25.95	23.35
800	42.64	37.90	28.42	25.58
1,000	45.32	40.28	30.21	27.19
1,200	47.34	42.08	31.56	28.40
1,400	49.32	43.84	32.88	29.59
1,600	51.30	45.60	34.20	30.78
1,800	53.28	47.66	35.52	31.97
2,000	55.26	49.12	36.84	33.16

It is emphasised that the State Government Insurance Office rates are for a State Government Insurance Office policy and are therefore not directly comparable. If the honourable member cares to approach the State Government Insurance Office, details of State Government Insurance Office policy, service, and security will be explained to him.

McNESS HOUSING

Administration by Trust

9. Mr. JAMIESON asked the Minister for Housing:

(1) How many units of accommodation are at present administered by the McNess Housing Trust Act?

(2) What are the rentals, minimum and maximum, charged?

(3) Are any units still under purchase agreement by occupiers?

(4) If so, when will all these purchase agreements be cleared?

Mr. O'NEIL replied:

(1) There are 170 units of accommodation built specifically under the McNess Housing Trust Act. In addition, there are 112 modern flats for elderly single women built with funds made available by both the Lotteries Commission and the State Government, which are administered under the McNess Housing Trust Act.

(2) (a) Under the McNess Housing Trust Act the rentals are set by Statute at $1.25 per week.

(b) Rentals for the flats referred to in (1) are $3 per week. These rentals are designed to cover only operating expenses. Capital repayments and interest are not chargeable.

(3) Yes; 13.

(4) The contracts of sale provide for an instalment of only $2.15 per month and, although it has been suggested to purchasers that they increase this amount to at least cover rates, many purchasers have not done so and as a result their liabilities are not being reduced.

AIR SERVICE

Leonora, Laverton, and Norseman

10. Mr. BURT asked the Minister for Transport:

(1) Has MacRobertson-Miller Airlines Ltd. ceased its regular services to Leonora, Laverton, and Norseman?

(2) If so, has another company contracted to conduct regular air services to these towns, and what frequency of service will be given?

Mr. O'CONNOR replied:

(1) No. The larger aircraft hitherto used will cease to call at the towns mentioned as from the 21st October, but the same frequency will be maintained by lighter aircraft pending introduction of an alternative service.

(2) Consultations are in progress between the Road and Air Transport Commission and the Department of Civil Aviation as regards future air services to Leonora, Laverton, and Norseman. It is anticipated that the use of light aircraft will result in an improved frequency.

MOTOR VEHICLE LICENSES

Metropolitan and Country Areas

11. Mr. DAVIES asked the Minister for Police:

How many motor vehicle licenses were current in—

(a) metropolitan area;

(b) country districts,

for the years ended the 30th June, 1967 and 1968?

Mr. CRAIG replied:

(a) and (b)—

	As at the 30th June, 1967	As at the 30th June, 1968
Metropolitan Area	207,821	228,238
Country Districts	129,240	137,509

These figures do not include trailers, caravans, or tractors.

RAIL TERMINAL AT EAST PERTH

Commonwealth Responsibility

12. Mr. FLETCHER asked the Premier:

Since it appears constitutionally possible under its own powers, why is the Commonwealth not entirely

responsible for providing rail terminal and other facilities at East Perth and elsewhere on the route of the broad gauge line in this State?

Mr. NALDER (for Mr. Brand) replied:

The basis of Commonwealth responsibility for the rail standardisation project in Western Australia is as laid down in the Railway Standardisation Agreement Act, No. 26 of 1961.

The agreement does include Commonwealth responsibility for terminal and other facilities associated with the standard gauge project under financing conditions generally applicable to the project.

THIRD PARTY INSURANCE

Premium Rates

13. Mr. DAVIES asked the Minister representing the Minister for Local Government:

(1) What was the total amount collected in premiums for compulsory third party insurance policies for the year ended the 30th June, 1968?

(2) What changes, if any, in the premium rates have been made to the schedule published in the *Government Gazette* No. 103 of the 2nd December, 1966?

Mr. NALDER replied:

(1) $8,680,050.

(2) Nil.

TRAFFIC ACCIDENTS

Metropolitan Area

14. Mr. DAVIES asked the Minister for Police:

(1) What was the total number of—

(a) casualty;

(b) non-casualty,

traffic accidents in the metropolitan area reported to the Police Department for the year ended the 30th June, 1968?

(2) In how many of these accidents did some person—

(a) suffer injury;

(b) die?

Mr. CRAIG replied:

(1) (a) 3,661.

(b) 14,105.

(2) The only figures available that can be related to the question are—

(a) 5,028 persons injured, and

(b) 138 dead.

POLICE

Offences Involving Personal Injury

15. Mr. DAVIES asked the Minister for Police:

(1) What was the number of prosecutions for the year ended the 31st December, 1967, of persons charged with offences involving the doing of personal injury to anyone else?

(2) Of such prosecutions, how many resulted in convictions and how many in acquittals?

Mr. CRAIG replied:

(1) 1,232.

(2) 1,070 convicted.
162 acquitted.

16. *This question was postponed for one week.*

PORT OF DAMPIER

Naming, and Definition

17. Mr. TONKIN asked the Minister for Industrial Development:

(1) When Hamersley Iron Pty. Ltd approached his department in 1965 for approval to name the area which had been the subject of a hydrographical investigation by the Royal Australian Navy, was a definition of the port limits supplied?

(2) If "Yes," was this definition accepted and approved without alteration?

(3) If an alteration was required, will he give particulars?

Mr. COURT replied:

(1) to (3) I presume the honourable member is referring to a R.A.N. hydrographic service's letter dealing substantially with technical and nomenclature matters.

Hamersley Iron did not approach my department for approval to name the area, but advised to the effect that it did not want to see the name of the area altered from what it was then commonly known, viz., "King Bay". I mention, too, that when I asked for a postponement of this question the other day, the officers concerned were not quite able to follow the import of the question asked by the Leader of the Opposition; but, if there is any further amplification of the answer desired, the honourable member can let me know.

Mr. Tonkin: That answer conflicts with the answer given previously by your colleague.

Mr. COURT: I do not think so.

Mr. Tonkin: The wording of the question was based on the answer your colleague gave.

Mr. COURT: The Leader of the Opposition had better put the question on the notice paper. We have done our best to answer the question.

QUESTIONS (2): WITHOUT NOTICE

IRON ORE AGREEMENTS

Details

1. Mr. BICKERTON asked the Minister for Industrial Development:

(1) What amount of money has Hanwright Iron Mines spent on exploration, etc., in accordance with the Iron Ore (Hanwright) Agreement Act, 1967—

(a) prior to the ratification of that agreement;

(b) since ratification of that agreement?

(2) On what date was the Iron Ore (Hanwright) Agreement Act proclaimed?

(3) On what date did the negotiations which culminated in the iron ore Bills currently before the House commence between Hanwright, Hamersley, and Mount Bruce?

(4) Does he know which party initiated negotiations and, if so, will he supply details?

(5) What monetary or other gain would Hanwright Iron Mines achieve by agreeing to Hamersley Iron and/or Mount Bruce Iron taking over the reserves given to Hanwright Iron under the agreement ratified by Parliament in 1967?

(6) What interest would Hanwright have in Mount Bruce once Mount Bruce exercised its option under the current Hanwright amendment Bill?

Mr. COURT replied:

I thank the honourable member for giving me some notice of this question, and I preface my answers by saying I am sure he will appreciate that much of the information he seeks is of such a nature that normally it would be known only to Messrs. Hancock and Wright and the companies concerned. However, I approached Messrs. Hancock and Wright and advised them of the honourable member's question and found them co-operative. I emphasise that the information I give is that which I obtained from the two partners concerned, because the questions relate mainly to matters which would be their own personal affairs. Messrs. Hancock and Wright have advised me as follows:—

(1) (a) Approximately $200,000.

(b) Just over $200,000 by Hancock and Wright alone plus an undertaking to spend 25 per cent. of the excess of $1,200,000 that they arranged for Hamersley Iron to spend on further geological and engineering studies in accordance with the Hanwright Agreement Act, 1967.

(2) Hanwright's agreement was signed with the Premier on the 11th August, 1967, and assented to on the 23rd October, 1967.

(3) The 22nd January, 1968.

(4) Messrs. Hancock and Wright initiated the negotiations when faced with marketing problems. They attempted to arrange a meeting at the Kaiser Center in Oakland, California, on the 10th January, 1968, with the Chairman of R. T. Z. and Kaiser Industries, the two main partners in Hamersley Iron Pty. Limited. However, R.T.Z. and Kaiser Industries elected to hold the discussions in Melbourne where a series of meetings were held between the parties from the 23rd to the 25th January, 1968.

(5) When both options are exercised no direct monetary gain other than royalty will accrue to Messrs. Hancock and Wright because there is to be a final accounting of all expenditure of all parties on exercise, so that it could well be that Messrs Hancock and Wright will have to contribute rather than receive cash—see (1) (b).

Indirectly, the benefits accruing to Messrs Hancock and Wright are—

(a) Marketing support in Japan, Europe, and America by the parent companies of Hamersley Iron.

(b) Temporary use of the Hamersley Iron railroad and port.

(c) The ultimate sharing of the capital cost of a duplicate port for Hamersley and Hanwright.

(d) The possibility of setting up what it is hoped will be the lowest capital iron operation

in the north-west making use of the town of Wittenoom and its facilities.

(e) Hamersley Iron Pty. Limited has accepted a commitment to Hancock and Wright to investigate the feasibility of re-establishing the blue asbestos industry if the iron ore development does not prove viable.

(6) No interest—apart from royalty—except that for which they directly contribute capital.. Hancock and Wright have the right to subscribe 25 per cent. The final capital line-up for the Mount Bruce part of the total project has yet to be determined, but it is expected that the Australian component will be increased.

EARTHQUAKE DISASTER

Rebuilding of Houses Damaged

2. Mr. BRADY asked the Minister for Housing:

Is he contemplating an application to the Commonwealth Government for assistance to rebuild houses which were damaged as a result of the recent earthquake?

Mr. O'NEIL replied:

I have been out of the State since last Friday until noon today.

It is my recollection that the Premier has been in touch with the Prime Minister by telephone on what has developed in regard to the rehabilitation of Meckering. During the period I was absent I was not aware of what transpired. I am not too certain yet whether a report has been received from the special committee which went to Meckering to survey the situation, nor am I personally aware whether any decision has been made by the local authority, which, I am given to understand, was to consider the resiting of the town.

Mainly due to my absence from the State I am unable to give a more satisfactory answer to the honourable member's question, but I will, very quickly, bring myself up to date on what has happened since I have been away.

Whether it is the intention of the Premier to make an approach to the Prime Minister for assistance to residents of Meckering, I am not aware.

FIREARMS AND GUNS ACT AMENDMENT BILL

Returned

Bill returned from the Council with an amendment.

TAXI-CARS (CO-ORDINATION AND CONTROL) ACT AMENDMENT BILL

Report

Report of Committee adopted.

Third Reading

MR. O'CONNOR (Mt. Lawley—Minister for Transport) [5.59 p.m.]: I move—

That the Bill be now read a third time.

Last week the Deputy Leader of the Opposition, during the Committee stage of the Bill, asked for some amendments to be made. I told him then I would have them investigated and would notify him whether the amendments would be agreed to.

One of the amendments he suggested relates to clause 9 which appears on page 6 of the Bill. This clause provides that one person only shall be allowed to operate or to own a taxi. I have not agreed to this amendment because of the complications involved, and the parliamentary draftsman advises me it would be very difficult to bring forward an amendment to meet the Deputy Leader of the Opposition's requirements.

However, I give a guarantee to him and to the House that the board does not intend to issue license plates to anyone who holds a taxi license at the moment. Therefore the new plates will be issued to those people who do not own taxis.

The other two amendments suggested by the Deputy Leader of the Opposition, which propose to give more power to the Minister, have been agreed to and will be moved in another place.

MR. GRAHAM (Balcatta—Deputy Leader of the Opposition) [6 p.m.]: I appreciate the inquiries which the Minister has made, and the fact that from my point of view the Bill will be more satisfactory with the amendments to which he has kindly agreed. In connection with the amendment that I sought to make to this legislation to provide that no taxi plates shall be issued, or shall be allowed to be transferred to a person who already owns a set, the Minister has informed us that such an amendment will cause certain complications. I do not agree with that contention.

My amendment sought to provide that the 20 sets of taxi plates proposed under the Bill shall be issued to persons who are already engaged in the taxi industry, who have served some time in it, and who do not own a vehicle, the subject of taxi license plates. If my amendment is agreed to it will mean that the owners of taxi license plates, to whom I

have made reference, will not be entitled to have additional plates transferred to them.

Frankly I cannot see anything wrong with my proposal. I thought the Minister agreed with me the other evening when I said that the ideal situation was that, apart from part-time drivers, every taxi should be owned by a separate individual who drove his own vehicle. The owning of two, three, or more taxis by one person should be discouraged; and this practice should be terminated at the earliest possible moment. Now it appears that the Minister desires a continuation of the existing state of affairs; and if, perchance, I own a set of taxi license plates I will be permitted to have transferred to me the taxi plates of other people.

Mr. O'Connor: But not in respect of the new license plates mentioned in the Bill.

Mr. GRAHAM: That is so; but, in respect of the several hundred taxi plates already on issue, there is nothing to prevent any owner from having additional plates transferred to him. This is in conformity with the Act at the present time; and it is this situation which I want to correct.

There is at present the best part of 800 taxi plates in existence, and these are transferable to people who already own such plates; but, for some peculiar reason, the 20 additional taxi plates to be issued some time in the immediate future will not be permitted to be transferred to persons who already own plates. Why is there a difference in respect of the 20 additional taxi plates? Why is there a need to exercise more than the usual control over them for a certain period, so as to minimise the trafficking in taxi plates?

If the principle that one owner shall have one set of taxi plates is sound, then surely Parliament should lay it down that it shall be applied to all taxi plates. If there is something wrong with this principle then it should not be applied to the 20 additional taxi plates. When I submitted my amendment I appreciated that the implications of that principle would affect not only the 20 new taxi plates, but also the several hundred already in existence. It was my intention to ensure that, in respect of the next 50 or 100 taxi plates which will be issued in the process of time, there should be a similar restriction under the Statute so that they could not be transferred to anyone who was already in possession of a set of taxi plates.

Whilst acknowledging with gratitude the acceptance by the Minister of certain of my amendments, which I need not outline because there is agreement with them in principle, I am exceedingly disappointed with the attitude of the Minister in respect of the particular amendment to which I have been referring.

MR. O'CONNOR (Mt. Lawley—Minister for Transport) [6.5 p.m.]: I wish to clarify one point, because I do not want to mislead the Deputy Leader of the Opposition in any way in regard to this Bill, or any other Bill. The other evening when it was suggested by the honourable member that the additional 20 taxi plates should not be transferred to people already holding taxi plates, I said I would agree to this principle in respect of the additional 20 plates only. It was very difficult to put the story over by way of interjection, but what I meant was that the 20 new plates would be issued only to people who did not already own taxis, who were lessee drivers, and who had served some time in the industry. I did not mean that after the initial five-year period the transfer of these plates to people already owning taxi plates would not be permitted. I meant that after a period of five years the transfer of these plates would be permitted.

At the present time the Taxi Control Board permits, under certain circumstances, the transfer of a set of taxi plates to someone who is already in possession of a set. I am clarifying this point so that the Deputy Leader of the Opposition will not gain the impression that the transfer of the additional 20 taxi plates to people who already own taxi plates will not be permitted after the period I have mentioned.

Question put and passed.

Bill read a third time and transmitted to the Council.

WESTERN AUSTRALIAN INSTITUTE OF TECHNOLOGY ACT AMENDMENT BILL

Second Reading

Debate resumed from the 17th October.

MR. LEWIS (Moore—Minister for Education) [6.7 p.m.]: As I said when introducing this Bill, it has four purposes, which are to vest the site in the institute, which is a corporate body, instead of in the council, which is not yet constituted; to give authority to the council to charge tuition fees; to permit the appointment of a full council as from the 1st January, 1969, instead of later; and to permit the creation of a student guild.

I want to thank the members of this House who contributed to the debate. I think it would be a sorry day indeed if members ceased to take an interest in any matter of an educational nature even if, as in this case, the Bill deals with what I might term only minor matters, but matters which are, nevertheless, in a very important area of education. Many comments were made by members—I think I

might more properly describe them as inquiries—and I will endeavour to furnish the information requested.

The member for Victoria Park, while giving general support to the Bill, said he expected that, because of the formation of the Institute of Technology, the number of students enrolled with the technical division of the Education Department would necessarily fall off. Well, for his information, I want to say that although the institute took some 2,500 students from the technical division, this loss was more than offset by an increase in enrolments with the technical division. In 1966, before the establishment of the institute, the enrolment in the technical division was 58,600, while in 1967, after the institute was formed, the technical division had an enrolment of 60,000; and I am informed it is even greater this year.

Another suggestion the honourable member made was that the name should be changed; or rather, he inquired why the name was not changed to that of a college of advanced education, as recommended by the Jackson report. I was informed later that the members of the Jackson committee had thoroughly investigated this point, after which the interim council of the institute gave consideration to the matter with the result that the council decided it would adhere to its present name of the Institute of Technology; and the Government, in giving consideration to the Jackson committee's report, decided to approve of the retention of the present name. I am informed that, in most of the States, similar institutions are known as institutes of technology rather than colleges of advanced education, although the new college at Canberra will be known as the college of advanced education.

Another inquiry the honourable member made was in regard to Commonwealth assistance, and I think he forecast this would begin to fall off now the institute was well established. I want to inform him that this is far from the case. The Commonwealth assistance is given on a triennial basis, and of course the budget which has to be approved is thoroughly investigated by the Wark committee. Dr. Wark is the Chairman of the Commonwealth Advisory Committee on Advanced Education. The present triennium ends in December, 1969, but already submissions have been made for the ensuing triennium and those are currently being very closely examined by the committee. Indeed, when, with Dr. Wark, I was at the official opening of the administration block of the institute a week or two ago, members of the interim council informed me that Dr. Wark had thoroughly grilled the council the previous day and on that afternoon it intended to finish its report.

Here might I interpolate to say that Dr. Wark informed me that the Western Australian institute was proceeding along lines which set an example to the rest of the Commonwealth, and he was thoroughly satisfied with it.

The honourable member also expressed concern about the level of fees of the students, and probably he would have expressed even greater concern had he then known of the proposed increases which will apply as from the 1st January 1969, as published in this morning's *The West Australian*.

The current level of fees—the 1968 fees—are $6 per year for every hour worked in a week, up to a maximum of $60 per annum. I do not know whether I make myself clear. It is $6 per year for one hour per week throughout the year, up to $60 maximum per year for 10 hours or more worked per week. I am informed that this brought the fees—that is, the current fees—up to the New South Wales level which then had the lowest structure of fees of any State of the Commonwealth.

In this regard I have some very up-to-date information which I received today subsequent to the Press release this morning. I am informed that in the other States of Australia, as applying to this current year—1968—the maximum per year in South Australia is $300; in New South Wales and Victoria it is $120; and in Queensland, $100. The Tasmanian institute is barely in operation.

Mr. Davies: What number of hours would those amounts cover?

Mr. LEWIS: I could not say; but they would be for full-time students. I might add that the maximum applying to Western Australia, which I mentioned a moment ago, is for full-time students.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. LEWIS: Before the suspension I was saying that the maximum tuition fee at the Institute of Technology is $60 per year compared with a maximum of $300 in South Australia, $120 in New South Wales and Victoria, and $100 in Queensland. With the latest announced proposed increases for 1969, it would leave a maximum fee of $100 in Western Australia, with the lowest fee $10. I understand that at present the fee structures for 1969 of New South Wales, Victoria, and Queensland are under review.

In support of the increase in fees I wish to refer to the estimated expenditure. I am informed that the estimated expenditure for the Institute of Technology in Western Australia for 1969 will be $3,176,000. The estimated receipts from fees next year on the 1969 level of fees will be $240,000. The Commonwealth gives only $1 for each $1.85 contributed by the State on recurrent expenditure up to a level which it approves. Above that level, it is expected there will

be a deficit for the two years of 1968 and 1969, taken together, of some $970,000, of which the State Government will find $850,000 from the Treasury, leaving a shortage of $120,000.

It was necessary to bridge this shortage of $120,000. The increased fees for 1969 will bring in $240,000 compared with $155,000 for 1968. The increase of $85,000 will still leave the institute short by some $35,000 estimated at the present juncture in its 1969 budget.

Mr. Davies: Who meets this? Does the Government meet the deficit?

Mr. LEWIS: The Government is finding $850,000 of the deficit over and above its $1.85 allocation. In 1968 there were approximately 1,400 full-time students and, of these, approximately 700 did not pay tuition fees, because 134 students received Commonwealth scholarships, and 566 students received cadetships, bursaries, or some employer contributions.

It has been announced by the Commonwealth Minister for Education and Science that the number of Commonwealth scholarships will be increased. As far as Western Australia is concerned, the number of Commonwealth scholarships for 1969 will be increased from 134 in this current year to an estimated 200 next year, which represents an increase of approximately 50 per cent.

Mr. H. D. Evans: Would not the institute get something from the Commonwealth for those students; that is, the recipients of Commonwealth scholarships?

Mr. LEWIS: The student gets the benefit of the Commonwealth scholarship. This is what I am pointing out. It is only full-time students, of course, who pay maximum fees, and approximately 700 of the 1,400 full-time students—at least half—receive Commonwealth scholarships, or some other bursary or cadetship.

Admittedly there are some hardship cases amongst those who are not in receipt of scholarships. However, I am informed that the institute has approximately $5,000 which it puts towards meeting the fees of some of the more urgent hardship cases. It is not expected that there will be a rise in fees for some considerable time after the advent of the 1969 level, which has already been announced.

Mr. Davies: What is the increase in Commonwealth scholarships for the coming year?

Mr. LEWIS: It is approximately 50 per cent. There were 134 scholarships available this year and the number will be increased to approximately 200. The number of Commonwealth scholarships to be given throughout the whole of Australia will be increased from 1,000 to 1,500. I am making this comment from a *Hansard* report of remarks made by the Commonwealth Minister for Education.

A question was asked about the student guild; namely, would the membership be automatic? The guild is the overall student organisation. Within the Institute of Technology there will be the subject associations, such as the association of pharmacy students, the association of architectural students, and so on. Of course various sporting bodies, such as football and hockey, will have associations or clubs, too.

The overall governing body will be the student guild which will be the body having liaison with the institute council. The fees for the students will be negotiated within the student guild by its own members, but will be subject always to the approval of the institute council. At the present time it is expected that the fees will be in the vicinity of $6 per student member. After negotiations have been satisfactorily concluded between the guild and the council, I understand that provision for this will be incorporated in the Statutes.

The member for Floreat also made a very valuable contribution to the debate. He made one point, and I wish to thank him for the letter he has since sent to me. On the evening concerned I could not clearly understand what he said, because there was some conversation going on around me and my hearing is not as keen as it was. I thank the honourable member for sending me a letter which embodied a summary of some of the inquiries he made.

The honourable member mentioned section 34 of the principal Act, and an amendment to that section is proposed in this Bill. The honourable member felt that the whole of the section should be deleted; that is, paragraphs (a) to (n) inclusive, and that an overall authority should be left to the institute.

I would like briefly to refer to section 34, which gives power to the institute council to do a number of things; namely, (a), (b), (c), (d), etc. The Bill before us proposes to add a further paragraph to give authority to the institute to impose fees for instruction. The honourable member said that he thought it was not clear in the principal Act whether the institute had power to impose a fee for instruction. However, it is implied that the institute will charge fees for any examination, diploma, or certificate; and, consequently, it is implied that instruction must precede the examination. The interpretation of "examination" is given in section 4, which states—

> "examination" means an examination conducted by the Institute and includes an examination conducted by any other person or body prescribed by the Statutes as a person or body authorised to conduct examinations for the Institute;

Therefore it is quite clear that the institute does have power to charge fees for instruction and to give instruction.

The member for Floreat also suggested that the provision for a student organisation could have been included in that particular section. I can assure the honourable member that this matter was considered by the Government but it was thought it would be better to provide for it in a separate section, and that is what we have done.

He also mentioned—and this is something that has already received some attention—that a guild representative might be a member of the council. This position does not obtain at the University. I am told a member of the Guild of Undergraduates does not by right have a seat on the Senate of the University, and we do not propose to make a provision in this legislation for a representative of the student guild to be a member of the council. However, if and when the council recommends in this direction—and I cannot forecast when that is likely—we can introduce an amendment to cover that aspect.

The honourable member also suggested that a body similar to that of the University Convocation be formed; but here again we feel this is a matter which might be determined by the experience of the council, and, if at some later date the council feels it is desirable, no doubt the Government of the day will give sympathetic consideration to this matter. However, I do not intend to impose this provision on the council without its recommendation.

The honourable member also suggested that a representative of the institute should sit as an *ex officio* member of the Senate of the University, as a member of the council of the University sits on the council of the institute. The council of the institute believes this is a very good thing. I have made representations to the Premier, and the next time the University Act is due for amendment consideration will be given to this recommendation.

The next recommendation made by the honourable member was that appointments by the Governor to the council should be made upon the basis of the practical contribution which the appointees could make towards the running of the institute rather than on the basis of an award or an honour to outstanding citizens. This has never been done. Appointments to the council have been men who it was felt could make a real contribution to the running of the affairs of the institute, and some of the present members of the institute represent industry. This representation will be increased when the full council is appointed, and no member of the council is appointed with the idea of showing some recognition for past services rendered.

Another suggestion made by the honourable member was that there should be greater promotion of the institute by way of pamphlets, advertisements, and visits to high schools, and so on, in order further to apprise members of the high schools regarding what the institute stands for and what it can do. This is a suggestion I shall have much pleasure in referring to the council to be incorporated as part of its policy.

The member for Maylands had a query regarding degrees, and this point was one that was the subject of considerable discussion when the principal Act was being debated in this Chamber. The *Concise Oxford Dictionary* describes a diploma as "a University or college certificate of degree." In other words, the word "diploma" does not necessarily mean a degree. A diploma, or a certificate, as we know it, is merely an award. It was felt at the time, and is still, that it is better to leave the position open at the moment. The question of degrees or diplomas—whether they should be degrees or whether they should be diplomas—is one which causes a good deal of discussion, but I agree entirely that we should have a uniform term for a particular qualification. Such a qualification should be accepted uniformly thoughout Australia. At the present time diplomas are worth something in one State and probably something less in another. This is quite undesirable.

It is because of this that a nomenclature committee has been set up by the Commonwealth Government and this committee is investigating the question of the terms for awards and what they mean in order to bring about some very desirable uniformity. Therefore, at this point of time it would be wrong for us to say that the institute should have degrees, or should have diplomas, or should have something else.

The member for Dale also referred to the Nomenclature Committee, and my reply to the member for Maylands covers the queries raised by the member for Dale.

The member for Warren also mentioned the comparability of qualifications and the need for employer co-operation. I understand that a very high degree of co-operation is now being experienced, and I agree with the member for Warren when he says that the success of the institute, and what it will achieve, will depend very largely on the co-operation which, we hope, will come from all employers.

There is little more I can say in reply, but I want to take the opportunity to express my appreciation for the very commendable efforts made by the interim council of the institute. This is the body which had to start off a new institute in Western Australia; this is the body which had to start off from the ground floor; and we must also bear in mind that the Western Australian Government established this institute out of its own finances. It started the institute before there was any assurance that Commonwealth finance would be forthcoming. However, let me

say that we are very glad to accept the Commonwealth contributions that have since been made.

The chairman of the institute is Dr. Robertson, an ex-Director-General of Education, who was recognised by the present Prime Minister when he was the Commonwealth Minister for Education and Science. Mr. Gorton invited Dr. Robertson to be the foundation chairman of the Canberra College of Advanced Education. So the merits of our ex-Director-General have been recognised in quite high places.

The institute council has done a very fine job indeed. On his recent visit to Western Australia the Prime Minister referred to the institute as being the blue print for others in Australia. Those remarks were also supported by Mr. Fraser when he visited the institute; and I have already mentioned the remarks made by Dr. Wark, the Chairman of the Commonwealth Advisory Committee on Advanced Education. He commended the work being done at our Institute of Technology. I commend the Bill to the House.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr. W. A. Manning) in the Chair; Mr. Lewis (Minister for Education) in charge of the Bill.

Clauses 1 to 4 put and passed.

Clause 5: Section 34 amended—

Mr. DAVIES: The Minister has been most generous in his reply to the various matters that were raised during the second reading debate, but it gives me no joy to learn from this morning's paper that the fees are to be increased by something like 50 per cent. at the Institute of Technology.

The Minister was not able to indicate clearly who will pay for the deficit each year; or, if he did, I was unable to hear him. I wonder if he could clear up the point for us. I would remind the Committee that this clause provides for the fixation by the council of fees for instruction; and, also, under it the institute will be able to fix fees for examinations. This will be an added impost on the students at the Institute of Technology.

I do not know what the additional fees are likely to be, but the Minister may have some information in that regard. I get little enjoyment from the fact that the Commonwealth scholarships are going to be increased by 50 per cent., because this does not necessarily mean that an additional 50 per cent. will be going to the Institute of Technology. That is why I am alarmed at the announced rise in the cost to students attending this institute.

I wonder whether any attention has been given, when fixing fees, to awarding a bonus to good students who work hard as compared with those who do not apply themselves to their studies and merely look at this period as one of study until they take up gainful employment. If one is a motorist one is able to get a rebate on one's insurance policy.

Mr. Lewis: Only if you avoid an accident.

Mr. DAVIES: That is so, but in such a case one is able to get a 30 to 40 per cent. reduction in the cost. Has any attention been given to awarding a bonus to good students and perhaps penalising those students who do not get such high marks and who do not take their studies seriously? This would assure that a maximum result is gained from the teaching at the institute.

The other point I wish to make refers to the interim council as currently constituted. Does it see that each course started at the institute is self-supporting? If a student wishes to take a particular subject, does the council examine the economics of commencing such a course? Does it see whether there are sufficient teachers available at the time? Does it consider the cost, the equipment, the use of buildings, and so on? In other words, is each course examined economically or purely from a demand basis?

Mr. Lewis: Do you suggest they should be self-supporting?

Mr. DAVIES: Are the economics examined? Surely the institute would not run a course for one or two students. I understand we are short of veterinary surgeons, and the University is unable to help. People interested in this subject go to the Queensland University or some other university. So, while there is a demand for veterinary subjects the University and the institute are not prepared to meet that demand.

The CHAIRMAN: I must ask the honourable member to keep to the subject matter of clause 5, which deals with fees to be charged.

Mr. DAVIES: We are now going to put beyond any reasonable doubt the right of the interim, or permanent, council to fix fees. How does it assess these fees? Does it merely say, "We need so many teaching staff at such-and-such a salary; so much for running expenses, maintenance, and additions to the buildings, making a grand total of X, so we will divide Y number of students into X and obtain the amount each student shall pay?"

We have yet to learn how this is worked out. I was not readily able to absorb the figures given by the Minister as to how the economics of the institute are worked out. If he could explain the position, I would be prepared to agree with the clause.

Mr. LEWIS: The first question the member for Victoria Park asked was in regard to which body would meet the deficit. As

I explained, an examination of the budget for the anticipated triennium is presented by the institute and, subject to that portion approved by Dr. Wark, is met in the proportion of $1 by the Commonwealth to $1.85 by the State. If there is any expenditure over and above the approved deficit it must be met by the State. The deficit for 1968-69 is expected to be $970,000. The State Treasury has generously told the interim council that, in view of its special commitments, the Treasury will meet $850,000 of this amount. This will leave a shortage of $120,000, which the interim council hopes to make up by increased fees which, between this year and 1969, will amount to $85,000. The amount may be larger, according to the number of students who are enrolled this year.

So the gap has not been entirely bridged, and this is one reason why the council gave serious consideration to increasing the fees—to bridge some of this expenditure in the formative years. Out of the anticipated expenditure of $3,176,000 next year, the receipts for fees at the 1969 level, as announced today, are expected to be $240,000.

One can readily see that fees go a very small way towards meeting the expenditure of the interim council—it is about one-twelfth of the total expenditure.

The honourable member also posed the question as to what constituted an economic level of students before a course was warranted. I cannot answer that, because I do not know the basis on which the institute works. I do know that in the technical education division, if there are 12 students wanting a particular course we try to find an instructor.

I do not think the giving of bonuses for high marks would be desirable. There may be a student not quite as academically minded as a more brilliant student who, though he worked hard to achieve a certain goal, would fall short of the results achieved by the brilliant student. Even though the former student had worked hard, the more brilliant student, because of his high marks, would get the bonus.

Mr. Davies: As long as he consistently passes.

Mr. LEWIS: I do not know whether a bonus has ever been considered. I do not know whether it applies at the University, nor have I ever heard of it at any other institution. No true analogy can be drawn between a student at college and one driving along the street who might escape the law.

Mr. RUSHTON: Because of the recently announced increase and because of the full report given by the Minister, it is pertinent to make a few comments regarding this clause. I think the member for Victoria Park has quite adequately made the point in connection with fees. One of the points I wish to raise relates to scholarships. The position, as I understand it, is that if students relinquish the scholarships, they are lost to the institute; so the scholarships are a contribution towards the running of the Western Australian Institute of Technology. The students who are not fortunate enough to obtain scholarships are carrying the heavier burden.

I believe full regard has to be constantly given to the level of the fees; and if these scholarships are relinquished, they could be handed on or passed to students who, through their diligence and effort, had accomplished more than was expected of them.

In regard to the bonus mentioned by the member for Victoria Park, I think it could be in the form of awarding a scholarship to a student who, by his endeavours and diligence, accomplished more than was expected of him when he first entered the college. This could be one way to reward those who put their shoulders to the wheel and accomplished more than is generally expected of them.

I am appreciative of the full report the Minister gave on the question of fees. This is something that has to be faced up to. It cannot be loosely regarded; there has to be a reasonable sense of responsibility. One cannot award a scholarship other than on an academic basis. We cannot evaluate the other virtues possessed by a student.

Having regard to the report—I think it was the Jackson report—in relation to the establishment of the institute, I believe it is an autonomous body and we want to give it a good chance to establish itself in a responsible way. However, I want to make the point that we must be ever-conscious of this fee, which is minute in relation to the total sum. It must be held at a reasonable figure so that students, when they reach maturity, will become qualified to carry out work in their various professions. We do not want to see them precluded from making the grade at the Western Australian Institute of Technology.

Mr. H. D. EVANS: Without a shadow of doubt I feel there will be cases of hardship because of this increase of fees. The amount of $5,000 which the institute has to alleviate such cases will be hopelessly inadequate.

I wish to quote from *The West Australian* of today's date as follows:—

> W.A. Institute of Technology tuition fees will be raised by two-thirds next year.
>
> The rate for each hour of tuition a week will rise from $6 to $10. The maximum total fee will rise from $60 to $100 a year.

> Dr. T. L. Robertson, the chairman of the interim council of the institute, said that the fees would still be equal to the lowest in Australia.

In my opinion, the only way to get around this is to depend on Commonwealth funds; and perhaps the Minister could undertake to make, with the other States, a concerted approach to the Commonwealth on this and other matters.

The annual selection and allocation of scholarships is, at the moment, not the ideal. There are numbers of anomalies that exist in the present structure which would be difficult to overcome. However, they could be tackled. If this depends on additional finance being made available, I feel the Minister should take the matter up with the other States and then with the Commonwealth Government.

Mr. HARMAN: Under this clause there will be a charge for various courses at the institute; and one of these courses is an associateship in social work. We have three social welfare departments in this State which have accepted the associateship in social work. A certificate or diploma would entitle the holders to be appointed to the professional division of the Public Service, but one Government department—

The CHAIRMAN: Order! I must draw the attention of the honourable member to the fact that we are discussing fees. So far I cannot see that what he is saying relates to fees.

Mr. HARMAN: I am making the point that students will be going to the institute and paying a fee for a particular course which is not recognised on a professional status by one State Government department. I was wondering if the Minister could indicate whether any action is contemplated to bring this department into line with the other social welfare departments of the Public Service.

Mr. LEWIS: Replying first to the member for Warren, I would point out that even with the 134 Commonwealth scholarships and the 566 cadetships, these figures represent only 700 of the 1,400 students at the institute and leave 700 having to pay the full fee. The Commonwealth Government, in response to this need, has already announced, as I have said, an increase of 50 per cent. I have no guarantee that 50 per cent. will come to Western Australia but I did notice, in the Commonwealth Minister's report to Parliament, that he said this money would be distributed on a population basis. Mr. Fraser's remarks, on the 14th August, 1968, were as follows:—

> . . . the Government introduced a new scheme of Commonwealth advanced education scholarships and, since 1966, 1,000 awards have been made available each year. These awards which are tenable for tertiary courses outside universities carry the same benefits and are subject to the same conditions as Commonwealth university scholarships. The Government has reviewed the situation and, in the light of increasing demands for these awards, has decided to raise the number to be made available in 1969 from 1,000 to 1,500. Of the 1,000 awards offered annually, 750 have been regarded as open entrance scholarships awarded to students who are commencing upon a tertiary course of study, and these awards have been distributed among the States on a population basis. The remaining 250 awards have been offered to those students who had already completed portion of a tertiary course.

The population of Western Australia is increasing at a rate greater than that of any other State with the possible exception of the Australian Capital Territory and the Northern Territory; and if this money is distributed on a population basis there should be at least a 50 per cent. increase to Western Australia.

The answer in regard to fees it not a reduction, but rather an increase, in Commonwealth scholarships to meet this need. That is the line on which we should continue to make representations to the Commonwealth.

This is something new for the Commonwealth, and naturally it approaches it with some caution and modifies its policy according to circumstances. The Commonwealth has increased the amount from $1,000 to $1,500; and, who knows, we may have further increases at a later stage.

The member for Maylands mentioned an associateship not being acceptable to a certain Government department. I do not think this is any fault of the interim council, which provides the course and the tuition. Maybe this is a case where the word does not mean the same in all States. I cannot give an assurance at the present time; it has no part in the Bill.

Clause put and passed.

Clause 6: Section 36 amended—

Mr. DAVIES: This means that the interim council can be disbanded and the permanent council appointed as early as the 1st January, 1969, or no later than the 31st March, 1969, which is something like five months in total earlier than had been proposed in the original Bill. It means that the council governing the institute will be increased by seven persons, because the interim council provides for nine, and the permanent council for 16.

The additional appointments to be made —if the interim council members are reappointed—will be three persons appointed by the Governor, representative of the professions and industrial and commercial interests, one person from the academic staff, and one person who, not being a

member of the council at the time of his appointment, will be appointed chairman, pursuant to section 11 of the Act; and two additional persons can be co-opted to the council to represent the academic staff. I ask the Minister if he can given an assurance that one of these seven persons, or possibly one of the first three that can be appointed by the Governor, will represent the trade union movement.

I understand the interim council, at the present time, has no representative of the trade union movement; and, although the Government may not like the trade union movement very much, the fact remains that it is an important part of our community; it has knowledge and practical experience relating to industry in respect of many aspects, although this, perhaps, would not be apparent to some persons who would be representative of management.

Although the trade union movement is not particularly spelt out in the first section of the clause, I am wondering what the Minister thinks in that regard. It would be a disappointment, indeed, if such an important section of the community was not represented on the permanent council. After all, the trade union movement has liaison with the Department of Labour, and works in close co-operation with the technical schools. It has given valuable service at various inquiries and committees that have been appointed, and I think there is a place for the movement among the six members to be appointed.

Mr. LEWIS: In reply to the honourable member, I would first of all point out that there is no guarantee that the council will consist of 16 members. It could be as low as 13. Somebody who is already on the council could be appointed chairman; and two persons may be appointed, from time to time, by co-option by the council.

With regard to the point made by the honourable member as to whether a representative of the trade union movement could be appointed to this council, I would remind him that section 9(1)(a) of the Act states that six persons shall be appointed by the Governor representative of the professions and industrial and commercial interests. I am not in the confidence of the Governor as to whom he might appoint to the council.

Mr. Bickerton: He will appoint those whose names you give him.

Mr. LEWIS: I have no doubt that suggestions will be considered when the full council is being appointed.

Mr. Davies: Thank you.

Clause put and passed.

Clause 7: Section 44 added—

Mr. DAVIES: This proposed section deals with the formation of the student body, and the Minister gave us a broad outline of how he imagined it would function. However, he did not answer my question whether or not it would be compulsory for students to belong to the student guild. The Minister said that the fee would be around $6 and that the guild would be composed of representatives from the various departments of the institute.

Membership is compulsory at the University, and if the Minister could answer that point for me I would be pleased. Paragraph (e), of proposed subsection (2), states that the student guild shall be the recognised means of communciation between the enrolled students and the council. This is a fairly broad clause. The Minister was not able to tell us how the student body would, in fact, communicate. He said he had made inquiries with regard to the University, and that the student guild at the University was not represented on the Senate or the governing body. What the Minister was not told is that each year the President of the Senate issues a standing invitation to the president of the guild to attend all meetings.

The representative of the guild at the University has the right to speak, but not to vote. So it can be seen there is a direct line of communication, by invitation, between the students at the University and the Senate. This information came to me from good authority connected with the guild at the University, and I have no reason to doubt it. I think the Minister could have given some indication as to whether the student body would be represented on the council. I feel it is necessary, for a number of reasons, that the student body should have direct communication with the council.

I do not think we need to go further than look at the position which has developed overseas in the British, the American, the Canadian, and particularly the French, universities, where lack of communication between the student bodies and the governing bodies has led to riots, lockouts and lock-ins.

Mr. Lewis: Is that the reason?

Mr. DAVIES: According to my reading, that is basically the reason. Some large concessions have been extended to the students in the Paris universities because of representation of the students. I can only say that this is the opinion I have formed from my reading. The Minister might have some information which we would like to hear.

It is necessary to have a direct line of communication, so I would like the Minister to tell me whether it will be compulsory for students to belong to the student body, and whether a line of communication will exist between the council and the student body.

Mr. LEWIS: I can answer the honourable member quite briefly on both points. Firstly, in regard to whether membership

of the student guild will be compulsory, all I can tell him is that the payment of the fee will be compulsory. Whether a student takes an active part in the activities of the guild is entirely up to the student.

Mr. Davies: Membership should be compulsory.

Mr. LEWIS: The membership fee will be compulsory, but it will not be compulsory for the student to attend the meetings.

Regarding the line of communication, I have no information to give the honourable member beyond saying that the council itself was interested to have provision made in the legislation for the formation of a student guild. I cannot contemplate the council making that suggestion unless it had some line of communication in mind between the council and the student organisation. It would not be sufficient to have this legislation embodied in the Act and then ignore it.

Clause put and passed.

Clause 8 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

Third Reading

Bill read a third time, on motion by Mr. Lewis (Minister for Education), and transmitted to the Council.

TIMBER INDUSTRY REGULATION ACT AMENDMENT BILL

Returned

Bill returned from the Council without amendment.

BUILDERS' REGISTRATION ACT AMENDMENT BILL

Second Reading

MR. ROSS HUTCHINSON (Cottesloe—Minister for Works) [8.26 p.m.]: I move—

That the Bill be now read a second time.

Considerable criticism has recently been voiced over certain inadequacies of the Builders' Registration Act, and the Builders' Registration Board—together with the Master Builders Association—has expressed its serious concern about current practices and development affecting the logical operation of the Act.

The object of this Bill is, therefore, to amend the Act to allow the board to achieve the practical objectives of the Act and to enable it to set up more effective administrative procedures. The Bill proposes to amend section 2 of the Act to exclude farm buildings specifically from the definition of a building. The operation of the Act is extending to rural areas by virtue of the extending boundaries of the metropolitan area, as defined in the Metropolitan Water Supply, Sewerage and Drainage Act.

By the very nature of farming it is imperative that farmers have the facility to erect their own buildings in off season periods. At present the owner-builder limitations under section 4(1)A restrict this to houses for their own use. It must be readily acknowledged that farm buildings are clearly not required to be of a standard to comply with those required by the board.

Section 2 is also amended to include a definition of "building license," and a number of subsequent amendments are then required to alter the word "permit" to "license." Another section—section 4A of the principal Act—refers to a permit under section 374 of the Local Government Act. The license to build is issued under the Uniform General Building Bylaws in force under that Act.

Experience has shown that owner-builders can, by flimsy and unreal excuses, avoid the intention of the Act. The proposed amendment to section 4A seeks to prohibit the sale of a property within 18 months of the issue of the building license, unless the consent of the board is first obtained. In the proposal a defence has been provided for the offence of unlawfully selling such a house, which will give the defendant an opportunity of pleading before a court of petty sessions that the board unreasonably withheld its consent.

The present Act does not specify a term of appointment for the members of the board, and section 5 is amended to provide for a term of three years. The Act at present also makes it mandatory for the architect appointed by the Governor to be chairman of the board. It is felt this is not a desirable provision in the Act and the amendment seeks to remove it.

A new section 5A is a machinery clause which deals with vacancies on the board. This clause follows the usual pattern found in other legislation. The Act is at present deficient in this respect.

Section 10 (11) entitles applicants, on the basis of experience as builders or supervisors outside Western Australia, to registration. It is inequitable that State residents who have been supervisors must undertake a six-year course of study and pass their Builders' Registration examinations to qualify for registration, when those who have been supervisors of building work overseas or in the Eastern States can immediately gain registration. The amendment restricts the right of the latter category of persons to registration to those who satisfy the board that they have been builders outside the State, are competent to carry out building work to the satisfaction of the board, and were not resident in the State in 1961.

Provision is also made to enable persons who have had experience as builders within the State, but outside the area to which the Act applies, and who were not resident in the area to which the Act applied in 1961, to make application for registration. This will allow genuine well substantiated builders operating in the country prior to 1961 to become registered. Many of these did not avail themselves of the rights to registration accorded by the 1961 amending Act as the area governed by the Act embraced the metropolitan area only and, accordingly, they could well have reasoned that there would have been no point in applying for registration at that time.

Further amendments to section 10(2), 10B, and 10C, seek to provide more effective control over the building work carried out by partnerships and companies.

It is clearly the intention of the Act that there shall be one registered builder responsible for all building activities, and yet this is not so in many partnerships and companies. The present Act allows registration of a partnership or company merely by nominating an employee as a registered builder. The nominated builder cannot be proceeded against, as the nominated builder for the negligence or incompetence of his employer because, as an employee, he is not a party to the contract. Most members will be aware from recent Press publicity—or Press publicity of some few months ago—that this has resulted in the development of a situation where some unethical builders have made their "tickets" available for hire to firms engaged in the building industry, but have taken little or no part in the actual work of management and supervision of the firm's building work.

Mr. Toms: This is not only in recent months; it has been going on for years.

Mr. ROSS HUTCHINSON: That is true, but more particularly in recent months. It is proposed to amend the Act to permit the board to proceed against the registration of the "nominated builder" if it cancels or suspends the registration of a partnership or company.

At present it has only been possible to cancel the registration of the partnership or company and, as I said previously, not to proceed in a similar fashion against a nominated builder.

To ensure that the board will be able to identify the particular registered person who was supposed to manage and supervise the building work for the partnership or company, the Act has been amended to require the partnership or company to name the partner, director, or employee whose duty it is to manage and supervise particular building work.

The rights of the nominated builder are protected in the amendments insomuch as his registration cannot be cancelled unless the board has given him the chance to attend the hearing against the partnership or company and has afforded him the opportunity of giving an explanation personally at the inquiry or in writing.

Certain paragraphs of section 13 provide for the suspension of a builder. Subsection (1) (c) and (d) provide for the suspension of a builder who has been guilty of offences in connection with the performance of any contract. Considerable work is done by builders, especially in the housing field, on a speculative basis and such work is therefore not within the jurisdiction of the Act. The amendments to these paragraphs seek to rectify this matter.

The final amendment is a small amendment to section 24, subsection (1), and is a machinery clause to enable the board to obtain information regarding the issue of building licenses from local authorities.

Debate adjourned, on motion by Mr. Graham (Deputy Leader of the Opposition).

STATE HOUSING ACT AMENDMENT BILL

Second Reading

MR. O'NEIL (East Melville—Minister for Housing) [8.37 p.m.]: I move—

That the Bill be now read a second time.

This Bill contains extensions of the provisions relating to dependent children, proposals to increase the maximum advance which may be made under the Act, and provision to increase the permissible cost or value of dwellings upon which second mortgage assistance may be granted. It also provides for the State Housing Commission to absorb the operations of the McNess Housing Trust.

Since the original Workers' Homes Act was passed in 1912 the additional income allowed to a "Worker" as defined in the Act for each child has remained at $50 despite the fact that the base eligibility has been increased many times. However, somewhat offsetting this has been the implementation of child endowment payments. The Bill proposes to increase the allowance for each dependent child to $100.

Under the Act as it now stands the additional sum for children is only allowed in respect of children under 16 years of age and no allowance is made for children undertaking higher education. I could add that no allowance is made for invalid dependent children. This Bill proposes that the new allowance of $100 will also be applicable to children between 16 years and 21 years of age provided they are dependent on the applicant. Under the Act as it now stands an applicant with three children under 16 years and, say, a student child 18 years of age could earn

up to $2,645 plus $50 x 3—that is, $2,795 per annum—without becoming ineligible for assistance.

Under the Act as amended by this Bill the allowable income in this case will be $2,645 plus $100 x 4—that is, $3,045 per annum.

The maximum loan which may be made under the Act is at present limited to $6,000. In the modern concept this figure is regarded as being unrealistic.

Consideration has been given to the maximum loan which could be granted without unduly reducing the number of applicants who may be assisted, and it has been decided to lift the loan to $8,000, an increase of $2,000.

Although some applicants may still have to resort to second mortgage loans it is considered that the additional $2,000 at the State Housing Commission interest rate of 5¾ per cent. per annum will materially assist home purchasers on low and moderate incomes.

Section 60A of the Act enables the commission to make advances secured by second mortgage to those applicants who have raised their first mortgage from private sources, but who are unable to finance the gap between their deposit and the amount of the first mortgage.

Assistance of this type is restricted to new houses, and at present the Act restricts the loan to those cases where the value or cost of the house, excluding the land on which it is erected, does not exceed $8,000.

Usually this type of assistance is availed of by applicants in the higher range of the commission eligibility who are able to meet the higher interest cost of the private first mortgage. For this reason the cost or value of the house is placed at a slightly higher figure than the usual commission group house.

Under present-day conditions it is felt that the valuation/cost limitation on the house is too low and this Bill provides for the limit on the house to be raised from $8,000 to $10,000. The lifting of the cost/valuation, it is considered, will materially assist those applicants who wish to make their own arrangements and who can meet higher repayments or who can provide higher deposits. Advances of this nature also help to provide a greater variation of home types in areas where commission-built homes predominate.

The Bill empowers the State Housing Commission to absorb the operations of the McNess Housing Trust and to take over its assets and liabilities. Rights of existing tenants and purchasers will be retained. The McNess Housing Trust, constituted under the McNess Housing Trust Act 1930-1948, was originated by a bequest of Sir Charles McNess to enable the erection and disposal of modest cottages to persons of extremely limited means.

The original Housing Trust Act came into being to regularise the use of certain gifts made by Charles McNess during his lifetime. Upon his death a further sum of $186,000 was bequeathed to the trust and the Act was amended and re-entitled to incorporate the name of the benefactor.

With the passing of the Commonwealth and State Housing Agreement Acts the housing of pensioners and other social service cases are adequately provided for and consequently the need of the McNess Housing Trust Act has declined to the extent that it is now redundant.

The original funds of the trust have long since been expended and for some years the operations of the trust were carried on by grants from the Lotteries Commission plus matching grants from the State. Recently the Lotteries Commission advised that no further grants could be made from its funds for the purposes of the trust.

The present trust membership comprises Mr. A. J. McLaren and Mr. L. F. Hyam, with Mr. A. H. Cole, a State Housing Commission officer, as secretary. All administration and commission facilities are provided free of cost. I would like to say that the Government extends its sincere thanks to the trustees for the duties that they have performed. I do not think it would be presumptuous of me to extend to the trustees the sincere thanks of this House.

Because of the lack of further funds and the fact that the need of a separate housing trust has been superseded by the operations of the Commonwealth and State housing agreement the members of the trust have recommended that the McNess Housing Trust Act be repealed and that the assets and any obligations of the trust be taken over by the State Housing Commission.

The text of the communication which I received from the trust reads as follows:—

> At last week's meeting of the McNess Housing Trust it was resolved that a recommendation be made to you that the McNess Housing Trust Act be repealed and that the assets of the trust be transferred to the State Housing Commission.
>
> In arriving at this decision the trust is of the opinion that it has outlived its usefulness and is now out of keeping with current economic conditions.
>
> The original capital has long since been absorbed and to proceed with any further building programme the trust is dependent on "hand outs" from the Government.

The costs of present-day building are such that a rental of $1.25 per week is insufficient to meet the minimum outgoings of rates, taxes, insurance and maintenance with the result that the trust must face an ever-increasing loss, and to minimise this loss only the minimum maintenance is being undertaken.

On this matter, members will be interested in the answers to questions asked today by the member for Belmont relevant to the trust's operations. To continue—

The loss on rented properties (excluding Southlea and Westlea Flats) was $3,000 for 1965-66 and $3,660 for the year ended 30-6-67.

The rent of $1.25 was established in 1948 when the pension rate was $3.75 per week and at which date the rent represented approximately 16.6 per cent. of a pensioner couple's income. On today's pension of $11.75 per person, the percentage has reduced to 5.3 per cent.

Under the formula laid down in the Commonwealth State Housing Agreement Act a pensioner couple are expected to meet a weekly rental of $3.20.

If you so desire we would be pleased to discuss this matter with you at your convenience.

A. J. McLaren, Chairman.
L. F. Hyam, Member.
A. H. Cole, Secretary.

9th October, 1967.

By combining the operations of the trust with the operations of the commission it is considered that administration and bookkeeping will be simplified and eventually the assessment of rents will become uniform. It will also enable some of the older properties to be upgraded or, alternatively, the better facilities of State Housing Commission homes to be offered to the tenants.

An undertaking is given that occupants of McNess Trust properties may continue their occupancies under the existing provisions of the Act, and it is proposed that the memory of Sir Charles McNess shall be perpetuated by the naming of a suitable block of flats for elderly people in his honour.

Summarised, the proposed amendments to the Act will—

1. Increase the allowance for each dependent child from $50 to $100.
2. Extend this allowance to children from 16 to 21 years of age who are dependent on the parents.
3. Increase the maximum allowable advance from $6,000 to $8,000.
4. Increase the permissible cost or value of the house, excluding the land, on which a second mortgage advance may be made, from $8,000 to $10,000.
5. Empower the commission to absorb the assets and liabilities of the McNess Housing Trust.

I commend the Bill to the House.

Debate adjourned, on motion by Mr. Graham (Deputy Leader of the Opposition).

BILLS (6): ASSENT

Message from the Governor received and read notifying assent to the following Bills:—

1. Medical Act Amendment Bill.
2. Trustees Act Amendment Bill.
3. *Justices Act Amendment Bill.*
4. Education Act Amendment Bill.
5. Local Government Act Amendment Bill.
6. Motor Vehicle (Third Party Insurance Surcharge) Act Amendment Bill.

BILLS (3): MESSAGES

Appropriations

Messages from the Governor received and read recommending appropriations for the purposes of the following Bills:—

1. Iron Ore (Hamersley Range) Agreement Act Amendment Bill.
2. Iron Ore (Hanwright) Agreement Act Amendment Bill.
3. State Housing Act Amendment Bill.

HEALTH ACT AMENDMENT BILL

Second Reading

MR. ROSS HUTCHINSON (Cottesloe—Minister for Works) [8.50 p.m.]: I move—

That the Bill be now read a second time.

This is a Bill designed to amend various aspects of the Health Act. It contains no earth-shattering provisions, but does extend the scope of the Act in a number of ways.

Perhaps I should say a word or two generally about the Act, before explaining the amendments. As members are aware, the Health Act of Western Australia is very old; it dates back to 1911. To a great extent it governs the lives of all of us, and contains a number of provisions which give extremely sweeping powers in emergency situations. No thought at all is necessary to imagine some situations in which such powers may be needed.

The general principle of the Act itself is to safeguard the health of the people of the State of Western Australia, and the general principle underlying this amending Bill is also to safeguard the health and comfort of the people of Western Australia.

There are, however, a number of Bills —and this is one of them—in which a specific explanation can be given only by

dealing with the various amendments proposed, and this, I think, is the best practice to follow in this instance.

Clause 2 of the Bill deals with large areas under close residential development in the metropolitan area which are not served by the metropolitan deep sewerage system. These premises rely on septic tanks to achieve disposal of sewage and liquid wastes. The Metropolitan Water Board is extending deep sewers at a rate within the scope of its financial resources. This, however, is not coping with the position.

Some of the areas which are now developing high density housing are fairly low lying. The ground water table is higher than is desirable for the efficient functioning of septic tanks. In other areas the soil has a high clay content and the disposal of liquid effluent is difficult. The desirable answer would be the universal use of deep sewers and any move towards this state of affairs will be a worth-while gain.

This clause inserts a provision in the Health Act which will enable local authorities to raise funds which can be used to extend deep sewerage lines in the areas now dependent upon septic tanks.

The procedure will be for the local authority to use some of its loan raising powers to find the money required for sewer construction. This construction would be undertaken in co-operation with the Metropolitan Water Board. The board would undertake the repayment of the loan.

The purpose of the amendment, in short, is to increase the availability of loan moneys which may be applied to the extension of deep sewers. A particular case in point has to do with the Shire of Perth, and indeed this amendment has been discussed with the shire and will enable it to proceed with the planning of a particular area to the advantage of everybody concerned. It will also bring the Health Act into line with the recent amendment moved, in this Parliament, by myself and the Minister for Local Government to our respective Acts.

Section 112A of the Health Act regulates the collection and disposal of refuse from premises. It provides for householders to receive authority from local councils to use small incinerators to dispose of garden refuse and other material which cannot be conveniently placed in a bin. It is an unfortunate fact that a minority of householders use incinerators with a total disregard for the comfort and convenience of their neighbours. This is usually the result of thoughtlessness or perversity. The amendment will give a local authority the power to take action against a householder who adopts an unreasonable attitude and causes annoyance to his neighbours by the manner in which he disposes of rubbish on his own property.

This is another interesting problem in the use of words. Members will note that when they examine the parent Act the section states, *inter alia*—

> Where a local authority undertakes or contracts for the efficient execution within its district or any part of its district of the work specified . . . the local authority may . . . authorise the occupier . . . to remove or dispose of . . . refuse or rubbish from or on the premises.

Local authorities very rarely undertake or contract for the efficient disposal of garden refuse. It therefore follows that they have no authority for the disposal of such refuse on the property. It has come to the attention of some local authorities that they cannot move to stop a nuisance being committed by persons who burn such refuse in such an inefficient manner as to cause a nuisance to their neighbours. This amendment will correct the anomaly.

Clause 4 of the Bill amends section 140. The Health Act gives a local authority the power to declare a house to be unfit for human habitation, and, where justified, to order that the house be demolished. There is, of course, a right of appeal against all such orders. Circumstances arose recently where a house was to be demolished, but the local authority could not proceed because the householder refused to have the electricity and water services disconnected.

If the local authority had proceeded, a dangerous situation would have been created. The proposed amendment to section 140 of the Health Act will make it clear that a local authority may secure the disconnection of these services by direct approach to the supplying authority. This can only be done after all the necessary procedures have been completed. In the case where the owner has appealed, a court order will, of course, be issued. If he does not appeal then it is taken for granted that he had no desire to do so, and in accordance with the parent Act the matter may proceed with under the additional power just outlined.

Clause 5 amends section 190. The Department of Public Health is in the process of bringing up to date, regulations which fix the standard of construction and hygiene for slaughterhouses. This is being done in collaboration with the industry. Section 195 of the Act lays down what are obsolete standards which should not now be permitted. The proposed amendment substitutes new provisions which will require the construction, drainage, and equipment of slaughterhouses to be in accordance with the regulations.

Clause 6 adds a new section, and this was mentioned in the Lieutenant-Governor's Speech at the opening of Parliament. The pattern of food production and distribution has undergone dramatic changes. This is especially so in the case

of processed foods. A potentially dangerous situation exists with regard to large scale production of meat products. Meat pies, cooked and processed meats, and smallgoods in great variety are produced in great volume in centralised factories. The products are distributed throughout the State. It can be seen readily that any contamination occurring at one of these factories could result in a very wide epidemic.

There have been relatively minor episodes recorded recently in Western Australia. Fortunately, the results have not been tragic. This, however, is not the case in some overseas countries where epidemics have had serious consequences and have been widespread. Given any relaxation of our laws, a somewhat similar situation could arise; that is, if we are not careful.

This position still represents great potential danger and demands that the health authorities be equipped with basic powers to step in at the first sign of danger and control an outbreak. The amendment would give the Commissioner of Public Health the right to order the suspension of production in an infected factory until the necessary safeguards had been observed.

Clause 7 adds a further section to the parent Act which has a direct relationship to the one just described. This amendment goes further by providing positive powers to insist on preventive measures so that the likelihood of outbreaks would be greatly reduced.

The overall aim would be to ensure that this highly sophisticated industry will, in future, operate according to acceptable standards of hygiene according to the kind of community in which we live; and, clause 8 makes allowance for the new penalty which is written into clause 6 of the Bill.

Clause 9 amends section 344. The Health Act deals with an infinite variety of subjects which, I have already said, affect the day-to-day lives of people; and, it is frequently necessary to exercise a wise discretion in applying the letter of the law. This was recognised, for example, by writing a reasonable flexibility into the Local Government Act. This has meant that where a citizen has proposed to meet the aim of any by-law or regulation by a means not specified in the law, his proposed method may be approved.

This is the aim of the amendment proposed in clause 9. Under this amendment, a health inspector will be able to apply commonsense to practical situations and to recognise the value of new building materials and equipment which are not yet catered for in existing by-laws and regulations. The rapid advance of technology and the development of new materials has highlighted the need for this amendment.

That sums up the provisions of the Bill. One would imagine there might be some debate on the various points in the Committee stage. However, I commend the Bill to the House.

Debate adjourned, on motion by Mr. Bateman.

IRON ORE (HAMERSLEY RANGE) AGREEMENT ACT AMENDMENT BILL

Second Reading

Debate resumed from the 15th October.

MR. BICKERTON (Pilbara) [9.3 p.m.]: The measure we have before us at the present time—No. 6 on the notice paper—deals with an amendment to the Iron Ore (Hamersley Range) Agreement Act; and item No. 7 on the notice paper deals with a similar agreement. As you will recall, Mr. Speaker, owing to the similarity of this measure and the Iron Ore (Hanwright) Agreement Act Amendment Bill, it is difficult to deal with the two separately, so I hope you will bear with me if the remarks I make on one tend to merge with the other.

The SPEAKER: I gave that latitude to the Minister and will continue it throughout the debate.

Mr. BICKERTON: When the Minister introduced these Bills, in part of his speech he made this statement which appears in *Hansard* No. 12, page 1715—

> It is rather an involved type of agreement. We have to read the two agreements in with the two original agreements, both the Hamersley and the Hanwright agreements. If, in the course of trying to do this, members find they would like some amplification prior to the resumption of the second reading debate in a week's time, I will be only too pleased to co-operate; because, in the course of negotiations over a period of many months, I have visited four capital cities and three countries and have seen something of the complexity involved in the drafting and can appreciate why an explanation might be required.

The portion of the Minister's remarks which mentioned the complexity of the measures was, to my way of thinking, the understatement of the year. These are, indeed, very complex agreements and they appear to have been made a little more so by the fact that separate agreements have not been effected to bring about the circumstances the Minister wishes.

These agreements have obviously required months of study and negotiation in order to prepare them, as the Minister has implied, and they have probably involved some of the leading legal men of

the world. You, Sir, with your legal experience, particularly in the legal field of conveyancing, would have an appreciation of the complexity of these agreements.

It strikes me it is extremely difficult for the average member of Parliament—the average layman—within a period of one week, to thoroughly understand these measures and the implications they will have once they become law. I have been wondering whether there should not perhaps be a committee of the House formed in the case of complicated agreements to thoroughly study them and bring down a report to the House. The only explanation members receive is the one given by the Minister handling the measure; and, of course, he is normally the Minister who has carried out the negotiations beforehand and his objective is to have the legislation passed through the House. Therefore, if the Minister could see any dangers in the agreements which might eventuate at some future date, it would probably be extremely doubtful if they would be mentioned in the introduction of the measures.

It is not particularly satisfactory from the point of view of members, even those on the Government side of the House. They may have a preliminary explanation given to them in the party room prior to the matters coming to the Chamber, but I would say very few members voting on these measures now before the House would fully appreciate the implications that might result at some future date.

Perhaps we have a general idea of the benefits that may accrue; but I suggest we have a very limited idea of any disadvantage that may arise. With the present system of a split session of Parliament, it might be a good idea if, on future occasions, when measures of this kind come before the House, that they be introduced in the first part of the session and dealt with in the second part. By that means, members would have an opportunity to go thoroughly into the Bills and study them. I venture to say that members would not be in a position to fully appreciate the implications of these measures. As the Minister has said, he spent many months on negotiations in connection with them.

In introducing the Bill, which is one to amend the agreement with the Hamersley iron company—the agreement we refer to as the principal agreement—the Minister laid out what he considered were some eight advantages which would accrue as a result of the amending Bills to the original iron ore agreements. The first advantage was as follows:—

> 1. A firm commitment to produce metal in our north by the end of 1972. This is a major breakthrough in our objective to develop a major partnership as a supplier of natural and processed materials to the steel industries of the world which have not got indigenous raw materials.

From what I can see of this matter I think that statement of the Minister is accurate except that I think most members thought, when the principal Act of the Hamersley company was going through this House, that this was already being achieved—this breakthrough in metal manufacture, eventually, in the area. The Minister has pointed out that this amending Bill will make it possible to bring this forward by some 16 years, and his statement to the effect that Hamersley was already ahead of its obligation by some 11 years, would be accurate. Therefore it would be reasonable to assume that, having got so far with its obligations under the Act the company would have moved into some form of metal manufacture much earlier than was anticipated.

This company has done a wonderful job with its agreement, so far as its timetable is concerned; it has moved well ahead with it. I recall that at the opening of the pellet plant, there was a general discussion on a feasibility study for the manufacture of metal agglomerates. The Minister's second point was—

> 2. The possibility of a better and more balanced use of the high-grade ore deposits, such as at Tom Price.

This, if I may comment, has some merit. No. 3 was—

> 3. It gives us an assured long life to Tom Price town through the development of Paraburdoo.

This is true. I think the principal reason, or so we were told when the principal Hamersley Bill was going through this House, why Hamersley had such large reserves granted to it, which it eventually turned into mining leases, was to ensure the long life of Tom Price and to ensure that the industry was not just one which, after a few years of glory, would then be left as a ghost town.

I was under the impression that the reserve at Tom Price was quite adequate to ensure a long life to the town and I have no doubt that had more been required at some stage of the development of this area little difficulty would have been experienced, regardless of what Government was in power, in obtaining additional leases to enable the company to prolong even further the life of that town. No. 4 was—

> 4. A major water pipeline from Millstream to Dampier, with obvious advantages when we have to supply large volumes of water to the Cape Lambert-Roebourne area.

I agree that is, indeed, a very great advantage to the area. I understand from newspaper articles that this is eventually to be

controlled by the Public Works Department, and I sincerely hope it is a water supply which will benefit all people and will not have placed upon it by the company complicated regulations which would in any way rob the people of the true advantages of such a scheme; because we must bear in mind that this water scheme will tie up a large area of underground water reservoir. The disadvantages of this I do not know at this stage, but some could accrue.

I think the Minister, when dealing with this matter, was very brief; he gave little detail when he introduced the Bill. For the sake of clarification, and for the benefit of members, the only thing I could ascertain was from what I read in the newspaper, and to refresh the minds of members, it may be as well for me to read this reasonably brief cutting in connection with the water supply, because I think it is essential for members to have an understanding of this particular project. The following is an article which appeared in this morning's *The West Australian*:—

> $8m PLAN FOR WATER SUPPLY TO N.W. TOWNS
>
> An $8 million water supply is to be built next year to deliver water through 84 miles of pipeline from Millstream to Dampier and its proposed new twin town of Karratha, ten miles to the south-east.
>
> Work is scheduled to begin in the new year and to be completed about November.
>
> Hamersley Iron Pty. Ltd. will build and pay for the supply—the initial step in a long-range plan for regional water and power schemes in the Ashburton-Pilbara. Hamersley will hand the supply over to the State Works Department for operation and maintenance.
>
> The pipeline, which will follow the route of Hamersley's Tom Price-Dampier railway, will deliver 3 million gallons of water a day from underground reserves at Millstream.
>
> DRILLING
>
> Premier Brand said yesterday that exploratory drilling of the Millstream basin had shown that this amount could be provided without prejudicing supplies for other potential users in the Dampier-Cape Lambert area.
>
> When necessary the State would be able to increase the capacity of the scheme as new industries developed in the region.
>
> All consumers would pay for domestic water at the usual country water supply rates and Hamersley would pay for industrial water at cost.
>
> The scheme had been designed by the Works Department after close liaison between the North-West Planning and Coordinating Authority and the Hamersley company.
>
> BOOMERANG SHAPE
>
> The full extent of the underground water supplies in the Millstream area, 60 miles south of Roebourne, has not yet been gauged. Early investigations have indicated that it is roughly boomerang-shape, 25 miles long and four miles wide.
>
> Drilling is continuing to assess the safe draw that can be taken from the reserves.
>
> Dampier will have a permanent population of 3,000 within a year. Karratha is planned to grow in stages to an eventual population of 30,000.

I would like the Minister, in his reply to the debate, to give us an assurance that a thorough investigation has been carried out as to the effect which the drawing of this water will have on the water table generally of the area concerned. I have read articles concerning problems which have arisen in America with regard to vegetation. It is not so much that deep well supplies have run out or been greatly reduced, but that the growth of vegetation has in some instances, I understand, been considerably curtailed; and I would not like to think that this would be the case in the area to which we are now referring. I realise just how much we need the water and I am all for the scheme, but we do not want an advantage in one direction and disastrous results in another.

I think it would be reassuring to all members of the House if the Minister could put our minds at rest on this matter, and give us some details of the investigations that have taken place and tell us just what undertakings he has from his expert advisers that this will not affect the area adversely once it is in operation.

The fifth point made by the Minister dealt with the advantages of the amending Bill. He stated it would greatly expand the harbour development at Dampier and would be instrumental in giving the area a new town of Karratha, which will be about eight miles from the existing town of Dampier.

All these settlements are of great advantage to the area and assist in the opening up of the north. We badly need them and we also need the harbour development. I must again just touch briefly on the harbour development, and I hope that the development and the facilities provided as a result of the development are for the benefit of all.

The Minister will recall that early in this session we did have discussions on the operation of some of the port facilities

at Dampier which, to my way of thinking, were not operating to the benefit of the users of the harbour, even allowing for the fact that the company has a job to do and that its operations cannot be greatly interfered with. Nevertheless, I hope any further development there will be such that the people can share the facilities, and I hope the same thing will apply to the new township of Karratha.

The Minister might be able to explain to the House just what the real financial arrangements are between the Hamersley Company and the Government concerning the establishment of this town, and, what concerns me more perhaps, the operation of the town. I know that certain towns have to be company towns, but it has got to the stage where it can be very awkward, sometimes, and a company can be very petty with regard to the regulations applying to the general use of the facilities by the ordinary person.

We instanced, during the debate earlier in the session, some of the matters concerning ships' masters at Dampier. I do not altogether blame the top officials of the company concerned because I think that sometimes these matters are brought about by, perhaps, the over-enthusiasm of some of the junior officers. That does not always create good public relations and people often wonder what great advantage the company is to the State.

I know the Minister might say that some of the matters I have raised are minor ones, but I think it is the minor matters that are inclined to annoy people the most. I recall an incident some little time ago of a publican in the area who ran out of beer. As is known, that is a catastrophe anywhere, but in the north-west it is an absolute tragedy. The publican, not being sure that the next ship would stop at the port, rang Dampier with the object of having a few kegs unloaded at Dampier so that his customers could be satisfied. At that stage, I happened to be one of his customers.

For reasons best known to the company, that request was refused. From my investigation there seemed to be no very good reason for the refusal. From the details I could get, there would have been no great inconvenience caused, so I hope these little things—as they are referred to —are minimised as much as possible.

I repeat: I do not believe that the officials of the company—the higher officials—such as Mr. Maddigan or perhaps Sir Maurice Mawby would tolerate this lack of co-operation for one moment. The Minister did say on one occasion, when replying to some of my remarks, that we had to be somewhat careful of what we said because the officials at Dampier are, more or less, avid readers of *Hansard*. I sincerely hope they are because I think it is only by finding out these things that they can be rectified.

Members will recall, from questions I recently placed on the notice paper, that I have referred to a notice which appeared outside the Police Station at Tom Price. We now know that at the Police Station at Tom Price there is a savings bank agency for the Rural and Industries Bank. Naturally, the local police officer received a sign which he erected outside the station. However, he was told to take the sign down; but I understand negotiations are proceeding with the bank and the company to see if the sign can be erected again. I think these are the annoying little things which are inclined to take place in company towns, and which one does not find in the ordinary towns.

I want to see these companies continue to expand, but for the sake of goodwill between the local people and the companies I sincerely hope that great efforts will be made to allow, within the scope of the operations of the company, the maximum freedom to the people and other citizens who use the towns. I often regret that land is not set aside on the boundary of the company towns for the use of private enterprise.

The sixth point mentioned by the Minister was that the amending Bill would be responsible for creating the new town of Paraburdoo, and would further add to the developments taking place in towns like Tom Price, Newman, Goldsworthy, Dampier, and Karratha. I would like to see this new town of Paraburdoo; and the remarks I have made in connection with Tom Price and Dampier apply to the new town also. I would like to think that the public was in no way restricted unless, of course, they interfered seriously with some of the operations of the company.

The seventh point raised by the Minister reads as follows:—

> An assurance that large-scale expert geological, engineering, economic, and market studies of the remaining Hanwright areas will be undertaken with the backing of a major company like Hamersley Iron. This is the best way to determine with certainty the future of the old Wittenoom town and other related areas.

I might mention, at this stage, that I am very pleased the iron ore exploration came along, at the time it did, in the Wittenoom area to save that town from what could have been near extinction. I have no doubt the tourist industry would have kept it alive to a certain extent, but not to the extent which has happened as a result of the iron ore exploration, and I sincerely hope that it will continue.

The final point made by the Minister was, "the continuation of the work load to our engineering and other important industries." The Minister was not necessarily referring to those industries in the area but to industries right throughout the State. In fact I have no doubt he was

referring to them right throughout Australia. This is good and I have no complaints on that issue.

I shall deal in a fairly general way with the actual amendments before us. Portion of the amending Bill proposes that a temporary reserve which is now held by Hanwright Iron Mines under the Hanwright agreement, which was ratified by Parliament last session, shall be excised from the Hanwright temporary reserve and transferred to Hamersley.

This is the first portion of the amendments. The development plans by Hamersley for this area have to be submitted to the Government—as I read the agreement—by December, 1968. If the investigations by Hamersley are satisfactory, the State is then to grant a mineral lease, not exceeding 50 square miles, within this area, the Paraburdoo area. It would be natural to assume of the area that it would be the 50 square miles which contain the greatest amount of iron of the highest possible quality.

The company is then to commence construction of facilities to operate the leases by 1972 and to complete these by the year 1975. There is a provision in the Bill which makes it obligatory for the company to complete a year earlier, if it can obtain contracts of a figure of 7,500,000 tons, and there is also another provision which gives the company an extension of a year if it can only obtain contracts for a lesser figure than that.

There are commitments in the amending Bill for the manufacture of metal agglomerates. With regard to this, the company is to submit proposals to the Government with the objectives of 1,000,000 tons by 1970, 2,000,000 tons by 1975, and 3,000,000 tons in the year 1978. This commitment—if it can be called a commitment, because it is subject to something—is first of all subject to a feasibility study by the company. If the company's feasibility study proves this is not a proposition as far as it is concerned, it can report so to the Government and, if the Government agrees, that is the end of it.

However, if the Government of the day believes that it is feasible to carry out this particular type of metal production, a special tribunal comes in, and the Minister referred to this the other night. The tribunal to be set up under the agreement will consist of a judge of the Supreme Court and two other appropriate persons who, to use almost the words of the Minister, will have the necessary technical and economic qualifications.

If there is not to be an agglomerate plant, there is still a provision in the amending Bill to allow ore to be exported from the Paraburdoo lease for a period of 10 years, or to a quantity of 50,000,000 tons, whichever happening takes place first. That is in the event of the feasibility study not producing a plant capable of producing 1,000,000 tons of metallised agglomerates per annum.

Next there is an allowance made for the feasibility study not permitting the production of 2,000,000 tons, in which case the company can export from its lease for some 7½ years or at the rate or extent of 37,500,000 tons. In the case of not providing a 3,000,000 ton agglomerates plant, the company can still export 25,000,000 tons of ore, or continue for five years, whichever takes place first.

Whilst we are all very hopeful about the agglomerates plant, this means that if it is not feasible the company still has the opportunity to export large quantities of ore from the additional leases which it is granted under this amending Bill. There is no restriction placed on the company to the effect that if it cannot manufacture metal agglomerates, then the leases will go to somebody else. The company still has the opportunity to export directly, in which case we lose the benefit of a secondary industry.

If the company defaults under the amending agreement, the Government is not able to determine the principal agreement. Whilst the measure we are now dealing with amends the principal agreement, in the case of default on behalf of the company the principal agreement still stands and the company would carry on, I take it, under those circumstances which apply today.

With regard to the additional areas granted, to get the matter in its right perspective the company can either produce metal agglomerates or export from those areas to the figures I have mentioned. In the case of complete default where the amending agreement does not operate in its entirety or at all, then the principal Act, which was ratified through this Parliament some time ago, still remains and the company carries on as it is at the present time.

I suppose that will give members some idea of the complexities to which the Minister was referring and the difficulties which one encounters in endeavouring to make amending Bills dovetail into the original agreements.

I cannot see why new agreements could not have been made. In fact, I even find it difficult to see why it was not possible simply to amend the agreement giving Hamersley additional iron ore areas.

When I interjected by asking why new agreements were not made, I think the Minister's reply was that the honourable member would see, as he went through the measure, why this was not possible. I am not blaming the Minister for my inability to see, but I must admit I could not see any real reason why it was impossible to introduce a completely new agreement merely to grant additional areas to

Hamersley with certain conditions applying to those areas as far as the production of metal products was concerned.

However, as it stands now, we have, in one case, the Hamersley principal agreement; we have a second schedule which I think is an amendment of the first schedule; and, in the case of the Hanwright agreement we have a third schedule amending the second schedule, making it all very interesting and very complicated. When the vote is taken, I hope those who have to vote on it know as much about it as the Minister, and if they do not I hope they will have some grasp of it to enable them to come to a decision.

To further complicate matters, we introduce a comparatively new mining group to be known as the Mount Bruce Mining Company. The role of Mount Bruce in this matter is to carry out certain investigations; that is, assuming the two iron ore amendment Bills on the notice paper are passed. The Mount Bruce Mining Company has conducted a good deal of investigation already, and it has to decide, by December, 1970, whether it is prepared to take over all the remaining obligations of Hanwright Iron, bearing in mind, as we know now, that Hanwright Iron has iron ore reserves granted to it by this Parliament last session.

Hamersley Iron will now take over that portion referred to as Paraburdoo. If, after investigation by Mount Bruce, all the other reserves held by Hanwright are found to be satisfactory, they will be taken over by the Mount Bruce Mining Company, and that company will then contract to take over the obligations of Hanwright Iron, which were set out under the principal Act passed last year. At this stage I would point out that the Mount Bruce Mining Company has a 75 per cent. Hamersley representation, and a 25 per cent. Hanwright.

So to understand the situation clearly, Hamersley takes 50 square miles of the Hanwright reserves, known as Paraburdoo, and then, through Mount Bruce Mining Company, it takes 75 per cent. of the remainder of the reserves held by Hanwright Iron. Hamersley is the major partner in the Mount Bruce Mining Company, which is carrying out the investigations into the Hanwright leases, and if Hamersley Iron decides to exercise, through Mount Bruce, its option over the remainder of the Hanwright reserves, this suspends the Hamersley steel commitment which it has under its present agreement.

The Minister was careful to point out that this would suspend only its obligations but would not cancel them. However, where Hamersley Iron, under its present arrangement, has certain obligations to fulfil in regard to the manufacture of steel, these are suspended once Hamersley, through the Mount Bruce Mining Company, decides to take over the obligations of the Hanwright Iron Mines. The Minister said there were reasons for this procedure. Perhaps he can give us some better reasons when he replies to the debate. During the introduction of the second reading of the Bill the Minister said that the reason was the overall processing programme; he gave us no other reason than that. In my opinion I think that is a pretty general reason.

So that members may, perhaps, be a little more confounded, I think if the two iron ore amending Bills at present before the House are passed it will mean that the Hanwright iron ore areas will be reduced by 50 square miles—that is, the Paraburdoo area, as this area will be taken over the Mount Bruce Mining Company, which is a combination of 75 per cent. Hamersley and 25 per cent. Hanwright. It will also mean that the Mount Bruce Mining Company will have to give the State and Hanwright Iron Mines notice, before the 31st December, 1970, that it will take the place of Hanwright Iron Mines in accordance with the provisions of the Hanwright iron ore agreement.

If the Mount Bruce Mining Company exercises its option, it will be empowered to use the Port of Dampier and, of course, the Hamersley railway transport system to carry its ore to that particular port. I would not imagine that Mount Bruce would have any difficulty in this respect seeing that Hamersley owns 75 per cent. of the Mount Bruce Mining Company.

All proposals submitted to date by Hanwright are to be withdrawn, and the Minister informed us that only one proposal had been submitted, anyhow. Under its agreement, Hanwright was committed to produce 3,000,000 tons of pellets by 1979. This has been amended under the Bill, the amendment obligating Mount Bruce to produce 500,000 tons of pellets a year and to construct a plant to produce metallised agglomerates to the extent of 1,000,000 tons by 1980. The Bill does provide for an alternative in steel production, and notification of this to the Government has to take place by 1978.

The present Hanwright area, if taken over by Mount Bruce, as I said previously, would be held 75 per cent. by Hamersley and 25 per cent. by the Hanwright group.

Briefly, and without going into all the legal jargon contained in the amendments to the various schedules to the principal Acts, there are some matters with which I would like to deal in a more general sense, one of them being royalties. When the royalties were fixed in the principal Acts of the iron ore companies now operating, I recall saying that I did not know whether the royalties were sufficient or not, because this State had never had any great experience in fixing royalties on the production of iron ore, and it certainly had not had any experience in fixing royalties

on iron ore production subject to the conditions which were contained in the agreements between the companies and the Government.

It would not be fair to compare royalties paid in other countries of the world, because there would be so many different factors to be considered; there would be labour costs, isolation, climatic conditions, and so on. Accordingly, we have to go along with the suggestion that the royalties were, to the best of our knowledge, fair and reasonable.

We know, however, that these companies have now been operating long enough for us to have some idea of the profitability of the business. I am not denying the fact—indeed, I point this out in all fairness—that the companies did have to supply everything; housing requirements, railway lines, educational facilities, and so on, so naturally they came in under a different set of circumstances than would be the case with most companies operating minerals in or near some established town.

Nevertheless, and taking that into consideration, one cannot help but read what one sees in the newspapers concerning the financial state of some of these companies. In the financial page of *The West Australian* on the 15th October, 1968, I noticed an article in regard to Hamersley, which reads—

> Hamersley Holdings Ltd., West Australian iron-ore producer, achieved a further sharp increase in earnings in the September quarter.
>
> The directors have announced that group net profit for the quarter was $5,100,000.
>
> This brought profit for the nine months to September 30 to $11,673,000.
>
> Profit for the latest three months represents an annual profit rate of $20.4 million, compared with profit for the full year to December 31, of $9,364,000.
>
> The quarterly result followed a profit of $3,768,000 for the June quarter.
>
> Profit for the nine months remained after providing depreciation of $8,806,000 and future tax of $6,359,000.
>
> Outstanding loans from the North American banks were reduced from $110.03 million to $105.42 million during the quarter.
>
> SHIPMENTS RISE
>
> Ore and pellets shipped totalled 2,604,150 tons for the three months, bringing the nine-month total to 6,342,271 tons.
>
> This compared with 3,738,121 tons for the June half year and 5,171,524 tons for all 1967.
>
> The directors have previously predicted that the company's capacity to mine, transport and ship ore would reach 17 million tons a year next year.
>
> Total high-grade ore crushed and delivered to stockpiles was 3,947,458 tons for the latest three months and 8,801,788 tons for the nine months to September.
>
> The directors said that because of increased company tax rates, future tax provision for the latest quarter included an adjustment of $162,000 for the six months to June 30.

I am not one who does not like to see companies make a profit; in fact, the company that does not make a profit is of no use whatever. The company that goes broke can only be an embarrassment, not only to the State and the country generally, but also to the area in which it ceases operations.

That is the last thing we want for these companies, particularly as they have only been operating for a short period of time. People have settled in the area and, to a certain extent, they rely on these companies for their own economic progress. Accordingly, we do not want to see the companies go broke. The point I make, however, is that it appears to me that after taxation, after depreciation, and after commitments on loans have been met, we have these huge profits—huge, to my mind, anyway. The agreement was, however, made, and it was ratified by Parliament, and all I can say is good luck to the companies concerned. We all hope they will prosper.

But when it comes to amending the agreement, then I think the State has an opportunity to say, "Now you are well established, we have tried out this royalty rate and we believe that some adjustment should be made to benefit the State." We have, of course, the figures before us that will enable us to say that and to speak in terms of negotiating a slightly higher royalty rate with these companies.

The companies obviously require to feel safer with a lot more iron ore and, whilst they are living up to their present agreement, there is no reason why we should not provide them with more reserves and leases. But surely there should be an adjustment of the royalty rate when it is clear to us—at least it seems clear to me—that the royalty is not excessive, to say the least.

If the boot were on the other foot, I feel sure the companies would not hesitate to approach the Government if they felt the royalty which had been decided was becoming so much of a burden to them that they could not profitably carry out their operations; and who would blame them?

I feel any Government that did not listen to such an approach by the companies would be rather foolish indeed, particularly

if they could give proof that the royalty rate was too heavy a burden to carry while still operating the industry profitably. In such a case it would be the duty of the Government to do something to renegotiate the royalty with the object of assisting the company to carry on.

If that applies one way, I do not think it is unreasonable for us to say, when new agreements are being made with the same companies—indeed it is our duty as Government negotiators to say—we are prepared to listen to this; but we want an adjustment of these royalties, particularly if we feel that the companies are, perhaps, having a good go or more than a reasonable deal, and if we are going to release more iron ore to them to enable them to make more profits.

Before leaving the question of royalties, and without reading anything at great length, I did notice that in the *Commercial—Industrial and Mining Review* of September, 1968, on page 11, there appeared an editorial dealing with the nickel at Kambalda. That is outside the scope of this agreement, and I have no intention of referring to it at great length. However, there is one paragraph which bears out my remarks on royalties and which might be worthy of being recorded at this stage. The paragraph is short and states—

> The government should remember that the best of companies drive hard bargins. This is business but the government must not succumb too easily to the propaganda put up by a mining company seeking to start work here.

It goes on to discuss the necessity for ensuring that the State gets the greatest possible benefit out of its natural mineral wealth.

The next matter I wish to deal with concerns shire rates. These companies have been operating for quite a considerable period, and to the best of my knowledge they are still not paying shire rates on their mineral leases. I understand that no shire rates are applicable to temporary reserves, and under the iron ore agreements temporary reserves are given for testing and exploratory purposes. When the holders of such temporary reserves decide on the amount of iron ore they want, they take up mining leases. As soon as they do this under the Mining Act, they have to pay shire rates.

It will be recalled there is a clause in the agreements which states that no discriminatory rates are to be struck against the iron ore companies; so I am not referring to local authority rates which are regarded as discriminatory; I am referring to the normal shire rates which are paid in respect of mining leases.

I would like to read a letter from the Nullagine Shire Council to the Minister for the North-West. Even though this letter deals with one of the other iron ore companies, the contents will apply to Hamersley Iron Pty. Ltd. This letter is dated the 24th September, 1968, and it reads as follows:—

> Re: Mt. Newman Iron Ore Company
>
> Section 10, subsection (k) of the Iron Ore (Mt. Newman) Agreement Act states that no land, subject to that agreement, shall be subjected to any discriminatory rate.

I do not like reading out my own name, but the next portion of the letter contains a reference to me. To continue—

> Your reply to a question put in the House by Hon. A. W. Bickerton, M.L.A., on Wednesday 4th December, 1968—

Mr. Graham: What was the date?

Mr. BICKERTON: There appears to be a typographical error. It should be the 4th September. To continue—

> —was that the dates for commencement of Rating have yet to be determined and are currently under study. It would appear then, that there is discrimination between this Company and other Mining Lessees, as all other Mineral Leases, Claims, etc., are rateable immediately they have been granted by the Minister for Mines, and yet Mineral Lease No. 244SA has been granted since the 25th October, 1967, and still appears to be non-rateable.
>
> My Council would like to point out that with the large Rateable Value the Newman Leases would give the Shire, Rates could possibly be cut to 1 cent in the $, Unimproved Capital Value, or even less, and Mt. Newman's rate account would not be excessive.
>
> It would be appreciated if you could advise when a decision is expected as to the date of commencement of rating, and give your opinion on details set out in the second paragraph of this letter.

It does not matter whether the companies or individuals concerned are struggling; the moment such leases are taken up they become eligible for shire rating. If all the small companies and the small lessees are paying shire rates, then there is no reason why the big companies should not pay them. Indeed, by paying these rates the companies will be assisted financially, because their taxation will be reduced. I do not think a shire which is battling for revenue, such as the Nullagine Shire, should be deprived of revenue from a large iron ore mining company.

I have dealt with this agreement as well as I can, without any of the great legal knowledge that one needs—as I said previously—to go into all the details. I hope the Minister will take note of the few remarks I have made in connection with these agreements, and that the companies

will go out of their way to ensure that good public relations within their compounds and establishments will be maintained, even if it means their officers having to make a few inquiries. If I can obtain information in this regard, I feel sure that they also can. It could make a lot of difference to the attitude of the local people of the area when it comes to co-operation, as far as the companies are concerned. It is my intention to vote for the second reading.

MR. T. D. EVANS (Kalgoorlie) [10.7 p.m.]: Without doubt this Bill to amend the Iron Ore (Hamersley Range) Agreement Act and the following Bill to amend the Iron Ore (Hanwright) Agreement Act mark a stage in the maturation process of the development of a full-scale iron ore industry in this State. I agree wholeheartedly with the remark of the member for Pilbara that the task of revising as a whole the two principal agreements by the two Bills has been a Herculean one. I would compliment the member for Pilbara on the manner in which he has been able to draw from his study of the measures the wealth of information—based upon his experience as member for the district—which he has given to this Chamber tonight.

I do not intend to speak at great length on the Bill, and I do not intend to speak on the next one at all. However, I have studied both measures, and this study suggests that the following are some —and only some—of the salient points arising therefrom. We know from the recitals in the agreement contained in the Iron Ore (Hamersley Range) Agreement Act Amendment Bill that pursuant to the principal Act—the Iron Ore (Hamersley Range) Agreement Act—Hamersley Iron Pty. Ltd. has already established a mine a railway, townsites, a harbour, and services and facilities associated therewith. Further, we know that the company has already established a plant for the secondary processing of iron ore, with a capacity of some 2,000,000 tons of iron ore pellets per annum.

The Bill before us provides that by the end of December of this year the company is required to submit for approval by the Government detailed proposals. These proposals are to confirm the company's mining activities, to further harbour and port development, and to provide a further railway service from the company's mining area and the company's existing railway from Tom Price to the port of Dampier. Again, the proposals will concern a townsite on the mining areas, including a school, hospital, and other services. These, of course, will be provided by the company, although they are normally the responsibility of the State. The proposals must have commenced and been put into operation by the end of 1972.

When these proposals, as submitted by the company, have been approved, naturally the State must provide a *quid pro quo*. If the company is going to do something, then the State, as the other contracting party, is also required to come to the party; and we find therefore the *quid pro quo* is the obligation imposed upon the State to grant a mineral lease to the company for an area not exceeding 50 square miles.

The agreement provides for a more advanced form of processing of metallised agglomerates, a product, I was surprised to learn from the Minister's speech, having an iron content of no less than 85 per cent. The original Hamersley agreement did not provide for the production of this commodity. The agreement also provides for the construction of the plant for the production of these metallised agglomerates. The extension of the plant is made conditional on the feasibility of such a project.

If the company considers that the project, for any good reason, is impracticable or uneconomic, then it has the right, under the amending Bill before us, to make a submission to the Government, and to support its reasons for its finding. It would appear that if the Government, or the State, is satisfied with the reasons offered by the company, that is where the matter rests. The company is not required to carry out its task of either providing a plant or expanding the plant for the production of metallised agglomerates. If, however, the State does not agree with the company's non-feasibility finding or submissions, the onus is on the company to request that the State appoint a tribunal to adjudicate the matter.

It is with some interest I find that the tribunal is to consist of a Supreme Court judge, or at least a commissioner appointed under the provisions of the Supreme Court Act. To all intents and purposes, a commissioner appointed under that Act must have at least the qualifications of a Supreme Court judge. That is usually the position.

The tribunal will also consist of two other persons who will be required to have appropriate technical and economic qualifications. It would seem that although the Bill is not particularly clear on the point, a majority decision would prevail. In the absence of anything to the contrary, I take this to be the position. Therefore the two technical people could, on a question arising, overrule the opinion of the Supreme Court judge.

The agreement in this Bill provides for default by the company in the due performance or observance of the covenant this agreement contains and it would seem that the default provisions are reasonable and also quite adequate.

In essence, this Bill and the one to follow it, introduce fresh agreements, as was pointed out by the member for Pilbara. They do not purport to amend the original agreements, but provide fresh agreements in themselves.

I would like to turn to one provision in the amending Bill, and this relates to clause 3(2), paragraph (c) of the schedule, which is part of the agreement. I would mention here that this is the only criticism that I level at the Bill before us. My attention is drawn to the following words contained in paragraph (b) of clause 3(2) of the schedule. They are as follows:—

> (c) no future Act of the said State will operate to increase the Company's liabilities or obligations hereunder with respect to rents or royalties;

I have no hesitation in saying this particular provision has no legal significance whatsoever. Parliament, if it passes this provision, is purporting to bind future Parliaments as to the subject matter of the paragraph. We all know that Governments enter into ordinary commercial contracts; and we all know that a future Government is honour-bound to carry out the obligations imposed by a previous Government which may have negotiated an agreement. A future Government always feels obligated to carry out the obligations previously imposed upon the State.

Here we find that this Parliament is purporting to bind any future Parliament with respect to rents and royalties. This, of course, is just not possible. It is not constitutional; there is no legal significance whatsoever. If it is put in as a blind to assure the company that this state of affairs will not come about, it is giving the company a false sense of security and is downright misrepresentation of the provision.

I cannot see why this paragraph should remain in the schedule. This leads me to the position which relates to all of the Bills which are introduced for the purpose of calling upon Parliament to ratify agreements which have already been made—which are already in existence. The agreements are contained within the schedules of the Bills. In this House we have found, to the bitter experience of some of us, that it has been the ruling that it is incompetent for the Legislature to amend the schedule or any part of the schedule to such a Bill. The only scope open to Parliament is either to accept such a schedule *in toto* or reject it *in toto*.

Recently I asked a question of Mr. Speaker. The question was framed in this way—

> Will he please state the authority, if any, for the proposition that in the case of a Bill to ratify an agreement between the State and another party where such agreement is contained within a schedule to such Bill it is only competent for the Legislature to either accept the said schedule *in toto* or reject same *in toto* without the opportunity to amend the said schedule?

It was my intention to have this question placed on the notice paper and to ask it of the Speaker with formal notice. However, I was advised that it was not competent for a question to be addressed on notice to the Speaker but that suitable arrangements could be made, if the question was asked without notice, for the Speaker to answer it.

On the day I had submitted this question expecting it would appear on the notice paper the following day, thus giving the Speaker some time to enable him to look up the legal authority for the proposition I mentioned, I was told the Speaker would answer it that afternoon—the same day I had submitted it—if I asked it without notice. This I did, and received a very interesting reply, one which confirmed a view I had formed of the situation. When answering my question the Speaker said that as it had been asked without notice and he had been given only some little notice, he had not had sufficient time to look up the authority.

What I am trying to convey is that I still do not know whether an authority exists for that proposition. I asked the Speaker to state the authority, if there was one; and it is still my contention that no such authority exists. The Speaker himself did not say there was; he said he had not had time to find out. However, he did give a very interesting explanation which confirmed the view I had formed.

The Speaker's reply was that in any of these Bills there is always a clause which refers to the schedule of the Bill, the schedule being the agreement. The Speaker's view was that it would be competent for a member or for the Legislature itself not to amend the schedule, but to amend the clause referring to the schedule, and when dealing with the particular clause in Committee the various amendments could be embodied and they would have immediate reference to the schedule itself.

I am fortified by that advice from the Speaker. As I mentioned, it confirmed the view I already had and in Committee I intend to test it out. I feel I will have a friend in court on that occasion. Clause 6 of the Hamersley Bill reads—

> The principal Act is amended by adding, after the Second Schedule, the following Schedule—

When dealing with clause 6 in Committee I intend to move—not with much confidence, although I believe the amendment

would be properly before the Committee—for the deletion of clause 3 (2) (c). This paragraph reads—

> (c) no future Act of the said State will operate to increase the Company's liabilities or obligations hereunder with respect to rents or royalties; and

I intend to take this action because I believe this paragraph has little or no legal significance. In addition it suggests dishonesty and it offers a false sense of security to the company. Anyone with some basic knowledge of the constitutional law would come to this conclusion on reading the Bill.

In bringing my contribution to this debate to a close, I would like to say that I intend to support the passage of this Bill and the following one. I feel that they both mark a further milestone in the commitments of the company and the Government in our north and, indeed, in the State of Western Australia as a whole.

MR. GRAYDEN (South Perth) [10.25 p.m.]: When the Minister for Industrial Development introduced the second reading of this Bill he said that this and the following one—the Hanwright Bill—were complementary and overlapped to a large extent. I trust we will be permitted the liberty of speaking on them together.

I want to say at once that I, too, intend to support both Bills, but I am rather perturbed about some aspects. The first is the fact that these Bills represent a watering down of Australian equity in these iron ore areas in comparison with the original legislation introduced last year.

When the two main iron ore deposits in the vicinity of Wittenoom were allocated to Hancock and Wright early last year, these two gentlemen went about pegging other areas in order to make the concern a good proposition. On the 10th March, 1967, the following article in regard to Australian capital appeared:—

> Hancock will seek Australian capital for ore project
>
> The Hancock-Wright syndicate proposes to seek Australian capital for the development of iron ore deposits in Western Australia.
>
> Mr. Langley Hancock, commenting on the syndicate's successful application for prospecting leases at Dales Gorge, near Wittenoom, and eight other areas, last night said he was determined that equity capital be provided from Australia.
>
> Additional funds in the form of loan stock could be obtained either locally or from overseas.
>
> He said he and his partner, Mr. E. A. Wright, hoped to develop a mining complex owned by an all-Australian consortium and aimed at export markets in Europe and America.
>
> "At present the North-West Iron ore area is virtually a Japanese colony," he said.
>
> "Japan is the only practicable export market because at present North-West ports, except for Dampier, can handle ships of only about 50,000 tons."

On behalf of himself and Mr. Wright, Mr. Hancock is saying that they propose, as a consequence of the allocation of these areas, to finance the project largely with Australian capital. The inference, when the Bill was introduced last year, was that this would be largely an Australian show. However, barely a year later, two Bills have been introduced very considerably watering down the Australian equity.

Under the Hamersley Bill only 10 per cent. Australian interest is involved. In respect of the areas to be taken over by Mount Bruce 75 per cent. of the holdings will be by Hamersley and only the remaining 25 per cent. by Hancock and Wright. In these circumstances, this is one aspect of the Bill before us which I deplore.

In regard to this agreement and all the other iron ore agreements which have been introduced in this House, I do not believe a sufficient attempt has been made to increase the Australian equity. I do not for one moment hold with the statements that the capital cannot be raised in Australia. We are all aware of the tremendous development which has taken place by B.H.P. and we know the value of those shares on the market. The Chairman of Directors of B.H.P. made the following statement:—

> In the post-war period it has raised more than £96,000,000 in new funds. In the past ten years, £309,000,000 has been spent on capital works—£205,000,000 in the past five years.

So we have a figure in excess of $600,000,000, which gives an indication of the sort of capital B.H.P. can raise, without any doubt, when it so desires. We know the experience of the Hamersley company, in the last couple of years, when it decided to allow Australian shareholders to participate in its activities. The shares were in such demand when they came onto the stock market in Australia that individual buyers could obtain in the vicinity of only 100 shares each. Those shares were issued, of course, at a high premium and this was an indication of the sort of capital which is available in Australia if an attempt is made to obtain it.

I think we could have gone further with the iron ore deposits that have been worked. First of all, the Mines Department could have carried out some investigations to ascertain the approximate tonnage available. With that information available a feasibility study could have

been made with regard to the practicability of mining the ore, from the economic point of view, and Australian investors would have had something concrete on which to act.

I make these comments because I am very disappointed indeed that we are dealing with this Bill which, as I mentioned earlier, represents a definite watering down of Australian equity in the iron ore areas. There is another aspect which perturbs me, and that is in making the Paraburdoo area available to Hamersley, and in making 75 per cent. of the remaining areas of Hanwright also available to the company.

Without any question, we are creating a giant among giants as far as mining companies are concerned. We know the Hamersley iron ore deposits are huge; there is no question about that. At various times they have been described as the largest in the world.

Some years ago when Tom Price himself—who is the man instrumental in inducing Kaiser Steel to take an interest in this deposit—visited Western Australia he made some statements to a reporter of the *Weekend News*. I would like to quote a statement he made because it gives some indication of the amount of iron ore available in the Hamersley iron ore reserves. The article was published in the *Weekend News*, of Saturday, the 24th April, 1965. It is headed, "Switchback ride to Tom's treasure," and reads as follows:—

> Come for a ride along the Hamersley switchback, the road into Mt. Tom Price, just as it is now, before engineers get to it and iron it out.
>
> It has 50 creekbeds in 12 miles.

The article goes on in this strain, and then we come to the part with which I am particularly interested. It continues—

> I met Tom Price himself when he was in Perth.
>
> He was Henry Kaiser's first employee. He was the man who told Kaiser of the iron wealth of the Hamersleys.
>
> He was the man who clinched Kaiser's 40 per cent. participation with Conzinc Riotinto in Hamersley Iron.
>
> Still brilliant in his old age, Tom Price could have had no greater compliment paid to him than to have the world's largest single deposit of high-grade hematite named after him.
>
> All around us as we drive is the wealth Tom Price recognised.
>
> There is also another wealth that Tom Price was the first to recognise.
>
> He was impressed by the Hamersley's iron ores, by the hematites, the magnetites, the limonites, goethites, pisolites . . .
>
> But he was most impressed by the banded hematites, all of the estimated 125,000,000,000,000 tons of them.

That is the figure quoted at that particular time. It is not hematite direct shipping ore. The article refers to banded hematites. The estimate given for the Hamersley reserve is 125,000,000,000,000 tons. The reporter must have been pretty intimate with Tom Price because he goes on as follows:—

> I sat with him on the edge of his bed in a Perth hotel.
>
> He pulled from his pocket a sample bag as big as a boy would use for his marbles, and from this he tipped samples of banded hematite as big as walnuts.
>
> "This is the great importance of the Hamersley deposits," he said.
>
> "This could supply the world forever, and atomic power will liberate it."
>
> And although Mt. Tom Price is hematite, all the way there from the time the ground began to rise, we were driving through Tom Price land.
>
> We were driving over, around and alongside banded hematites lying in their massive silence waiting for the day when the Tom Price prophecy comes true.
>
> . . . Waiting for atomic power to come to the Pilbara.

Those were the comments of Tom Price in respect of the actual quantities of ore available. That, of course, is a very rough estimate. On the following page of the same newspaper we have another estimate, which is probably much more to the point. This reference reads as follows:—

> Hamersley estimates its iron ore reserves at some 3,000,000,000 tons of hematite iron ore ranging from 60 to 64 per cent. iron content and a further 1,500,000,000 tons of limonite ore with an iron content range from 5 to 55 per cent.

There is an estimate of 3,000,000,000 tons of hematite ore rising from 60 per cent. to 64 per cent. I mention that to indicate that Hamersley already has huge iron ore reserves—a fantastically big reserve by world standards—regarded as the biggest in the world. We are now offering that company the Paraburdoo deposits which could possibly be almost as large. We have had no information supplied in this House as to how big the new deposits are. Members have not the faintest idea, and yet they are expected to vote on this legislation.

The Minister, when he introduced the second reading, did say the company was to spend at least $300,000,000 on the railway line, on the new town, and on the port facilities, etc. So we can assume that the deposits are pretty big because of the expenditure which is to take place. We know the expenditure which took place in respect

of Goldsworthy, Mt. Newman and Tom Price. If the Hamersley company is to spend in excess of $300,000,000 on new facilities, then the deposits are huge indeed.

With regard to this Bill, first of all we have to remember that the Hamersley company has areas which comprise the largest iron ore deposits in the world. We are adding to those areas an area which could possibly be equal in size. Then, under the provisions of the Hanwright amendment Bill, we are giving the company an additional area because it will have a 75 per cent. interest. That is a very big area; there is absolutely no doubt about that, and it justifies a railway line of its own, and new port facilities.

My own thoughts are that had Hamersley applied for the new Paraburdoo areas and those which are going to come under the Mount Bruce agreement, the applications would have been refused. I do not think the Government could have given it these additional areas. However, because the leases were made available to Hancock and Wright and were subject to an agreement last year, with this amending measure we now find the areas are to be handed over to Hamersley. We are really creating a giant amongst giants.

I do not know what effect this is going to have on our own Australian company, B.H.P. The House has not been told what effect, if any, it will have on this company. We do not know what effect it will have on the proposed Cleveland Cliffs agreement or the proposed B.H.P. agreement in the Robe River area. We do not have the vaguest idea, yet we have to vote on the Bill. Since we have not been given the information, I do not think the House can pass judgment.

The agreement has been signed and it has come before the House to be ratified. We are in a position to talk about the Bill; but, in the circumstances of not being given this sort of information, I certainly do not think we are capable of arriving at a conclusion in respect of it. I do not see how such a decision could be arrived at in the absence of this sort of information.

Mr. Jamieson: Didn't you say at the start that you were supporting the legislation?

Mr. GRAYDEN: I am going to support the legislation, because the agreement has been signed. However, the point I am making is that I do not believe Parliament should be asked in the circumstances to ratify an agreement of this kind when we simply do not have the information before us. There is not an individual in the House who could tell us which companies are likely to be affected; or how the Cleveland Cliffs agreement or the B.H.P. agreement at Robe River are likely to be affected. The areas operated by those companies are relatively close to the area which is the subject of discussion.

I am very perturbed about the fact that we are creating this huge company ultimately to the detriment of the Australian company, B.H.P. As I mentioned previously, I am sure Hamersley would not have obtained the extra areas had it applied in the normal way. I do not want to criticise Hamersley, because I think it has done an excellent job. I am gratified to know that quite a large proportion—approximately 54 per cent.—of the company is British owned; approximately 36 per cent. is American owned; and the remaining 10 per cent. is Australian owned. I am gratified that Australia has at least some interest in the company and I am particularly pleased that Britain has a big interest.

Therefore, I do not want anyone to think for a moment that I am criticising Hamersley; because, as I have said, I think it has done a fantastic job. At the same time I take exception to the fact, as I mentioned earlier, that we are creating a giant amongst giants by this legislation.

Another point about which I am perturbed is the question of royalties. The member for Pilbara has already touched upon this subject. I cannot for the life of me go along with a policy which has a uniform royalty as its basis, irrespective of the circumstances. To me it is quite ridiculous that a company, such as B.H.P. at Yampi, which did not have to construct railway lines, should pay the same royalty as a company which has to construct, say, 200 miles of railway line. In fact, the position at Yampi is that ore is taken out of a hole, crushed, put on a conveyor belt, and loaded into the ship for 45c per ton. The ore can be exported overseas, and yet the company would pay exactly the same royalty as a company which, as I said, has to construct 200 miles of railway line. The position is simply ridiculous.

There is this flat rate of royalty, and B.H.P. is to pay it. The same position applies at Mt. Goldsworthy, notwithstanding that before the Mt. Goldsworthy area was made available to the company concerned, the depsit had been thoroughly prospected and a great amount of drilling had been carried out by the Mines Department of Western Australia. The approximate tonnage of the deposit was known, and all the costs were known. Nevertheless we strike the same royalty and we even find it applies to B.H.P. at Mount Newman in that extraordinarily remote area. We also find with Mt. Tom Price that the same royalty is paid, and now we are going to hand over leases which are relatively close to Mt. Tom Price and which are extremely large, namely, the Paraburdoo areas. Notwithstanding the fact that wharf facilities and railways are already in existence, we find that company, too, is going to pay exactly the same royalty. As I have said, the position is simply ridiculous.

The member for Pilbara mentioned earlier that it should be clear to all with the passing of the years that there is a case

in certain circumstances for an increase in royalty. We have heard various estimates with regard to the royalty which Hancock and Wright will receive, for instance, from the Hamersley deposits. Approximately two days ago I read in a *Reader's Digest* that for every ton of hematite that comes out of the Hamersley areas Hancock and Wright—if the latter is included, but Lang Hancock, in any event—will receive 21c. The estimate is 500,000,000 tons of direct shipping ore—that is, ore of over 64 per cent.—from the Hamersley deposits. That is at Mt. Tom Price alone. I repeat, from that one deposit there will be 500,000,000 tons of direct shipping ore in excess of 64 per cent. That means that Lang Hancock and Wright—if, as I have said, the latter is included—will receive a royalty in excess of $100,000,000 for just that one little mountain.

The State's royalty for that particular deposit will be a minimum of 60c per ton, if one assumes that the total royalty will be 80c. The State will receive three-quarters of the royalty from Mt. Tom Price and Hancock and Wright will receive one-quarter; that is, they will receive in excess of $100,000,000. That is greater than the cost of establishing the Ord scheme.

This is a pretty clear indication that there is a case for increasing royalties in respect of some of the iron ore deposits. Hancock and Wright have handed across to Hamersley the Paraburdoo deposits and, as I said before, these deposits are sufficiently big to warrant the expenditure of $300,000,000 by Hamersley. In return for that expenditure, Hancock and Wright will be paid a royalty. We have been told that, but we have not been told how much.

We understand there is a lot of direct shipping ore. Assuming the royalty will be the same as that which applies to Mt. Tom Price, I will leave members to judge for themselves how much royalty will be forthcoming from the Paraburdoo areas so far as Hancock and Wright are concerned. If the deposits turn out to be as big as Mt. Tom Price—not the Hamersley iron areas in total, but just Mt. Tom Price—there would be another $100,000,000 for Hancock and Wright.

We do not know what will happen ultimately to the leases contained in the Mount Bruce agreement; but doubtless Hancock and Wright will come out of that extremely well.

What I want to protest about is that at this late stage and in matters of this kind we can introduce middle men—and there is no question that Hancock and Wright are middle men. I am all for Hancock and Wright and am extremely pleased that they will benefit from the Hamersley areas. However I think there is a limit to the extent to which one individual should benefit from a transaction of this kind. The Mining Act of Western Australia contains provision for the granting of temporary reserves, but when a temporary reserve is granted the department requires to know from the applicant what he intends to do with it, how it will be prospected, and the amount of money that will be expended on it. The department also expects that the applicant shall submit monthly reports. It wants to be satisfied that the applicant is in a position to prospect the reserve in a proper manner before the application is granted and if, after a temporary reserve is granted to an applicant, the conditions laid down by the department are not fulfilled, the reserve is forfeited.

In this instance Messrs. Hancock and Wright have been granted temporary reserves obviously having convinced the Mines Department they were in a position to explore them satisfactorily, but after they have spent a relatively small amount of money it is found they are handing the reserves over to Hamersley Iron for development, and in exchange for its Paraburdoo area they will obtain huge royalty payments. So, in effect, they will become merely middlemen in the transaction. Undoubtedly the same principle will apply in respect of the areas that will be worked by Mount Bruce. I deplore this. I think the natural resources of a State or a nation should be handled in an entirely different way from this.

I believe that we, in Western Australia, should set up a State resources commission, the purpose of which would be, firstly, to assess the resources of Western Australia in respect of those which are economic, or likely to be economic, such as iron ore deposits; secondly, to formulate a policy in respect of the development of those resources to ensure that the State obtains the maximum benefit; and, thirdly, to make recommendations on specific projects. The time has come when it is absolutely necessary to set up a commission of that kind in Western Australia.

For 30 years, from the early 1930s to the early 1960s, there was a blanket ban on the export of iron ore from Western Australia. In those years, from 1950 on, when there was a huge demand for iron ore throughout the world, the price was approximately the same as it is today, and, in 1950, people were pegging iron ore leases in various parts of the State. However, in every case when they lodged their applications for a mineral lease to the mining registrars on the various goldfields, they were told there was a blanket ban on the export of iron ore, and as a result their applications were refused.

What annoys me about all this is that at no point during those 30 years was any attempt made by the Mines Department to collate the information that was being presented daily to its officers stationed in the various goldfields. In other words, every day people were pegging

mineral leases on which they believed there were iron ore deposits, and the Mines Department officers were rejecting the applications and making no attempt to collate the information that was being presented to them.

As a consequence the Mines Department did not have the vaguest idea of the quantity of iron ore that existed in Western Australia despite the fact that, in 1922, a sample was sent from Mt. Newman, and notwithstanding the fact that, in the 1890s, a Government geologist reported on iron ore deposits in the Hamersley area. Therefore, when the Commonwealth Government lifted its embargo on the export of iron ore, the Mines Department was not in a position to formulate a reasonable policy in regard to the exploration of iron ore deposits and their development, and that position has remained the same until today.

The development of iron ore deposits is too big an issue to treat haphazardly and lightly. I think the present method of allocating reserves over iron ore areas has only two redeeming features; one is that it is an easy way to allocate, and the second it is is a spectacular way to allocate. The existing system has no other attributes. The only way to allocate iron ore deposits is that which was used with Mount Goldsworthy. In this instance the Mines Department of Western Australia made a thorough investigation of the deposits. It had them drilled and it sent departmental geologists to the area to make an estimate of the tonnage contained in the deposits. Having done that the department called for applications and the various mining companies investigated the deposits, following which a decision was made.

Had the same procedure been adopted with the Paraburdoo area what would have happened? We would have found that Government geologists would have been sent to the area to make an estimate of the tonnage of iron ore. I would point out to members that it is possible to do this quite easily with iron ore deposits as they are generally protruding from the ground, and an estimate can be made after a relatively small amount of drilling. Had that been done, applications could then have been called for the development of that particular area, and we would have found that instead of an additional 20c royalty—or whatever amount it is—being paid to Hancock and Wright, it is possible an even greater additional royalty would have been payable to the State.

This is the logical way to allocate any iron ore deposit. It is necessary that some idea should be gained of the quantity of iron ore in an area. I would further add that the testing of these deposits by a geologist is greatly simplified in these days by the use of helicopters.

That is why I believe that in Western Australia we should set up a State resources commission to evaluate our natural resources, such as iron ore, and to formulate a policy in respect of them which will ensure the State will gain the maximum benefit. This business of simply throwing open areas the easy way, on the basis of "hopping in for your chop" does not appeal to me in the slightest. It is a most lighthearted method of dealing with the State's natural resources.

Before I leave this aspect, I would point out that this policy would not be applied by private interests in the sale of other minerals. For instance, a prospector may discover a silver-lead show in the Kimberleys. He may consider it to be a reasonable sort of proposition and write to his principal in Perth accordingly. In no circumstances would that principal think of selling the claim at that particular stage. His first thought would be to send a geologist up to the area to test it and to obtain his report on it. No doubt he would go a step further by having some drilling carried out before he would think of selling it. However, as far as iron ore areas are concerned, we adopt a policy of saying, "Hop in for your chop"; and people take the advice, and, because no policy has been formulated, we have no idea of the quantity of ore in the particular area granted.

This is no way to deal with the natural resources which belong to the people of the State. In the circumstances I think the time has come not only in respect of iron ore, but in respect of other things in Western Australia, to establish a State resources commission.

There is one final point I wish to make, and I apologise for keeping the House so long. I feel there should be a lot more information forthcoming from the Minister in respect of the agreements before the House. It is not unreasonable for us to expect the Minister to tell us what royalty Hancock and Wright will receive from the exchange of the Paraburdoo lease or temporary reserve.

The Minister has made the statement that this particular area is vital to Hamersley—or it would be very helpful to Hamersley—because of the blending of ores that would take place. We have already had a statement from Tom Price that there are huge tonnages of low-grade ore in the Hamersley reserve.

I would like to know what makes the Paraburdoo ore so attractive as a blending proposition; why it should be so attractive when these huge areas, with what I think are equivalent types of ore to those available to Hamersley, are not equally as satisfactory. We should have a bit more

information from the Minister in respect of the Australian equity in the Mount Bruce agreement.

We know that Hancock and Wright are to get a 25 per cent. interest in the areas and that Hamersley is to get a 75 per cent. interest in those areas. It has been suggested that ultimately there will be a 51 per cent. Australian equity in the areas, but I feel we should get more information about that aspect.

If the Minister gets the opportunity, I would like him to give us some idea as to what effect the agreement we are now ratifying will have on the B.H.P. development at Robe River, should that eventuate. I would also like some information on its possible effect on the Cleveland Cliffs agreement, also at Robe River. This is the sort of information we should have. The Minister should give the House a rough estimate of direct shipping ore and other ore which the Mines Department feels exists in the Paraburdoo temporary reserve. Surely that is a reasonable request.

There should also be a rough estimate given of the iron ore in the Wittenoom area, which will be the subject of the Mount Bruce Agreement. It is reasonable that the House should be provided with information of that kind; and such information will be available in the Mines Department.

I have made those few remarks to show that I am not happy about some aspects of the Bill. I propose, of course, to support the measure, but I hope the Minister will supply some of the information I have requested.

MR. JONES (Collie) [11.4 p.m.]: When speaking to the second reading debate on this Bill the member for Pilbara indicated the difficulty he experienced in following the measures, particularly in view of the legislation that was introduced previously. I have experienced the same problem.

The member for South Perth also indicated that, to some extent, he too had experienced a similar difficulty, inasmuch as the measure introduced into this House did not clarify the position as to what was intended, nor did it give members a clear appreciation of what the Bill meant. We were not told what the royalty involved would mean to the State and we were left in the dark on other matters associated with the legislation itself.

I wish to deal briefly with three points which are important to me and to my electorate. They refer mainly to the question of the process to be utilised in the metallised agglomerates. The first reference I wish to make is in connection with the tribunal.

When the Minister introduced the Bill, I questioned him on the powers of the tribunal to look into certain aspects of this matter; and this was referred to by a previous speaker when speaking to the Bill tonight.

We are all aware that when a tribunal is appointed to deal with some specific industry, such as the coalmining industry, its powers are generally defined. The tribunal's powers are not defined in this Bill, and when I questioned the Minister while he was introducing the measure, he said the powers would be automatic inasmuch as the majority decision would rule. But when we consider the type of people who will be appointed to the tribunal—there will be a Supreme Court judge or commissioner, and two other persons with technical and economic qualifications—I feel we might experience some difficulty.

It is my firm belief, with the experience I have had of tribunals, that it is necessary for the Government to lay down the terms of reference and the powers of the tribunal, indicating how the Government intends the tribunal to function.

It is not good enough for there to be no reference to this point in the Bill. The provisions in the measure should include the terms of reference and the powers of the tribunal. The next point to which I wish to refer deals with the profits made by the companies. The member for Pilbara indicated the immense profits the companies have been making out of the resources of the State. When any of our local products are to be treated in a particular manner and provided the associated requirements are available—as they are in this measure, and I refer now to coal—I wonder why the Government did not include provisions in the Bill which stipulated that Collie coal or the native product should be used.

It is not good enough for us to allow these companies to come here, mine our natural resources, and export them out of the country, without putting something back. I realise that when the Minister replies he will indicate that the bringing of these companies to the State has meant industrial expansion.

This is probably so, and while this expansion may be evident, I feel the Government in considering the reserves given to the companies, should have given consideration to other aspects and matters associated with development and processing.

When the Minister was introducing the measure he referred to my goodself, as he did on many occasions before I entered Parliament. He sounded a note of warning to the people of Collie and said they should be more complacent; that they should wait and see. If the Minister occupied the position I do, he would,

knowing the position of the coalmining industry and of Collie generally today, probably appreciate the position in which we find ourselves and the need for the coalmining industry to have a voice to make its presence felt in Parliament.

The Minister referred to the economic gap between Queensland coal and Collie coal, and said the Government was doing all in its power to bridge the gap with a view to using a certain proportion of Collie coal in the agglomerate plant.

In my view a strange situation has developed, because the economics referred to by the Minister in relation to the value of imported coal and that of local coal do not altogether agree.

In the first instance, I would like to refer to a Press report of the 11th September, 1968, made by a representative of the Griffin Coal Mining Company, following an approach made to the Minister for Railways (Mr. O'Connor) with reference to a special concessional price for the transport of coal from the Collie deposits to the Port of Bunbury. This is the report; it appeared in *The West Australian* of the 11th September, 1968—

> Coal Freight Rate May be Examined
>
> Railways Minister O'Connor, who last year offered a special rail freight rate for Collie Coal from Muja to Bunbury, is willing to examine the rate again if the Griffin Coal Mining Co. wants him to.
>
> "But as far as I know, if we offered to carry its coal to Bunbury for nothing, the company's price would still not be competitive with Queensland coal," he said yesterday.
>
> Last year the freight offer made was $2 a ton for 500,000 tons a year and $1.75 for any tonnage in excess of that.
>
> Griffin, the only open-cut miner at Collie, is in the running to supply coal to Hamersley Iron Pty. Ltd. for an iron-ore upgrading process producing metallised agglomerates.
>
> The company's secretary, Mr. W. F. Pearson, said that if Griffin were to get the contract, and it was for 500,000 tons of coal a year, the company would be able to raise the money necessary for expansion at Collie.

Then it deals with the question of employment with which I will not weary the House. Further on the report states—

> The company would be in a much happier position if the total harbour costs it would have to meet from the export port (probably Bunbury) were similar to the 45c a ton that the big Thiess Peabody Mitsui company had to meet at Gladstone, Queensland, for exports of coal from its Moura field.

In regard to the Queensland rate the report states—

> Qld. Rate
>
> Mr. Pearson said that this company had to pay a rail freight to the Queensland government of $2 a ton for 3 million tons a year over a distance of 125 miles.
>
> The company had put up the $26 million needed to build the railway line and had provided all rolling stock.
>
> The government intended to pay the $26 million back to the company over a number of years.
>
> He disputed Industrial Development Minister Court's view that three tons of Collie coal would be needed to do the same job as two tons of Queensland coal in the iron-ore upgrading process.
>
> "We have a letter from Conzinc Riotinto of Australia (the major shareholder of Hamersley) to build the railway line saying that 750,000 tons of our coal will do the job of 600,000 tons of Queensland coal," he said.

The report then deals with the question of employment and other matters associated with the industry, but they are not of importance to this debate.

I am not saying these things in a critical vein; all I am trying to do is to further the use of Collie coal, and to do something for my electorate and for the south-west generally. In introducing the measure the Minister did not indicate what the Government had done. I understand the Government has not approached the Griffin Coal Mining Company, nor has it considered closely the proposition that has been put forward, because initially the Government made an offer of $2 a ton for carting 500,000 tons a year over some 42 miles.

If we consider what the Government has done for other industries, such as the iron ore and the alumina industries, we will find it has entered into agreements for the companies to provide the capital for rolling stock and equipment to be repayable over a period of 10 years, plus interest.

The haulage rate on 500,000 tons of bauxite was 54c per ton over a distance of 32 miles in April, 1966. Under the terms of the alumina refinery agreement the haulage rate is 48c a ton over a distance of 32 miles, and 42c over a distance of 28 miles. In my view the Government has gone out of its way to help other industries, but when it comes to coalmining it has not given the same amount of assistance.

If we take into account the railway system for the handling of coal, we will find that there are no facilities available for the export of coal through Bunbury; and the Government should look into this matter. In view of what Conzinc Riotinto

and another firm in the Eastern States have said about the economics of coal, what is the true position and what is the possibility of Collie obtaining this order for coal?

I do not mind other industries receiving concessions from the Government, but if it is good enough for them to be given concessions then it is good enough for the coalmining industry to be given the same. The giving of the coal order to Collie will be a shot in the arm for the coalmining industry of this State, and it will place the industry at the level where it was some years ago.

I do not mind the Minister getting up to say that I am critical of the Government, but on some occasions he himself has been critical. On the question of making finance available for the Ord River project he was critical of the Commonwealth Government. It seems that it is all right for him to criticise the Commonwealth Government and to make headlines in the newspapers, but if the member for Collie decides to criticise his Government then he is acting in bad taste and is not working in the interests of his electorate! I am as keen as the Minister for Industrial Development to assist the coalmining industry in this State to obtain the coal order from the iron ore company.

I would like the Minister for Industrial Development to tell me when he replies to the debate how he sees the economics of the proposition, as referred to by Conzinc Riotinto, and what the Government is prepared to do in relation to reducing the charges, such as the wharfage charges. I am not introducing the old argument of the Government's secrecy on the price of fuel oil, because that is water under the bridge. Under the agreement with BP no wharfage charges are paid by the company. This amounts to a subsidy of some $2,000,000 a year to that company.

I suggest that if the Queensland Government can make a concession to help the industry in that State, and if a similar concession can be extended to BP in Western Australia, then the same consideration should be given to the coalmining industry, which, at the present time, is finding it difficult to compete with a higher grade product.

Whilst I have said that this measure is an involved one, I would like to hear what the Minister has to put forward on the points I have raised, because they are of interest to me. It is up to the Government to come out in the open and indicate what has taken place, so that we may know where we stand and so that Parliament will be better informed on all the issues.

MR. JAMIESON (Belmont) [11.13 p.m.]: It is not my intention to delay the House for very long but I want to make a few comments in connection with the measure before us. I have been an advocate—long before the Minister for the North-West discovered this—of the sale of some of the mineral wealth of this State to overseas firms. If he looks into *Hansard* of the early 1950s he will find that it was a consistent attitude of mine.

Where we are missing out badly in the revision of the agreement under the Bill is that there is no review of the royalties. Other members have dealt with this aspect. One only has to look at the business section of the Press to find the large profits which are made by the iron ore companies in this State. In *The Australian* of the 15th October, appears a report under the heading of—

> Battle of The Iron Men
> Hamersley escalate profits, shipments
> Goldsworthy earnings more than double

At this stage we are mainly dealing with Hamersley Iron Pty. Ltd. Roughly the position is that this company is earning a clear profit at the rate of approximately $20,400,000 per annum. The total amount paid by it in royalty to the Government to the end of the last financial year was $4,427,996.51. On the net profit which the company makes I estimate it will be paying at least $8,000,000 to the Commonwealth Government for a year's operations.

Of course, we know what the Commonwealth does with this money. It lends the money to the State at interest to develop the Ord River project, and similar projects.

I feel we could arrive at some more equitable basis for royalties. These companies have to pay, whether it be by way of a royalty to us or through taxation to the Commonwealth. It makes no difference to the firms. They still have to pay out; and surely their first obligation is to the State in which they are established and with which the agreements are made. They should not improve the coffers of the Commonwealth to a greater extent than the coffers of the State in which they are established. To my way of thinking this is completely wrong in principle and we should establish royalties on a better basis.

Obviously the company would be paying the highest rate of company tax; and this would represent about 42½ per cent. of its profits. The company is probably paying at a greater rate on some of its holdings because of some of the undistributed profits. This may well be, but I fail to see why we should carry the burden of making finance available to the Commonwealth Government by this or any other means while the State Treasury does not get a just return. Surely we could base our royalties on a sliding scale which could escalate with the improvement of profits, and exclude the Commonwealth Treasury from digging its big hand into the pocket of the State that owns the mineral wealth.

At the time, the Hawke Government saw the possibility of developing our iron ore deposits on a State basis. In other words, we would mine, quarry, and sell the ore ourselves and the profit would go direct to the State. This type of approach, of course, does not appeal to the Government because of its pandering to the private enterprise system. It says it brings capital here. It is true it is easier to obtain development this way. However, I feel the companies that come here have a responsibility to the State of Western Australia in seeing that a reasonable amount of their profits secured from various leases stays in this State rather than, as I said earlier, going to the Commonwealth. Therefore I suggest that in regard to any agreements drawn up in the future, further consideration should be given to the question of royalties. It is not clear enough to state—as is done in the parent Act and original agreement—that royalties will be on the basis of direct shipping ore at the rate of 7½ per cent. of the f.o.b. revenue, or 60c per ton, whichever is the higher on the average over the ore.

That is not good enough as it is not bringing in enough revenue. This Government repeatedly tells us we require more revenue. It is no good the Minister telling us that we have to be careful because we might scare these people away. If they do not lose the money to us, they do to the Commonwealth. If they do not pay it to the State by way of royalties—which is our tax—they pay it to the Federal Government in the form of company tax. They also pay money to the United States Government in some form of tax. We must also remember that disbursements to shareholders provide additional tax for the Commonwealth Government, yet we supply the wherewithal. We do not receive a reasonable recompense in connection with these agreements. To me the whole thing seems to be out of perspective. It is no good waiting for a Commonwealth-State agreement as the various political parties indulge in different lines of thinking on this issue. We must bring it home to the powers that be that the money rightly belongs to this State. This money should not go over the border only to be returned to us at interest.

I hate to see this sort of thing going on. Large profits are heavily taxed by the Commonwealth and we should get more equity from our State resources.

MR. COURT (Nedlands—Minister for Industrial Development) [11.26 p.m.]: Members have raised a considerable number of points in regard to this agreement and have asked me to be specific in regard to a number of questions. Normally I would try to be as brief as I can, but I have the choice of doing what they have asked or accepting the criticism. Therefore it is well I should tidy up some of the points apparently causing misunderstanding.

First of all, let us take the iron ore situation. It is a world-wide industry; and we happen to have a commodity with which the world is oozing. All the countries that have this commodity want to sell it and it is necessary to win markets. We were lucky; we came in at a time when the world was starting to rethink iron ore policy and steel policy. Fortunately we had the Japanese nearby who agreed to purchase on long-term contracts. This had never been done before —large-scale long-term contracts, to give security and stability to the industry. Without these, we could not have got off the ground.

Mr. Jamieson: Where else would it come from?

Mr. COURT: Many countries in the world have iron ore. Brazil has more than we have.

Mr. Jamieson: It would come from Conzinc's other mines.

Mr. COURT: We are familiar with the honourable member's viciousness about these companies. It does not do him any credit. I have been listening silently to the Opposition for four hours while its members tried to get their complaints off their chests. Now listen to me for a while. There are tremendous quantities of iron ore in Brazil, the equivalent of Mt. Newman and Mt. Tom Price which contain our best iron ore, and quantities are not limitless.

Mr. Jamieson: The Government is not as stable as ours.

Mr. COURT: The honourable member knows that the biggest concern in Brazil is run by the Government.

Mr. Jamieson: I know.

Mr. COURT: In regard to other parts of the world I could mention other countries in South America; and there are tremendous resources to be developed in Africa in countries like Liberia and South Africa. These African countries have large quantities of ore, as does Canada, and Sweden. It is no good thinking we can just bluff our way through and sell this commodity on the market regardless. One has to go in and win. We were fortunate in being able to offer a transaction to the Japanese which was mutually satisfactory. In rough terms, we were able to share the freight savings—approximately half to us and half to Japanese steel mills. That is not all; through this we obtained f.o.b. price higher than some countries. We cannot expect to get the lot.

Mr. May: Who do you mean when you say "We"?

Mr. COURT: Australia; and we should start thinking in terms of Australia, especially in regard to taxation, because

it is Australians who will get the 45 per cent. of profits which is the new rate of company tax. Out of every $1,000,000 made by these companies, Australian citizens through company tax get $450,000, without putting in any capital. If there are any losses the Australian citizen does not have to put in his share.

Mr. H. D. Evans: What part of the tax is paid in America?

Mr. COURT: These companies are actually paying tax here and, what is more, they have a history of retaining their profits in the country where they are undertaking big developmental work and investment. I want to come back to this point in a moment because it is important we should understand why these companies have to make big profits. At the present time anyone would think it was a great shame for a company to make a profit, but I want to make it quite clear here and now that the type of development ahead of us is of such magnitude that if these companies do not make sufficiently large profits after paying tax and are not prepared to plough their profits back after paying dividends, we have not a chance of capitalising it.

The first phase of this project we are considering tonight will involve capital investment of over $300,000,000. Very few countries in the world find it necessary to legislate for agreements of this magnitude. Those in France, Italy, Britain, Japan, and America regard this as big money by anyone's standards; and we must lift our thinking to get ourselves into the right mood to appreciate how and when these projects can be financed.

I come back to the point that the world is oozing with this particular mineral. It would be different if we were dealing with copper, zinc, lead, or nickel, but in the case of iron ore we have a commodity with which the world is well endowed.

Mr. Jamieson: We have been told for many years by the Commonwealth that the world was starved for it.

Mr. COURT: I want to go further on that point. The Commonwealth has said this, and members will recall that I was very vocal in opposition to that viewpoint because all the time the Commonwealth and others retained embargoes, we never knew how much was available. This embargo existed for 22 years, and we used to think we had only 384,000,000 tons of high-grade ore.

We would still be thinking so if the embargo had not been lifted. However, at that time the world did not know how much iron ore it had and most of the purchasing was on an annual tonnage basis. Malaysia, which has a poor-quality ore by comparison, was selling at a high price on an annual contract basis, as was India also; and one or two other places were able to do the same.

Then, all of a sudden, this was completely changed as a result of exploration and the lifting of the embargo. This, I submit, has been for the benefit of the world—not only us—because some of the developing countries desperately need steel readily available to them at a reasonable price.

Before I go any further; I want to inform the House on a matter—leaving all politics aside—in which members will be interested. The Edmonton tests of the Himet—trade name of metallised agglomerates—have been a great success. We all had our fingers crossed because some of the best brains in the steel world were there looking for catches and problems.

I was advised officially yesterday that, quite apart from any trade reports which might have been made, the tests were technically very successful; and this is important to us because if there is a breakthrough in this particular field, it will mean a tremendous industry for us in the north—not a struggling industry battling to sell a few tons but selling millions of tons to an ever-expanding partnership with countries which have not the indigenous materials.

I also want to report that the Robe negotiations are going as well as we can expect at the moment, and much better than a month ago. Someone raised the query as to what would be the impact of this agreement on the Robe project, and I want to assure that honourable member that it will have no adverse impact at all; and whilst on this I want to make a comment. Despite what certain columnists have written about the responsibility for the Robe project, negotiations being at a very advanced stage, the fact is that it has been because of the very close relationship we enjoy that negotiations have been going on day in and day out for many months between the Government and the main interests in the Japanese steel mills in conjunction with the company concerned. It will not have any adverse effect upon B.H.P.'s Deepdale project. That company is committed to go into Deepdale in due course, and the development of Hamersley and the Robe will facilitate the Australian company's entry into the Deepdale deposits.

This has, of course, a national significance because it will mean that, quite apart from other great reserves to which it has access through Mt. Newman, Yampi, Koolyanobbing, and the Roy Hill deposits, the Australian company will have access to huge limonitic deposits. It looks as though we have been able to convince the Japanese that it is a product which can be taken and used in competition with some of the more favoured natural ores if it is skilfully upgraded, as I am sure it will be by B.H.P., and in the more immediate future, by Robe.

Agreement has been reached with the Japanese on tonnage; that is, 4,200,000 tons of pellets a year for 21 years, and 2,600,000 tons of limonitic fines for 15 years at prices of 18c and 9c respectively, but we have yet to resolve the technical problems of specification. I do not want to paint a picture indicating that the problems are all over, but at least the tonnage and prices have been agreed. It is now a battle on the technical level, and I am sure the member for the district—and all of us—hope we can bring off the Robe project because it will give a magnificent complex which will be of benefit to all.

The member for the district—the member for Pilbara—dealt with the agreement in considerable detail and, I felt, quite fairly. He expressed his views as to the way he saw it. He did not condemn the company, for which I was glad, because the company has tried to set a lead. We have been very fortunate in that although it is predominantly overseas owned, the most important thing is that it is Australian managed. We made it a condition of all agreements that wherever practical the top management must be here and Australian; and in no case has this been so well observed as in the case of Hamersley by arrangement with both the American and British parts of the project. For that matter, most of the projects have followed this line with great success and advantage to us, because this is skill and experience which remain with us for ever, and, in some cases, that is more valuable than the actual capital content.

I sympathise with the honourable member about the complexities of the agreement, but assure him there was no other way we could devise. We did toy with the proposition of separate agreements, but this had so many cross-references that it became silly, and so it was eventually agreed that the best procedure was to deal with it as an amendment to the Hamersley agreement on the one hand, and an amendment to the Hanwright agreement on the other hand, and thus at least retain the thread from the original parent agreements right through to the amended agreements.

I am afraid that with agreements of this magnitude it is inevitable they will be complex if we are to protect the interests of the Government, the community, and the companies over very long terms—unpredictably long terms.

Reference was made to the life of Tom Price. The original reserves were large, but I have to be quite frank and say that most of us are now thinking of dimensions of at least four, five, or six times bigger than they were when we first entered the iron ore business; and this has to be taken into account. Whilst Tom Price is a great deposit, as is also Mt. Newman, it became quickly apparent that if we allowed these very high-grade select deposits to be used as a medium upon which projects were to be based, we would be doing the State a disservice, and the Government has been trying to find ways and means of blending the ores to get the full advantage of some of the ores which might be slightly above the normal specification, but when blended with those lower than the specifications, we finish up with a product which is able to be sold on world markets without any fear from outside competition.

It will be very apparent that if this can be done early in the life of a project, almost indefinite life is given to towns like Tom Price and Paraburdoo. On the other hand, if the companies are allowed to concentrate on one at a time—and I emphasise this for the benefit of the member for South Perth—the life of the town is reduced, as well as the life of the mine, twice as fast as is necessary.

I think it is a good thing that we should try to blend these ores. I would like members to think of it this way: not as giving Tom Price—or the company—an extension of its reserves, but as an extension of the security of the operations of some of the very nice towns being developed.

The honourable member wanted some information regarding the pipeline. First of all, I thought we made it clear in the Press release that although the company is providing all the money involved, the pipeline will be handed over and become the property of the State. The State will operate the water supply. The company gets a guaranteed quantity of water—not the full capacity of the pipe—and it pays the full cost and maintenance. Furthermore, the replacing of any of the bores and pumps and pipeline will be done at the company's expense and at no cost to the State. The water supply to the community will be charged for at the normal rates, and if a better deal than that can be worked out I would like to be told about it. The company was prepared to join in this venture, as it has been prepared to do on so many occasions, and for which it has received little credit.

Millstream has been bored, predominantly, as a charge against Robe River and Tom Price. Boring is still being carried out. A rough guess as to the quantity of water available would be 10,000,000 to 12,000,000 gallons a day. I should say the minimum would be 10,000,000 gallons a day and the maximum would be 12,000,000 gallons a day. However, even if the maximum were 10,000,000 gallons a day, the 3,000,000 gallons a day required by Hamersley, together with the 3,000,000 to 4,000,000 gallons a day required by Cleveland Cliffs, will still leave a substantial quantity of water available for the growth

of the community. Cleveland Cliffs will be supplied by means of a bifurcation of the pipeline.

The Government has the right to upgrade the pipeline progressively, and I understand from our engineers that it will carry up to 12,000,000 gallons a day because of the extraordinary system which will be used. Unlike the Kalgoorlie water supply, where the water is pushed uphill, this water will flow downhill. Incidentally the steel plate has been rolled and will soon be fabricated.

I would like to pay a tribute to the Director of Engineering, Public Works Department, for the magnificent job he has done in these negotiations. He has a good capacity to negotiate these deals.

The future of the water table has been very carefully assessed. It would be quite foolish and irresponsible to say that this water scheme would not reduce the water table. On the contrary, to take out 10,000,000 gallons of water per day from an area like this, in a radius of that zone of about 30 miles, must lower the water table. However, the needs of the properties are well taken care of by officers from the Minister for Works' department, who have been very understanding and practical in their approach. It may be necessary for somebody—and it will be the Government—to re-equip some of the bores in order to make sure that they continue to give the required amount of water for the properties. I should make the point, of course, that the lessees do not own the water; it is community owned.

Mr. Bickerton: Would there be any repercussions from outside of the properties concerned?

Mr. COURT: I understand not outside the aquifer. Some of our younger members may see, in the next generation, the time when we will have to construct dams. Seven dam sites have been located in the Ashburton and Pilbara. Some of our members are young enough and they will see water harnessed by those dams. As a matter of fact, I think that Gregory Gorge could very well be harnessed in the lifetime of many members of this Parliament. However, that is a different proposition because it concerns the storage of water as distinct from the underground supply of water.

Desalination of water is not practicable. Hamersley was able to desalinate the first 400,000 gallons a day, and I think the second 400,000 gallons a day, because of the availability of waste heat. However, once waste heat is not available it is not a proposition, and we have entered into the pipeline project because it will provide much cheaper water.

Regarding the town of Karratha, I can assure the honourable member there is close consultation with the local authority. We realise the local authority has not the capacity to absorb the initial heavy demands which could be involved in developing a town. There is very close liaison with the authority, and we have explained to the shire president the *modus operandi*. I also want to assure members that the planning of the town of Karratha, about eight miles from Dampier, is on a basis that can allow for an integrated community. The company does not want a company town, and never did want a company town.

We planned to have a town roughly midway between Dampier and Cape Lambert, to be a central town of some size with good facilities for the whole community. But that did not prove to be practicable, for reasons that the honourable member would well understand—mainly due to the terrain of the country. I think the compromise is the best in the circumstances.

I will not deal with the smaller matters raised, such as the notice outside the police station at Tom Price. I think the company had grounds, in that case. It built a lovely courthouse for us, and a great notice was stuck up with no regard to the aesthetics. There would be no objection to a sign of reasonable size. These things need to be kept in the right perspective, and I agree that they get out of proportion. The last thing that Mr. Maddigan and Sir Maurice Mawby want to be is at loggerheads with the community.

Regarding the question of allowing local storekeepers in, this is part of the future development, and this is what we are planning for at Karratha. I want to say, in defence of the company, that it tried to get people from outside at Tom Price and Dampier, but there were no takers. It was only because of the Swan Brewery that a hotel was built; but now, of course, everyone wants to come in.

The honourable member referred to the feasibility study regarding metallised agglomerates. I want to make clear that if the feasibility study does not work out, so far as metallised agglomerates are concerned—for a number of reasons—then it does not mean to say we have lost the processing. The company will have to produce metallised agglomerates, or something that we agree to in lieu, providing the same economic return to the State; or something the tribunal decides if we cannot agree.

I want to assure the member for Collie on this point: He need have no fears. The agreement is quite specific on what the tribunal has to do. It is not a continuing tribunal of the sort he has had so much trouble with.

Mr. Jones: I have had no troubles.

Mr. COURT: Well, from what he said the other night the honourable member has led us to believe that he has had a

lot of trouble. The point is that this tribunal has a particular job to do and, at the most, it would have to do that job once for Hamersley and once for Hanwright. However, whatever comes or goes we still get processing of the same economic value as for metallised agglomerates.

The question of finance mentioned, arising from the extra tonnage which the company will be allowed to export if the metallised agglomerates are not proceeded with, has to be taken in its proper perspective. The company will spend over $100,000,000 to establish the railway from Tom Price to Paraburdoo, and in developing the whole of the infrastructure in Paraburdoo. As this has to be financed as a special project it is only sensible that a certain tonnage can be taken out—so long as it is within a given period. I think that is fair enough.

The honourable member asked me to explain the reason for the suspension of the steel commitment. The reason is very simple. First of all, we were anxious to press on, as quickly as possible, with the metallised agglomerates—or the equivalent thereof.

We could not expect the company to be doing the two things at the one time. The other reason which might not be so apparent is the fact that we felt it was a good thing that the Mount Bruce part of the exercise—and from our point of view we treat it as one big complex—should have its nose to the grindstone in respect of some of these commitments. Standing behind this we still had Hamersley committed under clause 13 of the original agreement. Therefore I felt it was not a bad proposition to suspend—not to cancel—the commitment and transfer it temporarily to the Mount Bruce people. If we give it to them as an additional commitment both the Government and others can endeavour to get the company to meet the commitment, still knowing that we have the backstop of Hamersley in the matter.

With regard to royalties I can understand members searching for ways of squeezing a bit more out of the old lemon. However I refer back to the Goldsworthy arrangement. The Mt. Goldsworthy proposition was called for on a world-tender basis, and before the embargo was lifted. We wanted to sound out the market. We incurred the wrath of the Commonwealth at the time, but it gave us the chance to get companies of world experience to tender for this at a time when they were very anxious—much more so than now—to get iron ore. We were anxious to do this before the embargo was lifted, in case we happened to find huge quantities which might have a depressing effect, Goldsworthy certainly gave us an excellent chance to assess what the market would bear.

We were also able to assess how much infrastructure we could get out of the market. The fact that the present agreements are, in fact, better than the original Goldsworthy negotiations indicates that we have not done too badly. I assure members that by world standards we are regarded as being high, not only in royalty, and there is no other part of the world of which I know where companies have been prepared to accept the infrastructure cost which we are demanding in this country. This is becoming an increasingly heavy burden and not every mining venture in the future will be able to carry the infrastructure cost.

The question of shire rates was another point raised by the honourable member. I assure him that none of the companies want to avoid its fair and reasonable responsibility in this regard and each company is quite happy to join in discussions to work out a formula appropriate to its particular venture. I know of no company which wants to avoid this commitment. In all cases so far as the shires are concerned they are equally anxious to join with the companies and with the Local Government Department to try to work out a formula which will provide for something fair and equitable and which will be paid as a right and not as an *ex gratia* payment, as is the case at the present time. The companies want the position clarified and the shires want the position clarified. I am sure this will settle down to something which is very beneficial to the shires and accepted as a sensible commitment by the companies.

I point out, of course, that the situation is rather peculiar in so far as there are towns such as Newman, Tom Price, Dampier, Goldsworthy—and, later on, Paraburdoo—where the shires do not do anything at all. It is rather difficult for the shires, the companies, and the Local Government Department to decide what is the right formula in these cases, because the rate is based on giving a service and not just on a taxing system.

The member for Kalgoorlie referred to clause 3(2)(c) of the schedule. I ask him just to pause for a moment and think. It is simply not possible to do business with people such as this, who have to raise huge amounts of finance on agreements, if there is the possibility of somebody coming along and rewriting the agreements.

Mr. T. D. Evans: It does not mean—

Mr. COURT: If Parliament does not want the agreement, it has an easy choice; it simply does not ratify the agreement. It does not matter whether this Government is in power or another government is in power. As our predecessors found, a government must have the right to make an agreement which has a reasonable chance of being adopted by the Parliament.

There is no suggestion in our minds, or with the company—and we have certainly not misled the company on this point, as suggested by the honourable member—about the right of one Parliament to bind another. The provision was put there deliberately—I want to be quite frank about it—so that if a government of the future should want to make a change in the contractual arrangement, it would have to do it publicly and by abrogating the agreement. This is fair enough when people have entered into a binding commitment.

In spite of what the honourable member says, the agreement has force and effect in its present form. I do not dispute the fact that another Parliament could completely rescind the agreement, but it would have to take the consequences both political and otherwise. It would be a very dangerous thing if the practice of amending schedules were introduced. Do not forget that this Government will not be here forever, and other governments will be entering into contracts in the course of running the State.

The member for South Perth seemed upset that there was to be a watering-down of the Australian equity. He was basing this on the fact that Hancock and Wright made some very noble and brave claims when they first received their temporary reserves which, I might add in parenthesis, everybody was barracking for them to receive. The Government endeavoured to do the right thing by them.

Hancock and Wright were making claims about how to pick up this money in Australia. Some of us in the field, and those of us who experienced the 21 months of getting Mount Newman off the ground, knew only too well that this quantity of money is not in Australia. It is true B.H.P. can obtain huge quantities of money, but it is the biggest and best company. However all companies cannot obtain it, because there is only so much available.

It is very significant that not so long ago B.H.P. announced a new share issue and, instead of shares going up as would have been the case some years ago, they went down. Why? Everybody started to work out how this would affect their pockets, even though the shares were at bargain rates. This is the test.

Hancock and Wright have demonstrated the limitations of this kind of money on the Australian market. There simply would not have been the chance to launch the project with Australian ownership. As it is, the way it is going to be done, it will be done for certain and it will be done well. This is the important thing.

On that point I would like to mention the Cliffs project. This will have a 25 per cent. Australian component and will certainly take some raising. I think it has all been organised now, but it is not easy to put together 25 per cent. of $240,000,000.

Mr. Bickerton: Before you leave Hancock and Wright, it does seem a little unjust. If they have been proved wrong in their statement, they seem to be the ones who will benefit most by the new arrangement.

Mr. COURT: The honourable member knows that the mining business throughout the ages has been the same. Men come along who are either clever or lucky and obtain an area. Under the laws of most countries they can treat it within the terms of their tenement, and that is what they have done. Whatever the member for Pilbara or myself may feel about it—whether feelings of anger or envy—the fact is what they have done is lawful and has been done fairly and above board.

The only point to which I take exception —and I suppose the member for Pilbara takes exception to it, too—is that a very strong impression was created in the minds of the public that this was going to be done within Australia by Australians.

Mr. Bickerton: I more or less take exception to the fact that within a couple of months of having the agreement ratified with the Government and of the Government being reasonably happy about their putting the proposition forward, Hancock and Wright were using that agreement merely as a means of speculation. That is what is amounts to.

Mr. COURT: Mr. Speaker, I ask the honourable member to look at the position fairly and squarely. He should look at it not as a matter of accomplished fact at that time, but as a situation which was quite lawful. It was quite obvious that they ran into difficulties. In fact, this has been admitted quite frankly in the answer which they gave me to the honourable member's question.

Mr. Bickerton: They must have run into them very quickly.

Mr. COURT: They had done a tremendous amount of work before the agreement was signed, and had made a tremendous number of claims. However they ran into difficulties and the only way out was to find somebody not only with the money but with the know-how and the international influence.

This is something we overlook. We are inclined to think only in terms of money and know-how, but, in point of fact, the third great ingredient we need from these large companies is that they are accepted abroad. Therefore, when they want to negotiate an agreement of great importance the companies with which they negotiate will accept them.

Mr. Bickerton: Another strange feature, of course, is that the leases they received were those that Hamersley rejected initially, which enabled Hancock and Wright to take them over.

Mr. COURT: Not completely. If the honourable member will look at the position in detail he will find that that is not the true position. The Lockyer area was one of the areas in question, in regard to which the Government was criticised for its delay in handing it over to Hancock and Wright. The Lockyer reserves were the ones originally rejected under the Hamersley agreement, but they are not a great force in this agreement. Although a temporary reserve covers a large area, under the Hamersley agreement the company had to discard most of them before a lease could be granted. In that case one will discard areas which might not be quite as good as others but which, in the hereafter, could be of considerable value. This is one of the facts of life.

The member for South Perth referred to the appointment of a natural resources commission. In theory this is quite a good suggestion, but we would need something better than that in our time. I can imagine a natural resources commission being used to investigate the economic possibilities of our various natural resources in the future, but in the meantime we want some action.

The member for Collie asked me some questions. The Government intends to battle on with Collie, but it will not win the battle on the front page of a newspaper. I say quite frankly that the last thing I intend to do is to go down to Collie and talk about all the details. We do not want to be in the middle of a controversy when we are trying to negotiate an agreement which will be in the interests of Collie.

What the member for Collie asks is quite impossible and irresponsible. He has asked that in these contracts local products be specified; that because the companies are making some mony they should use the local product regardless. We will never get away with that sort of thing. Just imagine the Government negotiating with somebody in connection with the Collie industry and making an agreement in its favour and then saying that the party to the agreement had to buy the local product regardless! There is a clause that the company has to show a reasonable preference for using the local product in the fulfilment of the agreement, and which in the main has been honoured! There must be some line drawn as to what is fair and equitable.

Mr. Jones: Where is there any preference for the local product in this agreement? Perhaps I might have missed it.

Mr. COURT: I want to tell the honourable member that we, as a Government, are trying to find ways and means to make Collie coal economically viable within reasonable limits. The company has been good enough to say that it does not expect it to be completely comparable; it does not like that to be bandied around too much because it has shareholders, too, and they are more exacting than the member for Collie. However, at the same time, it is trying to be helpful, and for this reason the Government will not indulge in any public controversy over such matters because it wants to win the battle.

This is a delicate operation. I would advise the honourable member not to believe all that he reads in the newspaper on the question of the ratio of tonnages, because those figures do not agree with the official figures relating to tonnages. There is a big disparity between them. Also, the disparity is not only in the B.T.U.s and the quality of the coal, but more in the serious question of transport. It is a transport battle almost entirely that we have to win at present, and this is something which has been assisted by the port. No-one has given us any credit for the juggling that had to be done with the limited resources we had to get the wood chips industry off the ground, and it was the key to the ports.

Mr. Jones: Do you think the coalmining industry still gets the same treatment as other industries?

Mr. COURT: If the honourable member will look at the position fairly and squarely, he will realise that the Government is only too anxious to help the Collie industry, but he is never prepared to compare like with like. The member for Collie raises the question of tonnages, and so on, but he is not prepared to compare like with like.

Mr. Jones: These are matters of fact. The Government offered $2 for the transport of coal. Why does it not offer something the same as it offers to the alumina company?

Mr. COURT: The honourable member is using up my time; but I repeat, that in comparing figures he is not comparing like with like. If he will only keep quiet for a short time we will be able to do something for him, but if he keeps on trying to hit the headlines, he will still hit the headlines, but not attain his objective.

Mr. Jones: I am representing my town and my industry.

Mr. COURT: The member for Belmont was concerned about royalties and I endeavoured to cover that question as I went through my speech. I do not want to speak too long tonight, because I am about two hours behind other members of the House in sleep, having come from Melbourne this morning. Nevertheless, I considered it my duty to cover these points, and I think I have covered them in the time that has been allotted to me. I

thank those members for having been critical of some aspects but who, nevertheless, have supported the measure.

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.

Third Reading

Bill read a third time, on motion by Mr. Court (Minister for Industrial Development), and transmitted to the Council.

IRON ORE (HANWRIGHT) AGREEMENT ACT AMENDMENT BILL

Second Reading

Debate resumed from the 15th October.

MR. BICKERTON (Pilbara) [12.10 a.m.]: I do not intend to speak for quite as long on this Bill as I did on the previous measure.

Mr. Brady: Why not?

Mr. BICKERTON: However, as the Minister mentioned in his second reading speech, owing to the similarity of the two measures, much of what I wanted to say on this Bill has been said on the Bill dealing with the Hamersley agreement.

I would, however, like to make reference to questions which I asked this afternoon, without notice, of the Minister for Industrial Development, and I would like briefly to discuss the questions and the Minister's answers. Firstly I asked—

> What amount of money has Hanwright Iron Mines spent on exploration, etc., in accordance with the Iron Ore (Hanwright) Agreement Act, 1967—
>
> (a) prior to the ratification of that agreement;
>
> (b) since the ratification of that agreement?

Before reading the answer, members should be reminded that it is only 12 months since that agreement went through this House, and now we have it back again with an amendment.

I believe that the members of this Chamber and those of another place ratified that agreement in the true belief that the company was going ahead with the iron ore project; one which would produce a pellet works, and would enable the export of additional tonnages of iron ore. Members looked at it in the same light as they would the other iron ore agreements. It is possible that many of them were also influenced by the fact that the people concerned were not only a couple of Australians, but a couple of Western Australians, who had done a lot in the mineral search field, and they felt if it was good enough for other companies to be accommodated then these two people should at least be given a go.

The Minister prefaced his answer to that question with the following remarks, which I think should be recorded in *Hansard*:—

> The honourable member will appreciate that much of the information he seeks is of such a nature that normally it would be known only to Messrs. Hancock and Wright and the companies concerned.

He then went on to say—

> Messrs. Hancock and Wright have advised me as follows:—

The Minister then gave the figure that was spent. I cannot go along with the Minister all the way, that this information would normally be known only by Hancock and Wright and the companies concerned.

I know of companies with reserves over various minerals, and I know it is necessary for them to put in quarterly returns to the Mines Department setting out in detail the amount of money they are spending on these leases and just what work they are actually doing; and they must indicate if there are any mergers pending with other companies. These details must be supplied to the Mines Department.

I know of one company which received a communication from the Mines Department in connection with an article that appeared in the newspaper saying that it had come to an agreement with another company for the testing of leases. The company was asked to supply details immediately. I cannot see how this is only the business of the companies concerned and of Messrs. Hancock and Wright. It is very much the business of the Government, and, indeed, the business of Parliament, because it was Parliament which ratified that agreement.

In answer to my question as to how much had been spent on exploration, etc. the Minister said that approximatly $200,000 had been spent. I admit there were certain riders in that agreement which enabled the company to obtain its money by utilising other companies; the amount did not necessarily have to be put in by that company itself.

Members could be excused, however, for believing that Hancock and Wright would be spending some $750,000 on preliminary investigations, not the $200,000 that was expended. Even at this point I give some credit to these people for they were, I suppose, initially responsible for keeping Wittenoom Gorge ticking over until something in the nature of this other agreement could come along.

But I am sure that was not the reason members of Parliament ratified that agreement; not by any means. I think it was

ratified on the understanding that what the agreement said would, within reason at any rate, be done. It was also mentioned in the reply to my question that some $200,000-odd was expended before the agreement was ratified. That is not of great importance because that was mentioned to members before the agreement was ratified and before the Act was proclaimed. The Minister's reply states—

> Just over $200,000 by Hancock and Wright alone plus an undertaking to spend 25 per cent. of the excess of $1,200,000 that they arranged for Hamersley Iron to spend on further geological and engineering studies in accordance with the Hanwright Agreement Act, 1967.

Naturally I imagined the company would be up for the 25 per cent., because that is the share it has in Mount Bruce. One would expect the company to be up for that sum of money. My next question was—

> On what date was the Iron Ore (Hanwright) Agreement Act proclaimed?

The Minister replied—

> Hanwright's agreement was signed with the Premier on the 11th August, 1967, and assented to on the 23rd October, 1967.

In a further question I asked—

> On what date did the negotiations which culminated in the iron ore Bills currently before the House commence between Hanwright, Hamersley, and Mount Bruce?

The answer was, "The 22nd January, 1968." In other words, what Parliament did in actual fact—as I see the matter—was to give a ratified agreement to a company which enabled it to negotiate with some other company. It would have enabled any member in this House—not merely Messrs. Hancock and Wright—to do that. It proved to be a very valuable agreement indeed, so far as Hancock and Wright were concerned, and they did not lose any time in saying to Hamersley, "You need more reserves, and this is where you can get them."

I would not like to think that this was the only way in which Hamersley could get additional areas. I find it hard to understand why, if the Hanwright group were unable to go ahead with this agreement, they did not default, in which case the area would revert to the Government and the Government could negotiate with Hamersley, which company was anxious to have the area which, of course, it now has.

I would think that the Government would carry out the negotiations under those circumstances. Of course, the Government would receive the royalty that is being paid to Hancock and Wright. That seems to be the logical way to handle the position. As it is, Hancock and Wright are receiving the royalty in respect of large areas of Tom Price. An outlay of $200,000 is not great in mining exploration of this type, and in respect of the iron ore companies this amount would be regarded as a mere pittance.

This sum is not a large amount to outlay, in order to receive royalty and the option of a 25 per cent. interest in a mining company which will finish up with huge reserves, and will produce millions of tons of iron ore for export. If everything goes right it will produce millions of tons of metallised products. I would have thought that the government would make a deal with Hamersley Iron Pty. Ltd. From what one is able to read, Hancock and Wright are bright business men, and for that we must give them credit; but whether the Government was bright in recommending to this Parliament that the agreement be ratified is another matter. The Government has many ways to find out how genuine are the offers.

Part (4) of the question I asked today was—

> Does he know which party initiated negotiations and, if so, will he supply details?

The answer was—

> Messrs. Hancock and Wright initiated the negotiations when faced with marketing problems. They attempted to arrange a meeting at the Kaiser Center in Oakland, California, on the 10th January, 1968, with the Chairman of R.T.Z. and Kaiser Industries, the two main partners in Hamersley Iron Pty. Limited. However, R.T.Z. and Kaiser Industries elected to hold the discussions in Melbourne where a series of meetings were held between the parties from the 23rd to the 25th January, 1968.

The point I raise is that Hancock and Wright initiated the negotiations when faced with marketing problems three months after the agreement had been ratified. Surely before recommending to this House that the agreement be ratified, the Government should have made investigations to satisfy itself that Hancock and Wright had solved the marketing problem. However, we find that a few months after the agreement had been ratified they initiated negotiations with Hamersley Iron Pty. Ltd., because of marketing problems.

The fifth part of the question was—

> What monetary or other gain would Hanwright Iron Mines achieve by agreeing to Hamersley Iron and/or Mount Bruce Iron taking over the reserves given to Hanwright Iron under the agreement ratified by Parliament in 1967?

The answer was—

> When both options are exercised no direct monetary gain other than royalty will accrue to Messrs. Hancock

and Wright, because there is to be a final accounting of all expenditure of all parties on exercise, so that it could well be that Messrs. Hancock and Wright will have to contribute rather than receive cash—see (1) (b).

The only comment I make is that Hancock and Wright will receive the royalty, but we cannot ascertain what the amount is.

As I have pointed out, in respect of every temporary reserve I know of where the company concerned had dealings with other companies, the information was supplied to the Mines Department. If the royalty rate which Hancock and Wright will receive has been supplied, then why cannot this House be informed of the rate?

The answer to the fifth part of my question further states—

> Indirectly the benefits accruing to Messrs. Hancock and Wright are—
>
> (a) Marketing support in Japan, Europe, and America by the parent companies of Hamersley Iron.
>
> (b) Temporary use of the Hamersley Iron railroad and port.
>
> (c) The ultimate sharing of the capital cost of a duplicate port for Hamersley and Hanwright.
>
> (d) The possibility of setting up what it is hoped will be the lowest capital iron operation in the north-west making use of the town of Wittenoom and its facilities.
>
> (e) Hamersley Iron Pty. Limited has accepted a commitment to Hancock and Wright to investigate the feasibility of re-establishing the blue asbestos industry if the iron ore development does not prove viable.

Part (6) of the question I asked was—

> What interest would Hanwright have in Mount Bruce once Mount Bruce exercised its option under the current Hanwright amendment Bill?

The reply was—

> No interest—apart from royalty—except that for which they directly contribute capital. Hancock and Wright have the right to subscribe 25 per cent. The final capital line-up for the Mount Bruce part of the total project has yet to be determined but it is expected that the Australian component will be increased.

I do not know what the royalty is, but from the advantages set out in the answer to my question it will grow. They are very important advantages to someone whose only contribution was $200,000 before ratification of the agreement, and another $200,000 after the ratification. As I have already dealt with the other matters when I spoke in the debate on the preceding Bill, I support the second reading of the Bill before us.

MR. GRAYDEN (South Perth) [12.28 a.m.]: I am sorry that the Minister for Industrial Development is behind in his sleep, and I assure him that I will not keep the House very long! I cannot agree with the line of thought expressed earlier this evening that the world is oozing with iron ore. I do not think that is the situation; if it is, then it is not iron ore which is as economic to mine as the iron ore which is found in the north-west.

The important aspect we have to bear in mind is that the iron ore from the north-west is the closest of any deposits of consequence to the markets in Japan. There is no comparison between the iron ore deposits of the north-west and those of Brazil, and it is absurd to compare our deposits with the deposits found in such remote parts of the world.

Many other matters have to be taken into consideration. The iron ore in the north-west of this State is of a particularly high grade, but that does not necessarily apply to the ore in other parts of the world. For instance, in America ore containing 37 per cent. iron is being mined—not 64 per cent. iron or better which the ore in the north-west contains. So this factor has to be taken into account.

There is also the economic stability which exists in Australia and Western Australia to be considered, and this is an important factor. Again we have the political stability, which is a huge factor.

Mr. Jamieson: We have told the Minister of this.

Mr. GRAYDEN: It is most important, but the overriding factor is our relative proximity to the main market in Japan. It was suggested that Sweden has huge deposits of iron ore. That may be so, but I bet my bottom dollar they are either low-grade deposits or there is something wrong with them. How stupid it would be for us to tackle the European markets if Sweden had huge quantities of high-grade ore. I do not go along with that line, although I do agree there are huge deposits throughout the world.

Mr. Burt: There are very high-grade deposits in Africa.

Mr. GRAYDEN: Prior to the lifting of the embargo in Australia, in Africa, as far as I am aware, iron ore was being carted by railway for 400 miles. This was in respect of one deposit.

I am not criticising the Minister, as there are huge deposits throughout the world; but our deposits in the north-west have tremendous advantages and we

should never overlook this when negotiating agreements of this kind. If we do, then it will be an injustice to this State and to the Commonwealth.

Another point mentioned by the Minister was that in entering into these agreements we will give the new town of Paraburdoo an indefinite life. At Mt. Tom Price, Hamersley holds 500,000,000 tons of high-grade hematite ore in addition to a multitude of reserves in that area. The company has all types of ore and there is ample scope to blend the low-grade ore with the high-grade ore. With 500,000,000 tons of hematite, which is in excess of 64 per cent., I would say the existing town of Tom Price has an indefinite life. I do not think we require additional deposits to achieve that objective. So much for that point.

The Minister said that the royalties for our iron ore are high by world standards. I took exception to the fact that we had a flat rate for royalties. What I want to say to the Minister is this: If our royalties are high by world standards for, say, the Mt. Newman deposit—which is over 200 miles from Port Hedland—they are low for Goldsworthy which is relatively close to Port Hedland. If our royalties are high by world standards for Mount Newman, then without question they are extraordinary low for B.H.P. at Yampi Sound, where the raw ore is on the waterfront. One cannot get away from this argument.

I do not wish to dwell upon the subject of B.H.P. shares, but they certainly went down a little when the company looked for a huge amount of Australian capital to go ahead with Mount Newman. Not long ago, however, B.H.P. shares were $5 each, but a few weeks ago they were $25. Now they are almost $20. Always when there is a huge float and people are trying to sell shares to take up rights, the shares go down in value.

I would emphasise this point: We should go out of our way to obtain Australian capital. We could have had a Government survey of some of our iron ore deposits and obtained capital in Australia. This would have been a very different proposition indeed. With those few comments I wish to say that I support this Bill.

MR. COURT (Nedlands—Minister for Industrial Development) [12.36 a.m.]: The member for Pilbara referred to the Hancock and Wright part in the project. I want to explore the questions and the answers I gave. In view of the tenor of some of the questions, I sensed, as did my officers, that the honourable member was more concerned about the negotiations at a private level between Hancock and Wright and the company. It was not that we did not have the information regarding the reports that would come in. It was thought more fitting to give information from the partners because it was general knowledge the company was having difficulty in trying to get the type of sales contracts it wanted. In August the company thought the contracts were there for the asking, but it found out something we have been trying to tell people.

It is impossible to get these contracts unless a tremendous lot of valuable and expert work is done. The company did negotiate with Hamersley, and when the details were agreed, Hamersley came to us and told us it would be interested in entering into a commitment for $1,200,000 for exploration. Hancock and Wright were expected to provide $750,000 for such exploration under their agreement. We had no cause to object and the Government negotiated the deal from that point. We got the extra commitments. We were able to speed up the timetable and get metallising much ahead of the original time. From our point of view, we came out of it very well.

Dealing with the point made by the member for South Perth regarding ore, I do not want to get involved in a detailed discourse, but I could give him a lot of details which would change his viewpoint in regard to Swedish ore. Sweden supplied Europe for a long time; and the only problem is that its ore is high in phosphorus. This is heaven-sent for us. Countries that have obtained Swedish ore for 100 years are anxious to buy from other countries.

It is not unfair to compare Brazil with Western Australia, because its ores are comparable; but we can compete with Brazil in Europe, which is its traditional market. Members will be amazed at the business we will do with Europe in the years ahead and the business we are doing now; and when we get metal—

Mr. Grayden: You could not get high-grade ore with a fair quantity of phosphorous.

Mr. COURT: I ask members to look at the world situation as far as this mineral is concerned. I want to refer to the question of Tom Price. Apparently I did not get my message across. Members will have to think in a different dimension with regard to Tom Price. If this project goes ahead as fast as we want it to, it will provide 30,000,000 tons by 1980. Multiply this by 20 years and we have 600,000,000 tons. If we can extend the economic life by the Paraburdoo exercise, then that is what the Government is trying to do.

One final point everyone has overlooked is that written into all agreements is the basic provision that 15 years after the commencement date, as defined in the agreement all royalties or an equivalent charge go up 25c per ton, which is extra revenue

for the State for which we do not have to negotiate. It is written into the agreement. Everyone has overlooked this, and it is worth a lot of money

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.

Third Reading

Bill read a third time, on motion by Mr. Court (Minister for Industrial Development), and transmitted to the Council.

House adjourned at 12.42 a.m. (Wednesday.)

Legislative Council

Wednesday, the 23rd October, 1968

The PRESIDENT (The Hon. L. C. Diver) took the Chair at 4.30 p.m., and read prayers.

QUESTIONS (7): ON NOTICE

TRAFFIC ACCIDENTS

Head-on Collisions

1. The Hon. R. H. C. STUBBS asked the Minister for Mines:

   Further to my question relating to traffic on the 19th September, 1968, will the Minister supply any information that is available in respect of head-on collisions that have occurred in the last three years?

   The Hon. A. F. GRIFFITH replied:

   There is little that can be added to the answer given to the honourable member on the 19th September.

   Accident statistics published by the Commonwealth Bureau of Census and Statistics do not detail head-on collisions or whether the roadway was white-lined.

EDUCATION DEPARTMENT

Technical Staff:

Applications to Work with United Nations Organisation Agencies

2. The Hon. J. DOLAN asked the Minister for Mines:

   (1) For each of the three years 1966, 1967, and 1968, how many applications from the staff of the technical division of the Education Department to work with United Nations Organisation agencies have been made?

   (2) How many of these applications have been refused by the Minister?

   The Hon. A. F. GRIFFITH replied:

   (1) Appointments to United Nations Organisation agencies are invariably by invitation. For Commonwealth aid programmes, applications are submitted directly to the Commonwealth Government in response to public advertisement. The number of applications from staff of the technical division is thus not known in the Education Department.

   (2) The number of refusals is approximately five; but an accurate figure is not available unless a detailed investigation of many personal files is undertaken.

TOTALISATOR AGENCY BOARD

Agencies: Closure Before Races

3. The Hon. J. J. GARRIGAN asked the Minister for Mines:

   (1) Is it correct that the Totalisator Agency Board agencies in the metropolitan area close for bets 15 minutes, and in Coolgardie, Norseman, and other country towns, 30 minutes, prior to the starting time for a race?

   (2) If so, what is the reason for the apparent preferential treatment of the city dwellers as against people residing in the more remote areas of the State?

   The Hon. A. F. GRIFFITH replied:

   (1) Yes.

   (2) The problem of communications.

PRIVATE SWIMMING POOLS

Drowning of Children, and Controls

4. The Hon. R. H. C. STUBBS asked the Minister for Health:

   As there is evidence of cases of children being drowned in private swimming pools in recent years, will the Minister advise whether controls are in existence for the safety of children in such circumstances?

   The Hon. G. C. MacKINNON replied:

   The swimming pool regulations, under the Health Act, are limited to public swimming pools, or those conducted by clubs and schools. There are no specific safety regulations relating to private swimming pools.