

Legislative Assembly

Tuesday, the 30th August, 1966

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QUESTIONS (29): ON NOTICE

GAOLS

Inmates: Outside Employment

1. Mr. FLETCHER asked the Chief Secretary:

- (1) Is he aware of the New South Wales Government's intention (*The West Australian* 7/3/66) to obtain employment for certain suitable gaol inmates outside prison on weekdays?
- (2) Will he emulate his New South Wales counterpart in this respect with a view, among other things, to permitting the prisoner to maintain his dependants rather than having the public maintain both prisoner and dependants?

Mr. CRAIG replied:

- (1) Yes.
- (2) Not at present as the recently introduced system of employment of prison labour in Western Australia is being confined to work within the prison establishment.

TOWN PLANNING

Non-conforming Use of Land: Effect on Caravan Parks

2. Mr. GRAYDEN asked the Minister representing the Minister for Local Government:

Has he been able to check the correctness or otherwise of his reply to my question without notice (on caravan parks—non-conforming use rights) of the 11th August and, if so, what is the result?

Mr. NALDER replied:

Yes. It is regretted that in the previous reply the implications of the relevant section were misinterpreted. The corrected answer to (2) is as follows:

Under section 31(3) of the Act in so far as it qualifies section 12(2a), these caravan parks would be "non-conforming uses" if they were lawful immediately prior to the coming into operation of the zoning by-law of the Perth Shire Council on the 3rd May, 1955.

WATER SUPPLIES

Yunderup: Extension

3. Mr. RUNCIMAN asked the Minister for Water Supplies:

- (1) Will the reticulated water scheme from Yunderup be extended towards Mandurah this financial year?
- (2) If "Yes," what areas will be involved?

Mr. ROSS HUTCHINSON replied:

- (1) Yes.
- (2) Furnissdale.

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

MANDURAH OCEAN BAR*Permanent Opening: Plans*

4. Mr. RUNCIMAN asked the Minister for Works:

- (1) What plan has the department for a permanent opening of the Mandurah ocean bar?
- (2) Does the department plan to begin operations on this project this financial year?

Mr. ROSS HUTCHINSON replied:

- (1) The plan comprises a major groyne and associated river training wall on the west and a shorter groyne and training wall on the east of a new channel to be dredged through the bar.
- (2) It is planned to build the west groyne and dredge the channel this financial year.

HOUSING*Perth and Exmouth: Amortisation Period*

5. Mr. NORTON asked the Minister for Housing:

What is the amortisation period of—

- (a) State rental homes in the Perth area; and
- (b) the Exmouth area?

Mr. O'NEIL replied:

- (a) 53 years.
- (b) 53 years.

HOUSING AT MANDURAH*Rental Homes and Pensioner Accommodation: Provision*

6. Mr. RUNCIMAN asked the Minister for Housing:

- (1) Has the State Housing Commission purchased land at Mandurah for—
 - (a) rental homes;
 - (b) pensioner accommodation?
- (2) If so, what area has been purchased and where is it situated?
- (3) Can it now be expected that an early start will be made in building home units on this land?

Mr. O'NEIL replied:

- (1) (a) and (b) No.
- (2) Various parcels of land available for purchase are now being examined as to economic and architectural suitability for commission development.
- (3) Subject to acquisition of land at an economic price, five dwelling units are planned for 1966-67.

AVON RIVER*Clearing and Training*

7. Mr. GAYFER asked the Minister for Works:

- (1) What progress has been made in the clearing and training of the

Avon River up-stream from the Northam town pool?

- (2) Is it still expected that the clearing and training of the Avon River to the Lakes Entrance will be completed by the winter of 1969?

Mr. ROSS HUTCHINSON replied:

- (1) Training work has reached a point at Muresk, five miles upstream of the Northam town pool.
- (2) It is expected that major work will be completed by the winter of 1969.

SCENIC HIGHWAY*Serpentine Dam to National Park: Route*

8. Mr. RUSHTON asked the Minister representing the Minister for Town Planning:

Will he advise—

- (a) Has the route for the scenic highway from Serpentine Dam to National Park been decided?
- (b) If "No," when can a decision be expected?

Mr. LEWIS replied:

- (a) No. The route of the scenic drive shown on the Metropolitan Region Scheme extends from Armadale to National Park.
- (b) Detailed surveys are necessary before a route can be finally determined. These are being made as staff is available, but a high priority cannot be given to the task. Completion is not expected for some years.

MOTOR VEHICLES*Brakes: Efficiency and Skidding*

9. Mr. EVANS asked the Minister for Police:

- (1) Assuming a modern car is operating on a clean, dry and hard surface (say bitumen), and its brakes are well adjusted, its tyres correctly inflated and its load evenly distributed between its braking system, what would be the accepted value for the coefficient of friction (skidding resistance) between the tyres and the road surface?
- (2) If the value of this coefficient varies with speed, what would it be in the case of circumstances outlined in (1) for a speed of 30 m.p.h., 35 m.p.h., 40 m.p.h., 45 m.p.h., 50 m.p.h.?
- (3) What is the accepted formula for determining the initial speed of such a vehicle, at the instant its brakes are applied when the braking distance in which the vehicle has been brought to a halt is

known as is also the relevant coefficient of friction between its tyres and road surface?

- (4) Is the formula referred to in (3) affected in its accuracy, if after the brakes have been applied the four wheels lock and the car skids for some distance, say 30 feet or more, before it comes to a stop; if so, what formula is used in such a circumstance to determine the initial speed when the brakes were first applied and the speed of the vehicle at the instant skidding commenced?

Mr. CRAIG replied:

- (1) In the case of the modern motor-car the required minimum coefficient of friction is .5. This represents a braking efficiency of 50 per cent. which is the minimum prescribed by regulation 604 of the Vehicle Standards Regulations, 1965.
- (2) The coefficient of friction of .5 must be maintained at all speeds.
- (3) The Traffic Branch of the Police Department is not aware of the formula. The accepted method of determining the approximate speed of a vehicle at the time of application of the brakes is by reference to the table prepared and published by the Ferodo Brake Testing Company. Copy of this table will be laid on the Table of the House.
- (4) Yes. The speed of a vehicle at the commencement of skidding is determined by reference to a chart which has been prepared by the Traffic Institute of the North Western University. Copy of this chart will be tabled.

The documents were tabled.

OLD YORK GAOL

Remodelling or Rebuilding

10. Mr. GAYFER asked the Minister for Police:

What decision has been reached in the remodelling or rebuilding of the old York gaol?

Mr. CRAIG replied:

It is not intended to remodel or rebuild the Old York gaol.

FLUORIDATION OF WATER SUPPLIES

Film Shown by Pure Water Committee

11. Mr. WILLIAMS asked the Minister representing the Minister for Health:

- (1) Is he aware of a film shown by the Pure Water Committee purporting to show the effect of fluoridated water on cell and tissue growth?
- (2) By whom was the film produced?

- (3) By whom were these experiments conducted?

- (4) The conclusions from the film, as enunciated by those showing it, is that water containing 1 p.p.m. of fluoride deleteriously affects humans—is this a valid conclusion from the experiments conducted?

Mr. ROSS HUTCHINSON replied:

- (1) Yes.
- (2) By Time-Lapse Research Foundation of America under instructions from the Greater New York Committee Opposed to the Fluoridation of Water Supplies Incorporated.
- (3) By Time-Lapse Research Foundation of America under the control of Dr. J. Ott, S.C.D.
- (4) Dr. Ott advises that the experiment was made in two parts. The first section was on mice cells which, when treated with very low concentrations of fluoridated water stopped dividing. In the second section dental pulp and human tissue, both connective and heart, were used. When these cells were similarly treated with fluoridated water up to concentrations of 1 part per million, the cells continued to divide. Dr. Ott advises—

Mr. Tonkin: Advises whom?

The SPEAKER: Order!

Mr. Tonkin: I like that!

The SPEAKER: Order!

Mr. ROSS HUTCHINSON: If the Deputy Leader of the Opposition will contain his impatience for a few sentences longer he will know all about it.

Mr. Tonkin: That is what I want to know!

Mr. ROSS HUTCHINSON: And that is just what we would like the honourable member to know. Dr. Ott further advises that the persons for whom the film was made used that segment dealing with mice only, added to it their own sound track, and by implications contained in that sound track and the way in which the film is shown, conveyed the impression that the same result would apply to human cells under the same circumstances. Time-Lapse Research Foundation and Dr. Ott withdrew from the research and refused to continue. I am further advised that the Dental Association of America and the United States Public Health

Scientific Committee have both evaluated this film and are of the opinion that it proves nothing whatsoever about the effect of sodium fluoride when ingested in water at 1 part per million on either mice or men.

In order that members should be able to see how this advice was received I will lay on the Table of the House for one week, with your concurrence, Mr. Speaker, photostat copies of letters addressed severally to—

Mr. J. I. Rodale, Rodale Press, Inc. R.D.2, Allentown, Pennsylvania.

Nasceh L. Shery, D.D.S., Director, Bureau of Dental Hygiene, Department of Public Health, State Office Building, Montgomery, Alabama 36104.

Radio and T.V. Report, being a description of a Walter Cronkite production in which the controversial fluoride film was discussed.

Mr. Ernest R. Anderson, Greater New York Committee Opposed to Fluoridation, Inc., 342 Madison Avenue, New York 17, New York.

These papers, I feel sure, will give the Deputy Leader of the Opposition a great deal of pleasure when he reads them.

Mr. Tonkin: This stuff was all printed in the *Daily Telegraph* last week.

The photostat copies of the letters were tabled.

SHEEP CARCASSES

Branding Regulations: Amendment

12. Mr. NORTON asked the Minister for Agriculture:

- (1) Has regulation No. 36 of the Abattoirs Act 1909-1941 published in *Government Gazette* on the 16th March, 1942 been amended?
- (2) If no amendment has been made, is it intended to amend it?
- (3) Is it still required that any sheep carcass which is sold or exposed for sale as lamb or hogget shall be branded in a continuous series of words from the neck to the rump?
- (4) Is it still required that carcasses of lamb and hogget shall be branded before the head is removed?

Mr. NALDER replied:

- (1) No.
- (2) The question of branding of sheep, hogget, and lamb carcasses is being investigated at the present time.

(3) Yes; although the regulation has not been enforced in respect of hogget.

(4) Yes; with the exception referred to in (3).

UNITED FIREFIGHTERS' UNION

Registration: Objection by W.A. Fire Brigades Board

13. Mr. JAMIESON asked the Chief Secretary:

- (1) By what authority is the W.A. Fire Brigades Board permitted to join in as an objector to the Federal registration of the "United Firefighters' Union"?
- (2) Why has this objection been raised?
- (3) Has the Fire Brigades Board used funds from various contributors, such as the State Government and local authorities, to oppose this application?
- (4) If so, how much has been expended?
- (5) How far is it anticipated that the board will prosecute its objection to the union's application?
- (6) If the Federal registrar grants registration of this union, is it the board's intention to separately or in conjunction with other States fire-brigade authorities, to appeal against such registration to the High Court?
- (7) Could not the funds of the Fire Brigades Board be more effectively spent in fire prevention rather than expended in extensive litigation in fighting the registration of this proposed Federal union?

Mr. CRAIG replied:

- (1) The Commonwealth Conciliation and Arbitration Act, 1961, provides for employers and other interested parties to object to proceedings for Federal registration of a union.
- (2) to (6) The W.A. Fire Brigades Board believes the registration of a Federal union could lead to its involvement in the industrial disputes of other States to the detriment of the public interest in Western Australia.

The costs to the board for objections lodged jointly with other fire authorities are—

		\$
1964	257
1965	2,060
1966	2,601
		<hr/>
		4,918

Until the Federal registrar announces his decision, the question of further legal objections does not arise.

- (7) No. It is considered the money has been spent wisely.

STATE HOUSING ACT

Advances: Increase for Provision of Amenities

14. Mr. JAMIESON asked the Minister for Housing:

- (1) Is there any prohibition under the State Housing Act for advances made by the State Housing Commission for purchase of homes being further increased for the purpose of providing modern amenities such as a hot water system, etc., as is the case with War Service Homes, providing such increase does not exceed the present limit of \$5,800?
- (2) If such a prohibition exists, what are these exact limitations?
- (3) If no such prohibition exists, what is the State Housing Commission policy on such requests?
- (4) If present policy precludes further loan for purposes mentioned, will he examine ways and means of making available finance for such purposes so as to bring, where desired by purchasers, the standard of their homes up to that of those being currently erected for the State Housing Commission?

Mr. O'NEIL replied:

- (1) No.
- (2) Answered by (1).
- (3) The commission policy is to employ, as far as is possible, available funds on the provision of new homes for families awaiting assistance. Where families are purchasing a commission home to which they desire to make additions or improvements, the commission suggests they obtain the additional finance from sources other than the commission.
- (4) Only where, in the judgment of the commission, the family circumstances so warrant.

FLUORIDATION OF WATER SUPPLIES

Authority for Claim of No Harmful Effect

15. Mr. TONKIN asked the Minister representing the Minister for Health:

- (1) Does he agree that basically the safety or non-safety of the continuous ingestion of soft water fluoridated to 1 part per million with sodium fluoride is a scientific question?
- (2) Is he aware that in the *Extra Pharmacopoeia* Volume 1, 1958, the "maximum single or daily dose" of fluoride is given as 0.5 mg.?
- (3) Is he prepared to state a maximum daily dose and give his authority?

(21)

- (4) Is he prepared to comment on the following extract from the *United States Dispensatory*, 25th Edition page 1273:

"For fluoridation of water sodium fluoride or sodium silicofluoride may be used each in sufficient quantity to represent 0.7 to 1 part per million of fluorine. The question of what concentration of fluoride is likely to cause mottling of enamel has not been definitely answered: the original estimate that any concentration below 2 parts per million will not cause this condition has been revised downwards but it is believed that at a concentration of 1 part per million mottling is minimal. (J.A.M.A. 1951, 147, 1359.) In warm weather, when more water is ingested, a lower level of fluorine may be desirable."

- (5) Is not his statement in answer to a question on Tuesday last "No reputable authority considers the controlled fluoridation of water supplies to be dangerous" at variance with the facts?
- (6) Who in the following list of scientists—
 - (a) is not a reputable authority?
 - (b) does not consider the controlled fluoridation of water supplies to be dangerous?
 Professor Hugo Theorell, Sweden (twice winner Nobel Prize).
 Professor D. G. Steyn, Chief Research Officer, Division of Life Sciences, Pretoria.
 Dr. Dagmar Wilson, British research worker in fluorides.
 Professor P. H. Phillips, Chairman, Sub-committee on Fluorosis, U.S. National Research Council.
 Professor J. Earle Galloway, toxicologist. Drake University, Iowa.

Mr. ROSS HUTCHINSON replied:

- (1) Yes.
- (2) Martindale's *Extra Pharmacopoeia* to which the honourable member refers is at present being revised and the new edition is due out next year.*

It is understood that the dosage of sodium fluoride in the new edition will be one to two milligrams daily for the prevention of dental caries and fifty to one hundred and fifty milligrams daily for the treatment of certain bone diseases.

No maximum dose is stated in either the *British Pharmacopoeia* or *U.S. Pharmacopoeia* which are the official authorities on dosage.

- (3) See page 1274 of the *Dispensatory* referred to in question 4.
 (4) and (5) No.
 (6) If the honourable member can furnish me with details of their qualifications and *curricula vitae* together with publications of their work relevant to this subject, I will give the question further consideration.

* Contents of cable from Agent-General in reply to cable from Minister re question (2):

Reply your telegram 26 August re sodium fluoride stop Editor Martindales advises new edition due out 1967 stop Dosage of sodium fluoride considerably changed since 1958 as follows (A) dose in dental caries one to two milligrams daily stop (B) usual dosage in osteoporosis and pagets disease 60 milligrams daily in divided doses with range of 50 to 150 milligrams daily

VENEREAL DISEASES

Notifications

16. Dr. HENN asked the Minister representing the Minister for Health:

How many cases of—

- (a) gonorrhoea;
 (b) syphilis;
 (c) other venereal diseases,

have been notified to the Department of Public Health in the years 1960, 1961, 1962, 1963, 1964 and 1965?

Mr. ROSS HUTCHINSON replied:

Year	Syphilis	Gonorrhoea	Other Venereal Diseases	Total
1960	6	87	Nil	93
1961	17	119	Nil	136
1962	16	283	Nil	299
1963	28	362	Nil	390
1964	11	392	Nil	403
1965	9	453	Nil	462

NURSES

Bonuses Paid by Country Hospitals

17. Dr. HENN asked the Minister representing the Minister for Health:

- (1) What bonuses do trained nurses get for working in country hospitals?
 (2) Are these bonuses subject to taxation?

Mr. ROSS HUTCHINSON replied:

- (1) Country Service Bonus:

North-west:

\$50 for first completed 6 months and every alternate completed period of 6 months.
 \$100 for second completed 6 months and every alternative completed period of 6 months.

South-west:

\$50 for every completed 6 months.

This bonus is in addition to the country service allowance as provided for in the award.

- (2) Yes.

SEWERAGE

Albany: Extension and Cost

18. Mr. HALL asked the Minister for Works:

- (1) What extension will be made to deep sewerage mains in Albany this financial year and what are the areas and the names of the streets where the extensions will take place?
 (2) What will be the total expenditure on sewerage extensions in Albany this financial year?

Mr. ROSS HUTCHINSON replied:

- (1) Sewer mains will be constructed this financial year within the areas bounded by—
 (a) Middleton Road, Seymour Street, Wakefield Crescent, and Surrey Road.
 (b) Hardie Road, Angove Road, Wansborough Street, and Maley Place.

- (2) Total expenditure—\$100,000.

YOUTH CENTRE AT ALBANY

Establishment: Use of Police Boys' Club Funds

19. Mr. HALL asked the Minister for Police:

As the Police Boys' Federation is holding funds raised in Albany in trust for the purpose of establishing a police boys' club at that centre, and as such venture never materialised, would he make representation to the aforementioned body for the release of the funds in trust to the Albany Youth Centre Fund Raising Committee (a body comprising 31 local youth organisations)?

Mr. CRAIG replied:

As the gift in question was made for a specific purpose, it cannot be applied to any other purpose.

EAST PERTH POLICE STATION

Lock-up: Efficacy

20. Mr. TONKIN asked the Minister for Police:

- (1) Are there any grounds for the belief held by some persons that although generally the new facilities for the police at East Perth are excellent, the lock-up section is far from being secure and would present little difficulty to experienced prisoners bent on escape?

- (2) If "Yes," will he endeavour to have the position improved to provide greater security for the protection of the public?

Mr. CRAIG replied:

- (1) and (2) The new facilities at East Perth are excellent. However, some minor difficulties were experienced in regard to the lock-up section. Some of these have been attended to and others are currently receiving attention.

ROAD TRANSPORT OF COAL

Permits

21. Mr. WILLIAMS asked the Minister for Transport:

Recently a permit was given to have 1,500 tons of coal transported from Collie to Bunbury for export to Japan. Can he advise—

- (1) Is it likely this will be followed by further permits to haul larger quantities by road?
(2) If so, to what extent?

Mr. O'CONNOR replied:

- (1) The permit was granted solely for delivery of the sample consignment of 1,500 tons. The applicant has been specifically informed that it must not be assumed that road transport will be authorised for subsequent regular orders.
(2) Answered by (1).

COUNTRY SCHOOLS

Office-Staff Rooms: Provision

22. Mr. KELLY asked the Minister for Education:

- (1) What qualifications are required by the Education Department to warrant the addition of an office-cum-staff room in country schools?
(2) Do any of the following schools have the above facility—
(a) Mt. Walker;
(b) Salmon Gums;
(c) Kukerin?

Mr. LEWIS replied:

- (1) Standards as revised in 1960 provided for a staff room-office in schools of four or more classrooms with a separate office where there are six or more classrooms.
(2) (a) (b) and (c). These schools were built prior to 1960. They have no staff room, but each has an office.

CONCERT HALL

Provision by Government

23. Mr. DAVIES asked the Premier:

In view of the fact that the Government subsidises the W.A. Sym-

phony Orchestra, has any action been taken to ensure that a suitable hall will be available for public concerts in 1967 and future years?

Mr. BRAND replied:

Not by the Government as this is a matter which requires consideration by the Australian Broadcasting Commission.

TOTALISATOR AGENCY BOARD

Credit Betting: Tabling of Opinions on Legality

24. Mr. TONKIN asked the Minister for Police:

As the reference in his reply of the 16th August to legal opinions furnished to the Totalisator Agency Board (which are purported to support the legality of the board's conduct in respect of bets made by telephone) entitles the Deputy Leader of the Opposition to have those opinions made available to him for perusal, will he agree to table copies?

Mr. CRAIG replied:

No; but I bring to the attention of the Deputy Leader of the Opposition that of the two legal opinions obtained on the Act and the regulations as they now stand, a copy of one was made available to him in June last and, as he was then advised, a copy of the other opinion was forwarded to the Leader of the Opposition on the 24th April, 1964.

Betting Tickets: Methods of Payment and Cancellation

25. Mr. TONKIN asked the Minister for Police:

- (1) When a ticket is wrongly machined and consequently refused by the bettor, and through inadvertence is not cancelled and the agent has to ensure payment to the board of the amount of the stake involved—
(a) Is the amount of the stake included in the turnover for the Government revenue purposes and is investment tax collected in respect of the bet?
(b) If a ticket so obtained is a winning ticket, is it paid, and, if so, to whom?
(c) If a winning ticket so obtained is not paid on presentation is it treated as an unrepresented or unclaimed dividend and in due course paid to the Treasurer?
(d) If a winning ticket so obtained is not presented but its existence is known is it treated as an unclaimed dividend and paid to the Treasurer?

- (e) If "No", is it treated as a lost ticket and included in the funds of the board to be paid to racing and trotting clubs?
- (f) Are the board's procedures in the examples cited above based on legal advice or on Mr. Maher's idea of what is just and legal?
- (g) If on legal advice from whom and on what date or dates was the advice obtained?
- (h) Are the board's procedures in these matters subject to outside audit?

Credit Betting: Responsibility for Payment

- (2) When an agent following a telephone call from a bettor who has not established a credit account makes what is purported to be a cash bet with the board on a local trotting race by advancing the money for the purpose and subsequently the bettor does not pay who in such circumstances has actually made the bet and is it a cash bet?

Agents: Entitlement to Bet

- (3) Are agents forbidden to make bets with the board?

Mr. CRAIG replied:

- (1) (a) Yes.
- (b) If the true circumstances were known to the board, then it is probable that payment would not be made on a ticket so obtained.
- (c) and (d) Yes, unless the ticket has been treated as cancelled.
- (e) No; but, if treated as a cancelled ticket, then this would have the effect of increasing the amount of the funds distributed to the racing and trotting bodies.
- (f) The board's procedures are based on both legal advice and what is considered to be just under the particular circumstances applying.
- (g) One opinion was obtained from the board's solicitors, Parker and Parker, on the 8th November, 1965.
- (h) Whilst the board's auditors are free to check any or all of the procedures, a matter of this nature would generally receive the attention of the board's own inspectorial and internal audit staff.
- (2) The bet would probably be recorded and treated as having been made by the bettor as a cash bet.
- (3) Clause 14 of the agreement between the board and its agents

states, "the Agent shall not bet personally with the Board".

Losing and Winning Bets: Policy

- 26. Mr. TONKIN asked the Minister for Police:

- (1) When did the T.A.B. change the procedure which was policy in 1964; namely, that a losing wager accepted by an agent but declined by the collating centre of the board was nevertheless treated as having been accepted by the board through its agent and the stake retained by the board?
- (2) If the policy has been changed was it done on legal advice, and when and from what source was this advice obtained?
- (3) If the board's policy is unchanged with regard to losing bets, what is its policy with regard to bets made on winning horses and under similar circumstances?

Mr. CRAIG replied:

- (1) It is not accepted that the board's policy is as indicated in the question. It is the policy to examine each case separately on its merits and then make such decision as is considered warranted under the particular circumstances.
- (2) The policy as stated above in reply to (1) has not been changed.
- (3) The policy is to examine each such case on its merits.

CARAVAN PARKS

Compliance with Model By-laws

- 27. Mr. GRAYDEN asked the Minister representing the Minister for Local Government:

- (1) How many caravan parks are there in Western Australia?
- (2) Is he aware that many caravan parks have been in existence for many years and were planned and constructed in conformity with the local authority by-laws which existed at the time?
- (3) Is he aware—
 - (a) that the model by-laws relating to caravan parks make no special provision for existing caravan parks;
 - (b) that in the Victorian model by-laws different provision is made for existing caravan parks?
- (4) Does he agree that lack of such provision is an oversight in our model by-laws?
- (5) If the answer to (4) is "No", are our model by-laws intended to be a guide to local authorities in respect of existing caravan parks?
- (6) Is he aware—
 - (a) that for reasons that can readily be established it is

economically impossible for many existing caravan parks to comply with the provisions of the model by-laws;

- (b) that some caravan parks will be forced out of business if the local by-laws or similar by-laws are enforced?
- (7) Is he anxious to ensure that privately owned caravan parks continue to exist in the metropolitan area and, if so, what action does he contemplate to overcome the position in which some caravan park proprietors are currently placed as a consequence of the introduction of by-laws with which it is not possible for them to comply?

Mr. NALDER replied:

- (1) Not known.
- (2) Yes.
- (3) (a) No. Clause 17 of the model by-laws makes provision for a council to register a caravan park which does not conform with the provisions of the by-law if that caravan park was established at the commencement of the by-law. The registration shall be for not more than one year and shall not be extended beyond three years from the date of the commencement of the by-law, except under the provisions of subclause 3. Subclause 3 provides that the council may, with the consent of the Minister, and subject to such conditions as the Minister may impose, extend the registration of the caravan park that does not conform with the by-laws beyond a period of three years, and these conditions shall be complied with by the owner.

(b) No.

- (4) Answered by (3).
- (5) Yes. The model by-law is intended for adoption, with or without amendments, if considered suitable for a district by the council.
- (6) (a) No.
(b) No.
- (7) It is desirable that privately owned caravan parks continue to exist in the metropolitan area, but it is not agreed that it is impossible to comply with the by-laws.

GOVERNMENT BOARDS AND COMMISSIONS

Control by Public Service Act

28. Mr. HALL asked the Premier:

- (1) How many boards of management or commissions are controlled by

the Public Service Act or a Minister of the Crown and what are the names of the respective bodies?

- (2) How many boards of management or commissions are not controlled by the Public Service Act or a Minister of the Crown and what are the names of the respective bodies?

Mr. BRAND replied:

- (1) and (2) A list of the various boards, trusts, commissions, etc., that have statutory powers, was supplied in answer to a parliamentary question last session and appears in *Hansard* at page 2193. So far as I am aware, all these authorities are appointed under Acts of Parliament administered by Ministers of the Crown. The Public Service Act applies to the salaried staff in the following cases:—

Superannuation Board;
War Service Land Settlement Board;
Probation and Parole Board;
National Parks Board;
Bush Fires Board;
Metropolitan Water Supply, Sewerage and Drainage Board;
Town Planning Board;
Metropolitan Region Planning Authority;
State Housing Commission;
Western Australian Industrial Commission;
Workers' Compensation Board;
Nurses' Registration Board;
State Tender Board;
Tourist Development Authority.

SPRAYING OF CROPS

Cases of Injurious Affection

29. Mr. JAMIESON asked the Minister for Agriculture:

- (1) How many known cases of injurious affection have been recorded by the Department of Agriculture as a result of aerial spraying?
- (2) How many known cases of injurious affection have been recorded by the Department of Agriculture as a result of spraying by other than aerial means?
- (3) Are there any known cases in either category in this State where legal action has been successful by the injured party?

Mr. NALDER replied:

- (1) and (2) Reports of plant injury of varying severity resulting from weedicide spraying from aerial and ground units have come to the notice of the Department of Agriculture over many years but

these have not always been investigated and have not been recorded.

- (3) The Department of Agriculture has not been involved in any legal actions concerning spray injury by weedicides and has no records of civil action or private settlements.

QUESTIONS (5): WITHOUT NOTICE

FLUORIDATION OF WATER SUPPLIES

Film Shown by Pure Water Committee

1. Mr. TONKIN asked the Minister representing the Minister for Health:
- (1) Was the anti-fluoride film—the scientific honesty of which he attacked at Bunbury on Thursday, the 25th August—a film dealing with experiments carried out independently by Dr. John Ott at Time-Lapse Laboratories, New York?
 - (2) If "Yes," on what evidence did he base his criticisms—
 - (a) "Vitality important information had been omitted and the film is grossly misleading."
 - (b) "The unshown part of this incomplete study indicates that fluoride added to dental pulp and human heart cells has no effect on these tissues at all."
 - (c) "The Foundation Director had said that the premature and unauthorised release of part of its research study and the intentional withholding of information relating to human cells was misleading."
 - (3) Will he obtain the unshown part of the study and have it shown?

Mr. ROSS HUTCHINSON replied:

Prior to answering the question, just before the word "misleading" in the last part of the quote a word has been left out. The term should be, "grossly misleading".

- (1) and (2) Replies to these were given a few minutes ago as a reply to the question on notice asked by the member for Bunbury.
- (3) No.

SCIENTOLOGY

Menacing Letters to Former Members

2. Dr. HENN asked the Minister representing the Minister for Health:
- With your indulgence, Mr. Speaker, I should explain that more than one of my constituents have approached me during the

last two or three days in connection with threatening letters which they have received from the Hubbard Association of Scientologists International. They have received these menacing letters simply because they have seen fit to disassociate themselves from the Scientologists' organisation.

- (1) Will the Minister take action through the Crown Law Department to prevent the organisers of scientology in Western Australia from writing menacing letters to former members of this organisation?
- (2) Will he expedite his decision on the Anderson report, so that innocent people whose private lives are becoming terrorised may soon know what action the Government will take?

Mr. ROSS HUTCHINSON replied:

- (1) Under State law—no. But the matter could be reported by the recipients of the letters to the Postmaster-General's Department for action under the post and telegraph regulations.
- (2) Yes.

SUBMARINE BASE AT ALBANY

Representations to British Government

3. Mr. HALL asked the Premier:

Will he make representations to the Federal Government, and through that source, to the British Government, to have surveys made at Frenchmen's Bay and Oyster Harbour at Albany, for the purpose of establishing a submarine base capable of handling the British Polaris submarine fleet?

Mr. BRAND replied:

I understand that representations have already been made by the Minister for Shipping and Transport (Mr. Freeth) in connection with a survey of the facilities of the Albany Harbour. I have no doubt this will receive the consideration of the Minister for the Navy, and advice will be given in due course.

FLUORIDATION OF WATER SUPPLIES

Film Shown by Pure Water Committee

4. Mr. TONKIN asked the Minister representing the Minister for Health:
- When the Minister for Health was replying to my question he prefaced his remarks by saying that the word "grossly" had been left out. Does the Minister imply that I left that word out, or can he tell me who did leave it out?

Mr. ROSS HUTCHINSON replied:

I might have been at fault in saying that the word "grossly" had been left out. I am not accusing the Deputy Leader of the Opposition of leaving it out, but in the photostatic copies of the letters the word "grossly" was used before the word "misleading." After I had given this information I saw that the word "grossly" prefaced the word "misleading" in (2) (a) of his question.

V.L.F. BASE CONTRACTORS

Discussions on Position of Australian Creditors

5. Mr. GUTHRIE asked the Minister for the North-West:

- (1) Have there been any discussions between the Minister, or his departmental officers, and the two United States Navy experts visiting Australia to study the position of Australian creditors of the V.L.F. base contractors?
- (2) If so, with what result?

Mr. COURT replied:

- (1) Yes. The discussions were between myself and the two gentlemen sent out for this special purpose.
- (2) These gentlemen were here to study some special aspects of the contracts and the general relationship between the parties. They, of course, could not be expected to make any comment on this matter at this juncture; but I should add that the good offices of the Department of Industrial Development have been offered to assist any of the local parties who might want some assistance in the presentation of their case in respect of Western Australian creditors.

LEAVE OF ABSENCE

On motions by Mr. May, leave of absence for two months granted to Mr. Rowberry (Warren) on the ground of urgent private business, and for one month to Mr. Curran (Cockburn) on the ground of ill-health.

BILLS (2): INTRODUCTION AND FIRST READING

1. Totalisator Agency Board Betting Act Amendment Bill.

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

2. Industrial Lands (Kwinana) Railway Bill.

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

BILLS (2): MESSAGES

Appropriations

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

1. Wood Distillation and Charcoal Iron and Steel Industry Act Amendment Bill.
2. Wundowie Works Management and Foundry Agreement Bill.

STATE ELECTRICITY COMMISSION ACT AMENDMENT BILL

Second Reading

MR. NALDER (Katanning—Minister for Electricity) [5.6 p.m.]: I move—

That the Bill be now read a second time.

There are three amendments contained in this Bill to amend the State Electricity Commission Act. The first one refers to the section that is concerned with the extension of the supply of electricity to a person who is the proprietor of land from a point beyond which the commission does not ordinarily supply power under any other provision of the Act.

This arrangement is known as the contributory extension scheme. Repayment to the commission of the cost of this additional supply may be over a period of 30 years. In order to guarantee repayment and protect the interests of the commission, it has been the practice to lodge a *caveat* over the registered title to the land on which the supply is provided. It is now considered that, for a number of reasons, the lodging of a *caveat* should be dispensed with.

Apart from inconvenience to the consumers, many of whom do not like a *caveat* being recorded on their title, it delays the completion of the agreement with the commission. Additional administrative work is required, and registration fees are payable by the consumer. Should further transactions take place on the title, the *caveat* has to be withdrawn and relodged for this purpose.

The experience gained by the commission since 1959, when the use of *caveats* was introduced, indicates that it is not necessary to continue with this method in order to protect the State Electricity Commission's interests.

The State Electricity Commission is prepared to take a reasonable business risk in supplying farmers and others under the scheme, and considers that its experience with rural consumers has been such that it does not need the added protection of a *caveat*.

The amendment will provide for the applicant to reach agreement with the commission to do any or all of the following:—

- (a) Pay for electricity consumed;
- (b) pay a capital contribution;

- (c) pay quarterly instalments for a period not exceeding 30 years.

The commission is to review the agreement at least every three years and may, if circumstances warrant—

- (a) refund the whole or part of the capital contribution;

- (b) reduce the quarterly instalments.

In any case, the commission will refund the capital contribution at the end of the 30-year period.

Provision is made for the commission to discontinue supply if the applicant fails to pay any instalments or for electricity consumed, or does not carry out any other part of the agreement. There is also provision for reconnection of a disconnected supply. Also, this amendment gives consumers under any other form of contributory agreement, the opportunity to substitute a new agreement under the proposed scheme. These proposals will simplify the procedure and save expense, time, and inconvenience to prospective consumers, and should have no detrimental effect on the operations of the commission.

The next amendment is proposed as a result of financial arrangements made to cover the cost of the proposed new administrative buildings for the State Electricity Commission.

When the commission decided that a new administrative building was required, it became necessary to explore a number of possibilities as regards the finance for it, without calling on the Treasury to provide loan funds or semi-governmental loan allocations. The only feasible proposition which emerged was an arrangement with the Rural and Industries Bank under which the bank would take over the banking business of the commission and advance the funds required for the new building. At present the State Electricity Commission has an account with the Treasury as required by legislation, and its banking transactions pass through the Government of W.A. Account at the Reserve Bank.

The Rural and Industries Bank has agreed to provide an overdraft for the purpose of financing the new building, and, in order to effect this, it is necessary to transfer the State Electricity Commission's banking operations from the Treasury to the Rural and Industries Bank. The amendment proposed will allow the commission to credit its money to an account at a bank carrying on business within the State, and approved by the Treasurer.

Finally, a small amendment is proposed to the third schedule of this Act, which deals with stock in the names of people who have subscribed to State Electricity Commission loans.

Paragraph 6 of that schedule states that a power of attorney may be signed by a stockbroker, and it is to be "attested by

two or more credible witnesses". Many general powers of attorney are witnessed by one witness only, and the Crown Law Department confirms that this is the accepted custom. It is not reasonable for the commission to insist on a special power of attorney being signed for the commission, and some inconvenience is caused to the subscriber. It is therefore proposed that this schedule be amended to allow for one credible witness instead of "two or more".

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

WOOD DISTILLATION AND CHARCOAL IRON AND STEEL INDUSTRY ACT AMENDMENT BILL

Second Reading

Debate resumed on the 24th August.

MR. HAWKE (Northam—Leader of the Opposition) [5.12 p.m.] : This Bill proposes to amend the Wood Distillation and Charcoal Iron and Steel Industry Act of 1943 in some very important ways. In the first place the Act is to be amended to provide for the management of the existing industries at Wundowie to be carried on by a private company by the name of A.N.I. Australia Pty. Limited.

Another amendment lays it down that the provisions of the agreement made this year between the Government and that company are to be supreme whenever and wherever any provision in the agreement is inconsistent with any part of the principal Act.

This Bill also makes provision for the board of management of the Wundowie industries, as that board exists at the present time, to be abolished or superseded and for all members of the present board to be dumped, including the member who is the direct representative of the employees in the industry. The Bill provides for the setting up of a new board to be called the Wundowie Charcoal Iron Industry Board of Management.

The existing board has a membership consisting of Norman Fernie as chairman, Sir Alexander Reid, the Conservator of Forests (Mr. Harris), Mr. Peter Butterworth, and the employees' representative (Mr. Heaps).

The proposed new board will have a membership of only three in the event of this amending Bill being approved by Parliament. Only one of those three members will be nominated by the Government; the other two will be nominated by the company, and one of the two so nominated by the company is to be the chairman of the proposed new board.

It is clear from what I have said the Government is, in this situation, abandoning, completely, control in relation to the management of the industry for the period, or periods, set down in the agreement which is attached to the Bill which will

immediately follow the one we are now discussing. Clearly, the private company concerned will, during the next 10 years, be in full control of the management of the industries as they now exist at Wundowie. It is true too, of course, the Act operates subject to the Minister.

It might be thought the Minister would be in a position to step in to make sure the company did not go too far one way or too far some other way; in other words, the Minister would have the power to prevent the company from doing things it was thought it should not do, and of compelling it to do things it was thought, by the Government, the company should do. It does not require much consideration to realise how difficult situations could arise if the necessity did develop for the Minister seriously to exercise the legal power which the Act will continue to give to him in that situation.

It is clear, too, the right of the employees in the industry to have representation upon the board, in the future, has disappeared. The Government, in consultation with representatives of the company, has chosen to wipe out that principle completely. That is a very backward step. The industries at Wundowie have not suffered in the past but have benefited, I am sure, from the fact that an employees' representative has been a member of the board of management. I am very sorry indeed the Government did not, in its negotiations with the company, agree to continue this principle in operation.

I cannot imagine the company would have had any serious objection to the principle being maintained, and therefore it seems to me the Government is to be censured for having failed to continue the principle of the workers in the industry having a direct representative upon the proposed new board of management. I know the workers at Wundowie, over the years, have had much more confidence in the existing board of management than they might have had by virtue of having one of their own direct representatives on the board.

The representative in question has naturally come into possession of a great deal more information than could possibly have otherwise been obtained by the workers in the industry. As a result he has been able to explain to the workers, from time to time, situations which might have been somewhat confusing to them. I hoped that desirable situation would have continued. I think it stands to reason that under the management of the industries by this private company difficulties could arise.

Naturally, I suppose, the outlook and attitude of a private company in its management of an industry which hitherto has always been under State control could create some situations in which the em-

ployees would wonder what was happening. Without any representation upon the new board of management and without any direct channel of communication from a representative on the board, the workers there will in future, probably, from time to time, be left in a considerable amount of doubt and some confusion as to why this is being done or something else is being done, or why some things they think should be done are not being attempted.

I express my very deep regret on behalf of the workmen concerned that this principle has been so lightly abandoned by the Government in connection with the new board of management which this amending Bill proposes to establish.

There are some other amendments set down in the Bill, but I do not propose to deal with all of them. However, there are two or three others which I want to mention. The maximum amount which could be spent by the present board on any single item in connection with the needs of the industry has been substantially increased from £1,000 to a maximum of \$40,000.

This restriction relating to the maximum amount which the board can spend on any single item will not, in future, be one to be operated by the board; not even by the new board on which the company has a majority of representatives. In future it will be a power to be operated by the company in its capacity as manager of the Wundowie industries. So there has been a very big step up in the single amount which the company may spend at any time without seeking approval from the Minister.

It should be emphasised here that the money to be spent under this heading is industry money, and not company money. The expenditure referred to in this Bill, and in this particular amendment, concerns the management and the running of the existing industries; it has nothing whatsoever to do with the proposed new industry which the company itself will be obliged to set up under the provisions of the agreement which is attached to the Bill which we will consider after this one presently before us has been finalised.

So the company here is being given the freedom of expending industry money, on any single item required to carry on the existing industry, to an amount up to \$40,000 without having to seek approval from the Minister; and the board does not seem to come into it at all. I know it can be argued the company, or its representative at Wundowie, would confer with the Minister regularly in relation to matters of this kind and that when an amount of, say, \$35,000 was involved in the purchase of some new piece of plant or equipment, the Minister would have a knowledge of it and would nod his head one way or the other in connection with it. However, the situation legally would be that the com-

pany could expend amounts up to a maximum of \$40,000 along the lines I have indicated.

It is very interesting indeed to find in this Bill a proposal to give the company power to borrow for the purposes of the existing industries. I cannot emphasise that too much. The company is to be given the power to borrow in connection with the needs of the existing industry, and such borrowing is limited only to the extent that any borrowing proposed has to receive the approval of the Treasurer; and the borrowings have to be made on conditions also first approved by the Treasurer of the State.

The Bill further provides for the Treasurer to have the discretionary power to guarantee any borrowings which the company may make in relation to the existing industries, and also to guarantee the payment of interest and so on in connection with such borrowings. This is quite an extraordinary situation in view of the continued and stubborn refusal by the Government to assist the present board of management, and the present general manager, of the industry to obtain the money for the purpose of assisting the existing industry to finance the establishment at Wundowie of a modern mechanised foundry for the making of castings using hot metal from the Wundowie blast furnaces as the raw material. The Government would not have a bar of that proposal. It did not have the money available from the loan funds to advance £300,000—as it was initially, and \$600,000 as it became later on when our currency was changed—to enable the board of management, or the general manager, to go ahead and, on behalf of the State and the industry itself, establish this foundry at Wundowie.

However, the Government can now easily and readily agree to put into the parent Act a provision which will allow this company, as manager for the existing industries, to borrow moneys with the Treasurer providing all the guarantees necessary for the repayment of those moneys should the industries, in their operations, not be able to finance the loan repayments and payments of interest as those payments fall due from time to time.

I have argued in this House before that the Government could have enabled the existing board of management, and the existing general manager at Wundowie, to obtain the finance, apart from the State's General Loan Funds, with which to have established a modern, mechanised foundry at Wundowie.

I know, as we all know, that deep down there are quite different views and policies in relation to this matter. In fact I would say the refusal of the Government to authorise the existing board of management to go ahead along the lines I have

mentioned was not due to the fact that loan money could not be made available for the proposal, but due to the fact that the Government, and particularly the Minister for Industrial Development, is 100 per cent. opposed to the State carrying on industries of this nature. The Government, and particularly the Minister for Industrial Development, believes this enterprise should be owned by private companies; should be controlled by private companies; should be managed by private companies; and profits arising therefrom should go to private shareholders.

Had the Government and Minister told us last year this was in fact the reason, there could not in fact have been very much argument about it. They are certainly entitled to their policy in this vital sphere of industry. However, when they came forward, as they did, and told us money could not be made available from General Loan Funds to enable the board of management to be authorised to go ahead to establish this foundry, that reason did not ring as truly as it should have done. To my mind it did not ring truly at all.

I quite admit the Government might have been justified in not making any loan moneys available. However, the Government could easily have found ways and means of enabling the board of management to finance the proposed foundry. It could have introduced legislation, as it has done now, to authorise the board of management—the present one—to raise money for the purpose of installing the foundry; and it could have put into the same legislation the discretion to the Treasurer of the State to guarantee the repayment of such borrowings.

I have no doubt all the money required would have been obtained by the present board of management for the establishment of the foundry had that course been followed. We know there are statutory bodies in Western Australia with very large sums of money available. They would not have hesitated to make money available to the Wundowie board of management, provided the guarantee of the State Treasurer had been in support of such borrowings. They would have been a guilt-edged investment from the point of view of the investing authority. However, as I have said, the Government refused to make any move whatever in that direction. It dug its toes in most solidly and stubbornly and decided the industry at Wundowie, as a State-owned industry, was not to be expanded. Unfortunately the Government went ever so much further and decided the industry, as a State-owned industry, was to be disposed of, and under the most generous terms imaginable.

However, this is all part of the story associated with the agreement attached to the Bill which is to follow this one, and

need not be discussed at this stage. I would point out, however, the proposed foundry which is to be established at Wundowie by the A.N.I. company will not legally have to be completed by the company until a period of five years has elapsed. So it is clear the Government could easily have financed the present board of management to the extent necessary to establish a foundry at Wundowie as part and parcel of the existing industry.

Let us say the foundry could, for all practical purposes, be constructed in four years. That would mean not a great deal of money would need to be made available in each of those four years to bring about the establishment of the foundry. I refuse to believe the Government could not have found ways and means of overcoming a comparatively small financial problem of that character. It has overcome ever so much more difficult and complicated financial problems. This was an easy financial problem which, if the Government had had the will, it could have overcome very quickly.

What I have said covers the main amendments contained in this Bill; and there is no doubt this measure is the critical one even though the Bill immediately to follow it is the one which contains the agreement made between the State and the company; and the one which gives to the company lots of advantages and some responsibilities, and gives to the State lots of responsibilities and not many advantages. However, the passing of the Bill now before us will, in effect, more or less automatically mean the passing of the second measure. Members of this House who would approve of the first Bill would almost automatically approve of the second one. Therefore, in my judgment this Bill is not only the prior one in the attention it is to receive from Parliament but is easily and by far the more critical of the two measures.

Because I believe strongly the Government could easily have overcome the financial problems involved in financing the present board of management to enable it to go ahead with the construction of a modern mechanised foundry for the production of castings at Wundowie from local hot metal; and because the Government failed to do that, and in my judgment did not give Parliament the real reason which caused it to refuse, I intend to vote against the second reading of the Bill now before us. As I say, I think this is the test and this is the Bill which should be voted against. In the event of this measure receiving the approval of the majority of members in the House then, obviously, and almost automatically, the second Bill will be approved and opposition in regard to the second Bill, at any stage, would be, more or less, beating the air.

This is the Bill which provides the critical test, and it would be fatuous for Par-

liament to approve of this Bill and disapprove of the second measure which is to come forward; because this Bill, without the other one, would be a most untidy set-up; it would be more or less an unworkable set-up, because the amendments contained in the measure are concerned almost entirely with the proposal to hand over the management of the industry at Wundowie to this private company, and to give the private company all sorts of advantages and benefits, and, as I said before, a few responsibilities, including the big responsibility of establishing the proposed foundry at Wundowie. For the reasons I have given I propose to vote against the Bill at the second reading.

MR. COURT (Nedlands—Minister for Industrial Development) [5.41 p.m.]: The Leader of the Opposition has given his reasons for opposing the Bill, and I agree with him that if the House adopts this measure it is adopting the principles of the second Bill which is the ratifying measure in respect of the agreement with A.N.I. However, it is very important to get this matter into its correct perspective.

In considering the future of Wundowie the Government had three very clear alternatives: One was to expand Wundowie by the allocation of loan funds; secondly, it could have shut the industry down altogether; and the third alternative was to make some arrangement whereby we could have the benefits of a modern, mechanised foundry to take some of the hot metal directly from the works, and to have the industry managed by somebody other than the Government and thus take the financial burden off the State.

Let me hasten to add that there has never been any diffidence on the part of this Government in declaring its support for the private enterprise philosophy. I do not think the Premier, or any Minister of this Government, has ever run away from this particular idea. The Government did not deny it at election time and it did not deny it in between elections.

Mr. Jamieson: You introduced a fair amount of socialistic legislation.

Mr. COURT: Let me just proceed to answer the arguments of the Leader of the Opposition on this particular matter.

Mr. Jamieson: You had a go at it last week.

Mr. COURT: Even if we were not in favour of continuing this industry to the maximum extent practicable by private methods, there are some practical factors that would have to be faced by even a socialistic Government, having regard for the loan fund position that confronts this State in future years.

It is all very well to say that we could have allocated loan funds and that it would not have taken much over the next three

or four years; but I want to emphasise that that is not the end of it. The establishment of a mechanised foundry will cost much more than the minimum prescribed in the agreement; namely, \$600,000. The agreement foreshadows an expansion of the activity and I, personally, will be very disappointed if we do not, over the next few years, see an extension of the foundry and its associated activities which will give Wundowie a new lease of life.

If we can do this without placing a burden on loan funds, surely it is the sensible thing to do in an expanding State where the demand on loan funds for schools, hospitals, water supplies, and the like, is so tremendous. These are the financial problems that the State has to face in the future.

I want also to emphasise the fact—and the Leader of the Opposition was quite fair in emphasising this point—that borrowing powers are subject to Treasury, and the Treasury has to lay down the conditions under which money can be borrowed. Therefore this company, or the board, whichever way one likes to look at it, cannot willy-nilly rush out and borrow money indiscriminately.

There is another factor in regard to borrowing powers which should not be overlooked. With the Loan Council, authorities such as the Fremantle Port Authority, and others, which have been granted borrowing powers in recent years, cannot borrow beyond \$200,000 in any one year. If any one of them wishes to go beyond this figure the Premier has to plead its case before the Loan Council or, alternatively, be prepared to make some of his total borrowings available for the particular authority.

The Premier did, I think, with other Premiers, endeavour to have this figure of \$200,000 extended, but this was not acceptable to the Loan Council on this occasion. So I think it should be evident to members that the borrowing powers that are being given to this industry are, in fact, quite limited; and it was intended by the Government that they should be limited.

Primarily the borrowing provisions were incorporated so that the industry could borrow money for housing. If members will study the agreement provisions in the other Bill—that is the ratifying Bill—they will see that the amount of money that is required for housing is within the compass of the amount which would be authorised for borrowing by the Loan Council and which, presumably, the Treasurer would be prepared to agree to on reasonable conditions for purposes of making housing available; because additional housing to that which would be normally provided by would be required if this industry is to the Housing Commission at Wundowie expand to the extent we want to see it expand.

The Leader of the Opposition referred to the existing board. The change in the constitution of the board was inevitable. Once we changed the constitution of the industry itself, and once we entered into this type of developmental programme with this type of management, it was natural that the form of the board would have to change.

The old board—and I think the existing board will be the first to acknowledge it—would be quite unmanageable under the proposed set-up of an expanding and more diversified industry. This is no reflection on the board, and the board itself does not accept it as a reflection on its activities. I imagine the board regards it as the logical sequence to this type of developmental programme. It is not a question of the board being dumped, as the Leader of the Opposition implied. I do not think the board would regard it in that light anyhow.

Mr. Hawke: I thought it was sacked a couple of months ago.

Mr. COURT: I do not think it was.

Mr. Tonkin: According to the Premier's announcement it was.

Mr. COURT: Whatever individual members might have told the honourable member, I do not think this was the collective view of the board; and it is the collective view of the board with which I am concerned.

The Leader of the Opposition expressed some concern at the fact that there would no longer be a specified employees' representative. I do not think it would be compatible to retain such an appointment under the revised arrangement. There are many bigger industries than Wundowie will ever be which function without an employees' representative on the board of directors, and the unions do not seem to have any serious difficulties in handling the problems on behalf of the men. I am sure they will not have any difficulties in this particular case.

The other point the honourable member referred to was the expansion of the money value for purchases without Ministerial approval; that the board would have discretionary power in respect of the purchase of any particular items. It was intended, I should add, to extend the figure in the old Act had we ever got around to amending the Wundowie Charcoal Iron and Steel Industry Agreement Act. We were not, however, prepared to introduce legislation for one or two minor matters at the time. The £1,000 is completely outmoded in the light of current values. But I think the amount of \$40,000 is a realistic one, bearing in mind that the Government of the day and the Minister of the day have a powerful limit-

ing weapon in the matter; because the company and the industry must function within certain financial limits.

So the management of this industry cannot, willy-nilly, go wild and buy item after item, because it is subject to the limitations of liquidity which it hopes to generate within the industry—and I hope it will generate plenty—and any money the Treasurer would approve for borrowings.

Mr. Hawke: It would not be easy to refuse its requests.

Mr. COURT: This is a matter for the Government of the day, just as it is now. As the Leader of the Opposition well knows, having been a Treasurer and a very tough one, when people came along to him with requests he had to size up whether they should get the money or not. Treasurers down the line have done the same thing.

Mr. Hawke: The new constitution will be very different and much more difficult.

Mr. COURT: There are competing demands in these things, as there are in all the projects the State has undertaken. If the Leader of the Opposition is so concerned about this matter on the one hand then, on the other, he will be pleased to know that this industry will be able to get some money out of the Government if there is a worthy case, and a good reason for the industry to be expanded in any particular sphere; that is as "the industry" as distinct from an extension into the diversifications of a foundry and other pursuits.

Mr. Hawke: I hope it has plenty of success.

Mr. COURT: I do not want to labour the matter, because no doubt the Leader of the Opposition will want to comment in more detail on the agreement to be ratified and the consequence of some of the points in it.

This was a situation in which the Government, I found, had to take some action. The Government had to make up its mind whether it was going to allocate loan funds and extend the activities of Wundowie into a diversified foundry; whether it was going to shut the industry down altogether; or whether it would seek some alternative course.

The Government could not find an alternative course other than the present one, because it could not get an outright buyer who would accept the financial commitments that the Government wanted such a buyer to accept. Nor could we get anybody to operate it on the basis we wanted it operated. Accordingly we chose the alternative of having a management arrangement with somebody else providing the wherewithal to establish a mechanised foundry.

Question put and a division taken with the following result:—

Ayes—23

Mr. Brand	Mr. W. A. Manning
Mr. Cornell	Mr. Marshall
Mr. Court	Mr. Mitchell
Mr. Craig	Mr. Nalder
Mr. Dunn	Mr. Nimmo
Mr. Durack	Mr. O'Connor
Mr. Elliott	Mr. O'Neill
Mr. Grayden	Mr. Runciman
Mr. Guthrie	Mr. Rushton
Dr. Henn	Mr. Williams
Mr. Hutchinson	Mr. I. W. Manning
Mr. Lewis	(Teller)

Noes—16

Mr. Brady	Mr. W. Hegney
Mr. Davies	Mr. Jamieson
Mr. Evans	Mr. Kelly
Mr. Fletcher	Mr. Norton
Mr. Graham	Mr. Rhatigan
Mr. Hall	Mr. Toms
Mr. Hawke	Mr. Tonkin
Mr. J. Hegney	Mr. May

(Teller)

Pairs

Ayes	Noes
Mr. Boveell	Mr. Bickerton
Mr. Hart	Mr. Curran
Mr. Burt	Mr. Moir
Mr. Crommelin	Mr. Rowberry
Mr. Gayfer	Mr. Sewell

Question thus passed.

Bill read a second time.

In Committee, etc.

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

WUNDOWIE WORKS MANAGEMENT AND FOUNDRY AGREEMENT BILL

Second Reading

Debate resumed from the 24th August.

MR. HAWKE (Northam—Leader of the Opposition) [5.59 p.m.]: This Bill seeks parliamentary ratification of the agreement made by the Government on behalf of the State with A.N.I. Australia Pty. Limited. We have been told that in the financial year 1963-64, the existing industry at Wundowie suffered a loss of £13,000; and in the financial year 1964-65 a loss of £178,000.

As against those losses, I would point out the industry made total profits in the four years immediately prior to 1963-64 of just over £200,000. The Minister for Industrial Development told us on a previous occasion that the 1964-65 figure covering losses suffered by the industry was an unfair figure and much higher than it should fairly have been because of certain factors which had all been taken into consideration and brought into account in that financial year.

I notice that for the year 1965-66, stock revaluation has brought about a loss under its own heading of \$277,000. I would think that would be a major part of the loss which the industry suffered last financial year. There, too, I would think it would not be fair or reasonable for the whole of these losses to be debited against the industry's operations in the one financial year.

Mr. Court: Actually they should be extended over quite a period of years.

Mr. HAWKE: I am pleased to have the admission from the Minister himself that these losses, instead of being debited against the industry in one financial year, should have been spread over several years. However, the point I want to make in this situation is that losses are unavoidable in the industry in the circumstances which now exist and which have existed for three or four years past.

The Wundowie industry in regard to charcoal iron production is in very much the same situation as the goldmining industry in Western Australia; and most members of this Assembly are aware of the extremely difficult situation which the goldmines in this State face, except, possibly, three or four of the very big and profitable goldmines. The situation of the goldmining industry and the situation of the Wundowie charcoal iron industry is, briefly, that for some years now both industries have been involved in meeting higher costs of production because of increasing wages, salaries, and costs of materials which the industries have to buy in. At the same time, both industries have been suffering on the income side from a market price factor which keeps the price received for the product—gold in the one instance, and charcoal iron in the other—at about the same figure.

I think most members are aware that the great majority of the charcoal iron produced at Wundowie is exported to overseas countries. The price received in the overseas market for charcoal iron has been at about the same figure over the last four or five years. Unavoidably, in that situation, the Wundowie industry has found the costs increasing each year and the total income staying at about the same figure. Clearly, there could only be losses coming to the industry after that situation had been in existence for one or, say, two years.

The situation has now been in operation for several years and, consequently, the industry, as at present established and operated, has had no chance of making up the leeway between substantially rising costs on the production side and no increase in the prices to be received for the major part of its total production of charcoal iron.

As I said in connection with the previous Bill, the existing board of management and the existing general manager were very worried about the situation which had developed and were anxious to do something or have something done to remedy the situation. Their anxiety was to expand the industry in order that the raw product at Wundowie could be treated locally and much of it manufactured into castings so that for a lot of the production a higher price might finally have been received than is possible with the industry in its present condition.

For reasons I have already given to the House in connection with the previous Bill, the Government did not see its way clear to support the board of management or the general manager. The Government, in fact, constantly refused to authorise the board of management to do anything at all along the lines of obtaining finance with which to establish a modern mechanised foundry for the manufacture of castings from hot metal produced in the furnaces of the Wundowie industry.

The Minister, this afternoon, told us the Government had only three alternatives open to it when it refused to assist the board of management financially in the direction I have indicated. I think the Government had only one alternative open to it which it was willing or prepared to follow; that is, the alternative which the Government has accepted and which, in principle and in detail, is included in the agreement now before us.

I think the Government did not give any consideration at all to the other two alternatives which the Minister mentioned. I think the Government and the Minister constantly refused to accept the proposal for a foundry as put to it by the board of management. The Minister clearly saw much merit in the proposition. He realised the foundry proposal was one which would not only have considerable merit in regard to stabilising the existing industries at Wundowie, but would have considerable merit also in regard to profitability after it was completely established and in operation. So the Minister quite naturally I suppose, in the circumstances, set to work to find a buyer for this proposition which had been developed and submitted to him by the existing board of management and by the existing general manager.

No doubt the Minister, on behalf of the Government, tried to sell the whole industry as now existing and operating at Wundowie. In addition to that, he had this other very good selling point of the merit and profitability of establishing a modern, mechanised foundry for the production of castings at Wundowie. The Minister was not able to sell the industries as they now exist, but he was able to make the arrangements as set down in the agreement which is attached to this Bill; and this agreement, among many things, does provide an obligation upon the company to establish at Wundowie a foundry of the type I have mentioned.

The minimum capital cost of this proposed foundry is \$600,000. The company is to be given a period of five years in which to carry out the full establishment of the industry and is not called upon to spend more than \$150,000 on the project by the end of June, 1968, if my recollection in that regard is correct. It might very well be the total cost of establishing the foundry will be higher than the

figure we have been given. It might also be the company will find it advisable to complete the installation of the foundry in a period shorter than five years.

I would think the representatives of the company in this State, who, to some extent, would be its advisers, would, in their early period of management of the existing industry, be finding their feet, and would be assessing the situation which would be likely to develop after the foundry had been completed and put into operation; and no-one, of course, could blame them for following a careful and sensible attitude in that regard.

I would think that in the early stages of the management of this industry by the company or its representatives they would be relying very heavily upon the top men at Wundowie who have been associated with this industry for several years. They would be relying very heavily, I am sure, upon the general manager; and he would be teaching them, if I am not mistaken, all there is to be known about the industry—about its technical side, and its general operation. Therefore I would think, in the early stages, the company should be paying the State some money.

Mr. Court: We are getting very good value. They are putting a lot of top level brains into this now.

Mr. HAWKE: I am not quarrelling with that at all. I am not even thinking of denying it. I claim, however, the company is receiving a great deal of valuable information, advice, and practical experience from the top men in the industry at Wundowie who have been associated with it for many years.

It has to be remembered the State pioneered this industry in Australia; and some of the men still associated with the industry have been there right from the beginning. They know of the initial troubles and difficulties; they know the history of the industry; they know a great deal indeed about the technical side of the industry; and they also know about many other phases of the industry. Their knowledge and practical experience must be of tremendous value to the company.

I would say these men are giving to the company far more value in advice and practical knowledge and experience than the company could possibly give to the industry at this stage. Later on, no doubt, when the company's direct representatives in this State have had experience at Wundowie and have come fully to absorb what is involved in the running and management of this industry, they will be able to return to the existing industries much of what is being given to them in advice and practical experience today by the leading men in the Wundowie industry.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. HAWKE: The initial period of management by A.N.I. (Australia) Pty.

Limited is 10 years. The management fee to be paid to the company is \$35,000 for the first year, and this fee is payable monthly. The management fee will be on a reducing basis and will come down by \$7,000 in each year following the first year.

The assistant Minister for Railways, who made the second reading speech when introducing this Bill on behalf of the Minister for Industrial Development, told us this reduction of \$7,000 per year—after the first year—would operate until the management fee was extinguished altogether. I think that is only partially correct; because, in the appropriate part of the agreement, there is provision for the management to receive a minimum payment per annum of \$15,000. It will be seen by taking the fee of \$35,000 for the first year and reducing it by \$7,000 for each succeeding year, until it is extinguished, the management fee payable will be extinguished—according to my reckoning—at the end of the fourth year. It could be thought that after the fourth year, the management would then receive nothing for its management services.

The appropriate part of the agreement in connection with this matter is clause 5 at page 9. At this point of the agreement there is a marginal note, "Remuneration of manager". I wish to read the appropriate parts which are—

5. (1) The Company shall be entitled to the following remuneration for its services hereunder, namely—

- (a) for the first year a fee of Thirty-five thousand Dollars (\$35,000) reducing by Seven thousand Dollars (\$7,000) each year thereafter, plus
- (b) twenty per cent. (20%) of the improvement in trading result of each year of the Company's management over the adjusted trading result of the year 1965-66 (hereinafter referred to as the "base year") plus
- (c) the amount by which the remuneration calculated pursuant to paragraphs (a) and (b) of this subclause is less than \$15,000 in any year.

Clearly, therefore, should the provision for 20 per cent. of the improvement in trading results each year to be paid to the company not develop, the company would still be entitled to a minimum of \$15,000 per year. I think my reasoning—

Mr. Court: That is so.

Mr. HAWKE: —in connection with this part of the agreement is correct.

Mr. Court: I am trying to check through *Hansard*. The notes used by the Minister for Transport made reference to a minimum fee payable and this was \$15,000 in any year.

Mr. HAWKE: In his speech, the Minister for Transport did refer to the 20 per cent. and did refer to the minimum of \$15,000. However, when referring to the first year fee of \$35,000, reducing by \$7,000, he went on to say "until the amount is extinguished." The \$35,000 proposition is extinguishable provided the company does improve the trading result of the industry each year under this 20 per cent. "take" arrangement; but, should the 20 per cent. "take" arrangement by the company not develop at all, and certainly should it not develop to at least \$15,000 a year, then the company in return for its management services would, in any one year in the 10-year period, be entitled to receive at least \$15,000.

Mr. Court: That is right.

Mr. HAWKE: I think this clears up that part of the proposal satisfactorily.

There has been a write-off of \$2,200,000 in connection with the fixed capital of the industry. It will be agreed a write-off of this magnitude is very heavy, particularly when one takes into consideration the fixed capital of the industry which then remains, that figure being only \$800,000.

I refuse absolutely to accept this written-down figure. Any member of this House—no matter whether he is on our side or on the Government side—who has visited Wundowie and inspected the industry would surely agree a fixed capital value of \$800,000 is ridiculously low.

In addition to the charcoal iron industry, there is the wood distillation side, the timber mill, the land, the buildings including the office block, private land which was bought by the industry because it was so heavily timbered that it enabled the industry to obtain its timber from that land, forestry rights held by the industry, iron ore rights, and other rights associated with the industry. Although it might be argued some of these are not fixed capital and, in true accountancy practice, they would not be fixed capital, nevertheless it would have to be admitted all these things would have to be considered as having money value in the event of the total industry being offered for sale to any company or individual.

It is farcical for anyone to suggest the total sale value of this industry is only \$800,000—or, in the old currency £400,000. I know it could be argued the industry is a losing proposition and therefore it has no attractive sale value at all in its present situation and could only have an attractive sale value in the event of an upward movement in world prices for charcoal iron, or in the event of a modern, mechanised foundry being established as part of the industry and being operated in relation to it. Nevertheless, in my view the assets of the industry, as they are today, would be worth well over double \$800,000.

In this regard it has to be remembered the proposed foundry is to be established.

Certainly the foundry will be owned by a private company and the industry owned by the State unless, in the meantime, the company exercises its option to purchase the industry. The foundry without the industry would be worthless and the industry without the foundry would not be profitable. The foundry is not necessarily a guarantee of the industry becoming profitable in itself after the foundry is established and comes into operation.

Again I stress the point of the foundry having no hope of operation at all, and certainly no hope of profitable operation, should the charcoal iron industry not be there to serve its raw material requirements. I do not think one can separate the one from the other. I do not think one can logically say, "The value of the charcoal iron and its associated enterprises must be written down to a ridiculously low level because the charcoal iron industry is not capable of profitable operation under present conditions." I think one has to take the two propositions together; because, should the company decide to exercise its option and purchase the charcoal iron industry, then the industry will have a tremendous value to the foundry as, without it—as I said earlier—the foundry could not operate.

I would think the fixed capital of the industries as they now exist at Wundowie would be not \$800,000 but two and a half times that amount.

I have already discussed the obligation upon the company to establish this foundry at Wundowie at a minimum estimated capital cost of \$600,000. It is estimated the foundry will have a throughput of at least 6,000 tons per annum. Most of the castings to be made in the foundry are to be sold outside of Western Australia.

At this stage it would be appropriate to say the present industry at Wundowie established a foundry of a kind and produced very satisfactory castings from charcoal iron. I understand this foundry was established under difficulty and, because of that, also operated under some difficulty. Nevertheless, the fact remains that a foundry of a type was established and excellent castings were produced by it. So I would think there is not any possible doubt of the success of the proposed new foundry when it is established.

As far as I can judge from the appropriate parts of the agreement, the industry would not benefit from the operations of the foundry except from greater production, presumably, or from a greater output of charcoal iron. As I interpret the agreement, the industry would not make a profit from the goods and services it makes available to the foundry. In other words, the charcoal iron and the services of the industry to be made available in connection with the foundry are to be made available at cost, or very close to cost.

Mr. Court: The intention is really to try to get some more suitable products in view of the problem you mentioned earlier; namely, the world market, which is a very precarious one for charcoal iron.

Mr. HAWKE: Yes; but although the objective is praiseworthy enough, and I add my praise to it, surely the existing industry which is to supply the raw material to the foundry should be entitled to some margin in its operations! The existing industry at Wundowie will still be owned by the State, although managed by the company. The State, through the company, will still be responsible, basically, for the industry in relation to its good or bad financial result. Let us say, for a moment, the charcoal industry at Wundowie is not owned by the State, but by the Minister for Industrial Development.

Mr. Court: That is one thing that will never happen.

Mr. HAWKE: A company comes along and establishes next door to the Minister's charcoal iron industry a modern, large-scale, mechanised foundry to produce top-grade castings. Can anyone imagine the Minister for Industrial Development selling this company charcoal iron at cost price—

Mr. Court: He would try to get as much as he could for it, the same as anybody else.

Mr. HAWKE: —and making all the products from the industry available to the private company at cost?

Mr. Kelly: I cannot see it.

Mr. HAWKE: As one of my colleagues has just whispered, in the words of George Bernard Shaw, "Not so-and-so likely." However, that is just an illustration to highlight the circumstances in which the State-owned industry is being placed by the Government by the provisions of this agreement.

As I said earlier, the State pioneered these industries at Wundowie—the charcoal iron industry in particular—and it took a great risk in so doing. It was an extremely creditable achievement, even if all the financial results are taken into consideration. It was a decentralised industry. It was using, almost totally, local materials from within Western Australia. It was pioneered by citizens of this State who were educated, technically and otherwise, in our schools and in our university. I would have thought, in view of all that, if for no other reason, some more reasonable consideration would be given by the Government in relation to some of the provisions in this agreement.

The agreement makes provision for the construction of new houses which, presumably, are to be in addition to those which would normally be constructed at Wundowie by the State Housing Commission. In a town or community of that population

there is, all the time, an increasing demand—even though only a small one—for more and more homes to be built. With the establishment of the proposed foundry at Wundowie there will, of course, at certain stages, be a considerably increased demand for houses. So there are provisions in this agreement for the industry to have power to borrow for housing; not the company, but the industry. Not more than \$200,000 per annum is to be borrowed for the building of homes; and this, on an average, would work out at about 30 houses per annum; not more, I should think.

The agreement gives an option to the company to purchase the industry, and the suggested figure—if I might put it that way—is \$800,000, although one provision in the agreement appears to give the company the legal opportunity to write its own ticket. This may be conditioned by some provisions in the agreement which follow the one I am talking about and which are rather complicated and would take a great deal of understanding. If members will turn to page 25 of the Bill they will see the heading, "Part IV—Options of Purchase," with a marginal note, "Option for company to purchase Industry," and underneath is set out clause 33 of the agreement.

I do not propose to read the whole of clause 33 because that is not necessary to emphasise the point I have just made. In essence, the clause gives the company, or its nominee, an option to purchase the industry at any time during the first term of 10 years—or the renewed term if that stage is ever reached—and such option shall be exercisable by the company giving notice to the Minister, accompanied by a blank cheque in favour of the State for 10 per cent. of the purchase price as then estimated by the company. It does not even state here whether this blank cheque is to be signed. Whether that is an oversight on the part of the draftsman, I am not quite sure.

However, I would like the Minister, when he is replying to the second reading debate, to clarify this point. I cannot imagine the Government has given the company the legal authority to write its own ticket.

Mr. Court: Certainly not!

Mr. HAWKE: I understand the company, by exercising its option, cannot purchase the industry for less than \$800,000. Should the company exercise the option at some stage and purchase the industry at \$800,000, it will indeed be obtaining ownership of the industry at about half price, or less, in my view. Members who have not read the agreement will probably be surprised to know it contains a provision which gives an option to the Government to purchase the foundry. I am not sure who has been pessimistic in this direction.

Mr. Tonkin: It will not be on the same valuation as the works.

Mr. HAWKE: I am not sure whether the representatives of the company have some doubts in their minds about the foundry being made to operate profitably; and I am not sure whether the Minister for Industrial Development has that type of doubt in his mind. However, in all the circumstances, it does appear to be a strange provision to put into the agreement.

Mr. Court: It is to protect future Treasurers.

Mr. HAWKE: Instead of the Wundowie industries becoming desocialised—if one can put it that way—the future may bring about a situation in which the socialised industries at Wundowie will be increased in strength, and in extent, because some Government in the future may exercise this option to purchase the foundry for the State. That would be a full turn of the wheel in every sense of the term.

The Minister who introduced the second reading of this Bill told us the foundry would be established without cost to the Government. As he said earlier, the price of \$800,000, which is set down as a likely purchase price for this industry, is, in my view, at least \$1,000,000 below the fair and reasonable price based on the value of the industry as it will be after this foundry is put into operation, and especially when it is put into full operation.

So, although it is possible to argue on the one hand the company will, within its own capital resources, establish the foundry, it is hardly logical to claim the foundry will be established without cost to the Government, because should the company exercise its option to purchase the existing industries at Wundowie then the State would suffer a great loss in my view. In addition, it has to be remembered the State will have to continue paying interest on the amount of fixed capital written down. We are aware Governments very rarely extinguish loans except by the traditional method used by Governments; that is, paying off one loan by borrowing an equal amount.

So the amount by which the fixed capital of the industries has been written down does not wipe that amount out of existence and out of operation; it is still money which has been borrowed by the State in connection with the industry in the past and it will remain there for all time unless some miracle occurs at some stage in the future relating to Government finance; and the taxpayers of Western Australia will, from year to year, have to pay a fairly large sum of interest, upon the amount written off, the same as we are still paying, and will continue to pay for years ahead, the interest in connection with the sale or the give-away of

the State sawmills and brickworks by this Government to a private company.

There are one or two provisions in the agreement to which I wish to make some brief reference. For instance, I notice under clause 9 of the agreement, on page 15 of the Bill, there is to be no withdrawal of Government loans, profits, or sale of assets without the consent of the company. In clause 10 of the agreement it is provided as follows:—

The State shall give due consideration to any request by the Company for the State to increase its Capital Account No. 1 by making further capital moneys available to the Industry to provide funds for capital expenditure proposals not capable of being financed from funds available within the Industry.

In view of the attitude of the Government towards the request by the present board of management for additional funds for capital works, as proposed by the board of management, I am inclined to wonder where the Government will obtain this additional capital money, when requested by the company. I realise the clause provides the State shall give due consideration to any request made by the company in this respect. Maybe some members on the Government side consider this is an absolute safeguard for the Government; in other words, the Government is not compelled by the provisions of this agreement to accede to each and every request which the company might make along these lines. However, the Government will be in a position of great weakness in the event of such requests being made by the company from time to time. The Government could not possibly be in a weaker position.

Under the agreement the company is put in total control of the management of the industry, subject, as I said previously, to the Minister. In six months' time the company might quite legitimately make a request to the Minister for \$100,000 or \$200,000 for some adjustment, improvement, or addition to the existing industries. Where will the Government get that money?

Mr. Court: We do not have to provide it.

Mr. HAWKE: I know the Minister does not have to provide it.

Mr. Court: We will provide the money if we think the request is warranted.

Mr. HAWKE: Where will the Government get the money?

Mr. Court: Like all Governments in the past, this Government will make up its mind if it can afford the money.

Mr. HAWKE: That is not so easy to do. I am warning the Minister that by the insertion of a clause of this description

he is putting the Government in the weakest position imaginable.

Mr. Court: That is not so.

Mr. HAWKE: The Government appears to have tremendous confidence in this company, otherwise it would not have given over to it the management, rights, and powers which are conferred under this agreement. I have nothing against the company; I wish it success; but I will judge it by its results. I am sure the company will not want more from me, or anybody else, on that score.

By virtue of the Government putting the company in the position of having total managerial responsibility, it could not at any stage dump the company by refusing a request for \$200,000, as this would immediately be an absolute vote of no confidence in the judgement of the company.

Mr. Court: Not at all.

Mr. HAWKE: What would it be?

Mr. Court: The company might make a request for funds because it would like something to be done in a particular way; but the Government may not see fit to provide the capital. As long as the company produces the metal, that is the extent of the liability.

Mr. HAWKE: Can it be imagined for one moment that this responsible company will put up a request to the Government for \$200,000, simply because the company likes to do so? The Minister is in effect suggesting the company is irresponsible in putting up such a request, simply because it likes to do so. Nothing could be sillier. The company would put up such a request only after it was satisfied, beyond doubt, the proposal contained in the request was absolutely essential to the stabilisation of the industry. In my view, looking ahead, the Government would have no option but to grant such a request and provide the funds, otherwise the Government would put the company in a very embarrassing position.

Mr. Court: There might be many occasions when the company would say, "This is a better way of doing it." We would have to accept the fact that it could not get it done any other way.

Mr. HAWKE: I am not talking about the time when the company might put up a request for funds to implement a better way of doing something, and the Government could legitimately reply, "This is a better way, but we cannot afford the money." I am talking about the occasions when the company, out of sheer merit and sheer necessity, would put up a proposal or request to the Government in the absolute interests of the industry.

Mr. Court: In that case you would want us to agree to it, I imagine?

Mr. HAWKE: I would certainly want the Government to agree.

Mr. Court: Then I do not know what you are worried about.

Mr. HAWKE: I am worried, because the Government might say it did not have any funds available. As time goes on, as the population increases and the State leaps ahead, there will be less and less opportunity for making money available to the industry. That has been the argument of the Minister hitherto in trying to justify the refusal to provide funds to the present board of management for putting in the foundry. I tell the Minister straight: He is putting the Government in the weakest position imaginable by agreeing to clause 10 of the agreement, not to mention some similar clauses to which I might make reference later on—if not during the second reading, then when the Bill is in the Committee stage.

Clause 11 of the agreement provides the company may from time to time advance and make loans to the industry which shall bear interest at bank rate, etc. This is an interesting possibility, and I hope it develops. It would save the Minister for Industrial Development many headaches. Instead of the company putting up a request to the Government for \$200,000 for the purpose of extension, expansion, or modernisation, it might say, "To reduce production costs, we want to modernise this particular section of the plant and it will involve \$200,000. Instead of you worrying your hair white, and maybe losing some of it altogether, by rambling around to try to find the \$200,000, we will lend it to you or to the industry." I think I am giving the Minister some very good advice, free of charge, on that point.

I have already referred to the great advantages which will go with this industry to the company, should the company at any time exercise its option; and many of these are set down in some detail in the agreement. It is not necessary for me to go through it again. I notice under clause 22 the company may return to the industry scrap metal arising from its operations at the foundry, and the industry shall receive the same and pay to to the company for such scrap metal the equivalent of 60 per cent. of the price payable by the company for hot metal. I would not think this was a very good proposition from the industry's side.

Mr. Court: The industry thinks so.

Mr. HAWKE: Who is the industry?

Mr. Court: The present management; or, rather, the management before the 1st July actually worked out the formula for me.

Mr. HAWKE: I would like the Minister to give us some comments in justification of this. On the surface it looks to me as if the industry is not on the winning side,

but I am wide open to conviction, and I will be pleased to hear what the Minister has to say. I have already referred to the clause which provides the State shall cause the industry to supply to the company at cost to the industry such existing services of the industry as are necessary for the proper operation of the foundry. The foundry company is getting by far the best of the argument. Why the industry should not be permitted to charge something above cost I am at a loss to understand, if this is supposed to be a business agreement.

Mr. COURT: You have to read beyond that, because we actually show an advantage out of the sharing of overheads, which we would not otherwise share.

Mr. HAWKE: All I can say in reply is the State will need to show a tremendous advantage in relation to sharing overhead costs, in order to justify a proposition of that type. I have already referred to the option which is given to the company to purchase the industry, and to the rather seemingly funny option in the agreement which gives the Government the opportunity to purchase the foundry should the company wish to dispose of it at any particular time.

We on this side contested the previous Bill, because we considered that was the crucial measure and the critical time to test the House in respect of the whole matter. A substantial majority of members agreed this agreement should automatically be approved, so there is no sense or reason in extending our opposition any further. What Parliament has so far decided makes it unavoidable for Parliament also to accept the Bill which is now before us—and this, of course, means the acceptance of the agreement.

MR. GRAYDEN (South Perth) [8.14 p.m.]: I support this Bill because it is a Government measure. Whilst I do so, in view of the fact that we are disposing of an asset of the State, I believe it behoves members to have a very good look at the Bill and, if they think fit, to criticise it. There are some points in respect of the Bill which I think should be criticised. Therefore I intend to do so, though briefly.

The first point is that this is an extremely complex Bill, yet it has only been before us for two or three days. I would say this: Very few members of this House have been able to read it or, if they have read it, to understand it. The Bill is couched in legal terms, and in terms which possibly could only be understood by an accountant.

I daresay that a lawyer would require some weeks in which to study the Bill before he became fully conversant with all its implications. I do not think that any member of this House, with the possible exception of the Minister who is handling the Bill, would be competent to

say whether or not it is in the interests of the State. That situation should not apply. When a Bill of this magnitude is introduced, it should be accompanied by the most voluminous details to enable members to have a far better idea of whether, by agreeing to it, they are acting in the best interests of the State.

To illustrate what I mean by lack of information, may I say that here we have a business which has been written down by \$2,200,000. We are told it is necessary to write it down by this huge amount to a figure bordering on \$800,000. We do not know whether or not that is a reasonable proposition. We have to accept the statement that it is. I imagine that if we members had been given an opportunity to go to Wundowie, such as we were given to go to the north-west some months ago, and if we had been able to have a good look at the industry and talk to the staff, we would be in a much better position to say whether or not at this stage we should be approving this agreement.

This may be an agreement which is in the very best interests of the State and of the industry at Wundowie; but no member in this House, with the exception possibly, as I have said, of the Minister, and of the Leader of the Opposition, who represents the electorate in which the industry is established, would have much idea about it. That is the first point on which I wish to criticise the Bill.

The second concerns the option which has been given to the company. I do not like options at any time; and I do not think there is a single business in Perth, the management of which would sell that business on a 10-year option, as is being done under this agreement. Actually the provision in the Bill is for the company to operate for 20 years in a managerial capacity, provided it determines at the end of 10 years that it will purchase the business some time in the future.

In addition the agreement contains clauses which allow for variations to enable the Minister to extend any of the times stipulated in the Bill. Therefore we have a Bill which provides for a 10-year option as a minimum and also an opportunity of extending it. In the natural effluxion of time anything can happen to an industry of this kind. In the circumstances I feel we should criticise the fact that the industry is being sold with an option of this kind.

Regarding these variations, two clauses allow the parties involved, or the Minister, to vary the agreement. Here Parliament is studying an agreement. We will give it a lot of consideration and, no doubt, will agree to it. But it contains clauses such as clause 41 which reads as follows:—

41. The parties hereto may from time to time by mutual agreement in writing add to cancel or vary all or

any of the provisions of this Agreement or of any lease permit license or right granted hereunder or pursuant hereto for the purpose of more efficiently or satisfactorily implementing or facilitating the carrying out of any of the objectives or provisions of this Agreement or for the purpose of facilitating the carrying out of the operations of the Industry or the Company hereunder.

So we have a clause which enables the parties involved, by mutual agreement in writing, to cancel every provision in the Bill; and therefore it is not worth our while devoting a great deal of our time to it. Another clause reads—

Notwithstanding any provision hereof the Minister may at the request of the Company from time to time extend any period or date referred to in this Agreement for such period or to such later date as the Minister thinks fit and the extended period or later date when advised to the Company by notice from the Minister shall be deemed for all purposes hereof substituted for the period or date so extended.

So we have in the Bill these clauses which provide for variations and which virtually nullify the agreement. It is not an agreement at all. The parties involved, or the Minister, may alter it how and when they please.

Another criticism I have of the Bill is that it purports to be one thing when, in fact, it is another. The Minister, when introducing the Bill, went out of his way at the very outset to say this:—

The agreement we have negotiated leaves Wundowie as a Government-owned instrumentality managed by A.N.I. (Australia) Pty. Limited.

That makes it very clear that the agreement is to be negotiated in a way to ensure that Wundowie is a Government-owned instrumentality, managed by A.N.I. The Minister made a similar statement at the end of his speech, as follows:—

The industry remains in State ownership, and a modern foundry—which will be a tied customer for the industry's pig iron—will be established without cost to the Government.

The point I want to emphasise is that the Minister stated that the industry will remain in State ownership. That, of course, is not the position; because an option is given, and, at any time while the company is managing this business, it can purchase it for the figure of \$800,000 or thereabouts—possibly a slightly increased amount, but a minimum of \$800,000.

Therefore we should be dealing with this as an outright sale. It is being sold at \$800,000, or possibly \$1,000,000. It will

certainly be at a figure not less than \$800,000.

I dislike legislation which purports to be one thing and is, as I have said, in effect, another. It may not be of consequence in connection with this particular agreement, but we do get this consistently in one form or another; and, as far as I am concerned, it is too easy to give the wrong impression when that sort of thing is done.

Another criticism I have of the Bill is that it has not been widely advertised. Someone somewhere along the line stated that all sorts of efforts and attempts were made to persuade a company to do something with Wundowie. We have simply to accept that statement. I would have preferred the Minister to tell us that advertisements were placed throughout Australia, and, indeed, throughout the world, and then to give us the details of the firms which had been approached; but again we are asked to accept the statement that all sorts of attempts have been made to interest a company in the carrying on of this industry.

I do not think that is good enough when we are dealing with an industry which belongs to the State. If this was a public company and I as a shareholder was confronted with this information, I would reject the offer without hesitation. I do not think that members should be placed in this position. In my opinion A.N.I. fares extremely well under this Bill. It has an option to purchase a huge industry at a figure in the vicinity of \$800,000. In addition to this, the State has a certain number of obligations. It must raise funds for homes; it will carry all sorts of obligations in respect of, say, decentralisation. In regard to decentralisation, I feel I should read the relevant clause, which is clause 29, as follows:—

29. The parties hereto acknowledge that one of the purposes of this Agreement is to preserve a decentralised industry and foundry at Wundowie and with that intent the State undertakes to use reasonable endeavours from time to time to compensate the Industry and the Foundry for the disadvantages of decentralisation to the extent considered necessary by the Minister.

That is a very sweeping clause and all sorts of arrangements can be made under the authority it contains. The State also enters into other obligations. For instance, if the State exercises an option to purchase the foundry, the following clause applies:—

If such option is exercised the State undertakes with the Company not within a period of ten years thereafter either to sell the Industry to any other party on terms and conditions more favourable on the whole to the purchaser than those on which the

Company could have purchased the same by exercising the option contained in Clause 33 hereof or to conduct the Foundry as a Government instrumentality.

Then we enter into even further obligations. In return for this option to purchase at \$800,000, or thereabouts, and in return for all these other obligations incurred by the State, A.N.I. will manage the industry at a managerial figure of approximately \$105,000 over a period of five years, plus 20 per cent. of any improvement in the trading result. I would suggest that these trading results could be tremendously marked and the company could, in the circumstances, be on a very good thing indeed.

I want to conclude my remarks by directing a question to the Minister for Industrial Development, because we should have more information before we approve an agreement of this kind. I want to know the likely effect the standard gauge railway will have in respect of this industry. For the last few years Wundowie has been transporting 100,000 tons or so of iron ore from Koolyanobbing to Wundowie on the old railway line at a pretty solid freight rate which was, I think, the "M" rate less 25 per cent. That 25 per cent. was a subsidy by the Treasury Department paid to the railways. It was not actually a concession by the railways but was paid by the Treasury Department to the railways and applied in respect of all low-cost ores whether transported for Wundowie, a prospector, or a manufacturing company.

I do not know what the rate was exactly, but it would have been in the vicinity of £2 10s. With the advent of the standard gauge railway it will undoubtedly be possible for the ore to be carted at a greatly reduced rate. I do not know what the rate will be but it could be in the vicinity of 12s. 6d. a ton from Koolyanobbing to Wundowie. These figures might not be right. I am simply asking the Minister to elucidate this point, because if it can be established that Wundowie will be able to cart the ore from Koolyanobbing at a saving of £2, or \$4, a ton, it will involve an immediate saving of, perhaps, £200,000 or \$400,000, assuming that the industry continues to cart 100,000 tons of ore per year.

If there is a saving of £1 per ton as a consequence of the standard gauge railway, it would amount to £100,000, and that, in all probability, would offset the losses. I am not suggesting this as an argument not to go ahead with the Bill; but I am suggesting this is a most important factor if we, as a Parliament, are contemplating selling this great industry. Surely we should know something of the savings which must be effected as a result of this switchover to the standard gauge!

I read the Minister's speech with a great deal of interest and I did not see

a single reference to this matter. Therefore, I think we should have some information on the point from the Minister. It could well be that nothing has been finalised with respect to the freight as yet, but it will be most interesting if the Minister gives us some estimate of what it will be. If we are to make use of 100-ton railway trucks and the other facilities available as a consequence of the construction of the standard gauge railway—we could not pay much in excess of 12s. 6d. a ton freight—there would be a substantial saving on every ton of ore. Over a year, this would be a considerable saving indeed. I say we should have more information from the Minister on this point.

With those few words of criticism, I conclude by expressing the hope, notwithstanding the lack of information we have been given, that this Bill will be in the interests of Wundowie and in the interests of the State.

MR. TONKIN (Melville—Deputy Leader of the Opposition) [8.32 p.m.]: If we were completely partisan we would either applaud or deprecate the speech given by the member for South Perth. I think an unbiased person would have to admit that a good deal of his criticism was valid and pertinent. I was particularly interested in his reference to the provision in the Bill for the variation of the agreement at will. This has come to be characteristic of Bills of this type which this Government introduces to Parliament; and the effect of such a provision is completely to nullify any worth that the agreement might have had.

Members will readily recall the number of times we have had agreements here with regard to the sale or iron ore from Yampi; and how many times we were given assurances that this provision to export was only to be permitted so long as certain conditions were observed. Then we reach the stage where the conditions are not being observed; and, if one has the temerity to question the position, one is told by the Minister for Industrial Development that it is not relevant. In order to emphasise this point, let me quote the assurances which the Minister for Industrial Development gave in 1965. I will quote from page 2634 of *Hansard* of that year, and the Minister for Industrial Development had this to say—

One important point which is covered by the Bill and which should be emphasised is the fact that the provision to export only applies while the company complies from time to time with the provisions of the several agreements.

Now I ask you, Mr. Speaker, can there be any plainer words? Can you have any more direct assurance given to Parliament that the generous gift which the company

is being given will only apply while the company observes the various terms of the several agreements.

As soon as we reach the stage where it is as plain as a pikestaff that the conditions are not to be observed, and we have the temerity to question the fact, we are told by the Minister that it is not relevant. We have already had an indication that a new agreement is to be brought here in due course under the terms of the original Bill, which provides for this sort of thing so that a new agreement can be brought into operation to meet the new conditions; and no doubt we will have another, and another, as circumstances require them.

So I agree with the member for South Perth that we are wasting our time considering the provisions in this agreement. We have no more guarantee that they will apply than we have in regard to the others to which I referred—none whatever! That is the unfortunate situation in which we find ourselves with regard to these matters. We cannot accept the word of the Ministers when these assurances are given because of this clause which is invariably included in the agreements leaving them wide open for any variation to be made from time to time to meet the situation.

I frequently find myself in the position of wondering what sort of businessman the Minister for Industrial Development would have been if he had been making these deals on his own account, and not disposing of State assets which belong to the people. How long would he have remained in business while his assets were discounted in this way?

I saw a reference to the sale of the State Building Supplies being the sale of the century; and, of course, it was. One only had to look at the profits made by the company immediately it took possession. But what position has the State been left in? It has got to service debt charges for years and years because of the amount of money which was written off in 1964. In connection with the State Building Supplies it was \$136,354 for the year. That is what the sale cost the Treasury in meeting debt charges on capital written off. By a swift calculation I arrived at the figure of \$88,000 as being the annual debt charge on the community because of the writing down which has taken place in connection with the Wundowie asset.

Surely there has to be some limit. We cannot go on piling debts on to the people to service the debt charge and at the same time do as the Premier is doing from time to time—telling the people there has to be increased taxation. We should not be facing increased taxation to satisfy this sort of thing.

The Leader of the Opposition very clearly demonstrated, in my view, that

the assets at Wundowie are worth considerably more than \$800,000. If the works belonged to the Minister for Industrial Development they would not be on the market for \$800,000; make no mistake about that! However, they belong to the people, and so it does not matter.

Mr. Court: You can be assured that the Minister for Industrial Development did not want it.

Mr. TONKIN: The Minister and the Premier have the same idea. The Premier has explained it in regard to the iron ore sales. He said he would sell the iron ore at any price.

Mr. Brand: Is that what I said?

Mr. TONKIN: That is what you implied.

Mr. Court: Implied or said?

Mr. Brand: I said we would sell it for what we could get.

Mr. TONKIN: We have seen the mess that some of the iron ore companies have got into by selling at any price. They have found it uneconomic to adhere to their contracts.

Mr. Court: We have two mighty shows in business; in fact, three mighty shows.

Mr. TONKIN: One has only to read, from time to time, the little which trickles through about what happens in regard to iron ore to appreciate that the companies are in difficulties because of their anxiety to sell. Sell at any price they can get! That is the policy being followed with the State assets; sell them at any price, but sell.

Mr. Brand: We are saving thousands of pounds.

Mr. TONKIN: I understand that the next thing on the stocks is the meatworks at Robb Jetty. Very shortly we will have a Bill with regard to that, I am told.

Mr. Graham: Deny that!

Mr. TONKIN: Then there is very strong evidence of a proposal to dispose of the meatworks at Wyndham. I would anticipate that there will be a lot more difficulty for the Government with regard to those two meatworks than it has found up to date with the sale of the State Building Supplies and Wundowie.

Of course you know, Mr. Speaker, that the growers in the north receive seven-eighths of the profits made by the Wyndham Meat Works. If these works are disposed of to a private company, no profits will go to the growers, so I imagine the growers will have something to say about the proposition to sell that concern.

If the Government is allowed to go ahead it will sacrifice those works and write them down—despite heavy expenditure—to a figure at which somebody will buy them. The cost to the State will not

matter. But the people will be called upon to pay increased taxation to meet the debt charges which remain when these transactions are completed. It is all very well to bring down Bills containing agreements, and then to load onto the taxpayers \$135,000 a year here and another \$88,000 a year there. Where is it going to end?

I suggest it is time some members on the Government side had a pretty good look at this policy. It might be the policy of a Liberal Government to have complete private enterprise and no State instrumentalities, but there is more to it than that. The Government is not justified in sacrificing State assets at any figure at all in order to satisfy a whim or policy.

It suited the Government to buy up a private concern; and I refer to the Midland Railway Company, which a Government with which I was associated refused to buy at the price. The Minister adopts a different method of calculation of values when buying from private enterprise to what he does when selling to it. That is something which should not be lost sight of either. We on this side of the House are opposed to this kind of policy, which is completely regardless of the public interests.

I agree with the member for South Perth, that it would be truly impossible for any member in this House, however well trained he may be in accounts, to be able properly to study this agreement and be sure that he was aware of all its provisions. It just cannot be done. It is something which would take hours and hours of study, if one had nothing else to do.

And so these agreements come here one after the other. We are given a glib story about what an agreement means and what it is intended to do; but the whole thing is rendered useless because of the clause which says the Government or the company, by mutual agreement, may vary the conditions at any time. So what is the use of studying the conditions as laid down? We have had that priceless example as regards B.H.P. and exporting iron ore from Yampi. Less than 12 months have gone by and now the whole thing is abrogated—a solemn assurance which is not worth a snap of the fingers.

So one looks at these things with a feeling of disgust. I have always believed that when matters are being considered in a Parliament, above all else, that one is able to accept any proposal brought forward as being fair, just, and honest, and something that will be abided by. But there is always something hidden in these proposals and, if circumstances change within a few months, we are told "It is not relevant to the question and the Government will bring in a new agreement to make it right. We will meet the altered conditions with some new provisions. In due course, if they become outmoded or out of date, we will bring in another Bill

to meet those conditions", all the time allowing the company which has benefited to continue to enjoy those benefits without let or hindrance.

How long would one stand up in private industry if one attempted to carry on in that fashion? This, of course, is in accordance with Government policy, which is to dispose of State instrumentalities so that a situation will be reached where we have no State enterprises in operation at all. That is the known objective of the party and it will move towards that end, irrespective of the cost to the taxpayers and irrespective of the handouts it is giving to certain companies which it favours. That does not matter so long as a sale can be effected and the undertaking disposed of.

I repeat, Mr. Speaker, that you as a producer might be interested in this matter: I have very good information that it will not be long before there will be a proposal to dispose of the meatworks at Robb Jetty. We have already heard rumours of a similar proposal with regard to Wyndham and I am waiting with some interest to see what the Auditor-General has to say regarding the writing down of the assets.

He had a lot to say with regard to the State Building Supplies, and that was considerably at variance with what we were told by the Minister when the sale was put through.

I believe the Leader of the Opposition has correctly assessed the position and that these works must be worth many hundreds of thousands of dollars more than the sale price put upon them, and it is unfair to do this sort of thing to the taxpayer; because wiping a debt off does not get rid of it. It still has to be serviced by the Treasury.

Why does not the Government, from time to time, and for an experimental period at least, when it has this writing down proposition in mind, say to the persons concerned, "We will write your capital down to this figure and see how you will carry on. Give it a go." I venture the opinion—and I will admit it is only a guess because I do not know—that if a proposition had been put to the management of the works that the capitalisation be written down to the extent that it has now been written down, it would have made a do of it and would have done as well as this company is likely to do. That is my firm opinion about this matter. But, of course, the management was not given that opportunity; it is contrary to Government policy. Government policy is to dispose of State assets irrespective of price; irrespective of the loss to the State; and irrespective of the debt charges which are subsequently loaded upon the people, and which they have to bear.

That is not a policy that finds any favour with us and we are very strongly

opposed to it. But, as my leader has pointed out, the carrying of the first Bill was crucial to the whole proposal, and all one can do now is express one's views with regard to the proposition. In my view it cannot be justified in any shape or form. Apparently it is in line with the general policy, however, and we can expect a repetition of it before very long with regard to some other undertakings. If history repeats itself, and it is quite likely to do so, and the Government is still in office, we will have further deals put before us with regard to this undertaking, and we will be asked to agree to a new agreement because the circumstances will have changed.

MR. COURT (Nedlands—Minister for Industrial Development) [8.52 p.m.]: I shall reply firstly to the Deputy Leader of the Opposition who was following a similar line as far as he is concerned. He would have one believe that these agreements are not worth powder and shot, or the paper they are written on; that the Government is irresponsible in attempting what it is trying to do. That is not true.

Mr. Tonkin: Yes it is.

MR. COURT: It is not correct at all. If he reads the variations clause, which he is probably more able to do than most people, he will realise it is not a blank cheque at all.

Mr. Tonkin: What about B.H.P.?

MR. COURT: It has legal significance and it is a type of clause that is inserted in agreements such as this. If he were a member of the Government, and were negotiating agreements on behalf of the Government, he would make certain that exactly the same sort of clause, or something very similar to it, was inserted. It is a matter of common sense to have this sort of clause in agreements of this nature.

I shall refer next to the Leader of the Opposition, who dealt with the Bill at some length as it is a matter very near and dear to him, because he is, for all practical purposes, the father of this industry. I can realise why he had some personal interest in its future. He mentioned the profit and loss factor, and I think it is as well for me to record at this stage the profit and loss history of Wundowie. It is important that it should be recorded so that members will appreciate that what the Deputy Leader of the Opposition had to say about the interest loss to the State is so much nonsense.

I shall now turn to the history and performance of Wundowie, and in this regard I do not reflect on the management because, in the light of the circumstances with which it had to deal—some of which were emphasised by the Leader of the Opposition—we will see that it has done

remarkably well. The figures are as follows:—

	Loss	Profit
	\$	\$
1948	38,966	
1949	208,632	
1950	235,222	
1951	202,370	
1952	156,350	
1953	91,028	
1954	132,548	
1955	103,154	
1956	93,566	

To that date, before the first profit was made, the total loss was \$1,261,836. To continue—

	Loss	Profit
	\$	\$
1957		23,064
1958		24,674
1959	48,658	

At this point the new blast furnace, more efficient and more modern, came into operation and was temporarily able to arrest the situation. The greater capacity and efficiency of this new furnace, and other equipment which was installed, changed the situation temporarily. To continue with the figures—

	Loss	Profit
	\$	\$
1960		101,086
1961		143,760
1962		128,386
1963		33,560

I invite the attention of members to this profit trend because this was the inevitable result in an industry of this kind where the economies of scale are not working for the benefit of the industry.

When the new blast furnace was installed there was a temporary increase in efficiency because of the greater capacity; but then, as the escalation of wages and other costs caught up, it was only a matter of time and the profits started to decline again. Only great industries such as the big steel industries can keep expanding their volume and be able to absorb some, if not the greater part, of the escalation of costs. Let me continue with the story of Wundowie to demonstrate my point. The next year was 1964 and the works swung over to a loss of \$27,618, and in 1965 a loss of \$77,682.

I have eliminated the stock revaluation because this is something the works should have done over a period of years and not loaded it onto one year. When the figures are finalised for this year we expect a loss of about \$322,319, and that is without any stock adjustments at all. That is the straightout trading loss worked out with normal accounting methods. Summarised, the total loss is \$1,738,113 less profits, \$454,530, which gives a net loss for the whole period, and without any stock adjustments, of \$1,283,583.

It is well known that when one has assets in a business which is a going concern there are several ways one can fix the valuation; one is as a going concern. In this case one has to relate that to its earning capacity; and, with the figures I have given, even a fourth standard boy who had failed would see there is no earning capacity with these assets and therefore there would be no value. If this were a company on the stock exchange its shares would be at such a tremendous discount that nobody would be interested in them. The company would have no future.

Another way to look at it is on its residual value—when one closes down a business and decides that one will get what one can through the receiver or the liquidator. We know of this sort of thing with mining companies and the like where the companies try to sell their assets. However, it does not matter what one thinks they are worth; when they are *in situ*, what matters is what people will pay for them; and that is the message we do not seem to be able to get across to the Opposition.

I think what the Government has been able to do is a wonderful thing for Wundowie. We have given it a chance for the future; we have given it a chance to diversify without imposing a heavy burden on the State. It is true we still own the industry, and we will have to live with it if we cannot get it to become more efficient so that it can carry on without loss. But the fact is we have given Wundowie a chance to demonstrate that with diversification and an outlet within Australia for its metal it can at least retain what we regard as a worth-while decentralised industry. With the trials and tribulations of the industry it reflects great credit on those who backed it, whoever they were, and I say that as one who does not agree with State enterprises.

The industry meant the establishment of a nice little town and provided decentralisation. This demonstrates what can be done even though, on this occasion, at considerable cost to the taxpayer. We are trying to remove this burden from the taxpayer and give the industry a chance for the future by diversification. This is welcomed by the people at Wundowie, and particularly by the men who work there, because some of them are dedicated to the industry; and they include men from the management right down to the most humble of the employees.

We are very fortunate to get a purely Australian company, A.N.I., which is prepared to apply its metallurgical knowledge and skill to try to do something for the industry. It is going into a field which is highly skilled and highly competitive. It is only because the company has this metallurgical knowledge that it will be able to get into the ductile and other forms of processing that will enable it to earn more per ton so that it will have a chance of success.

If we looked at this in another way, the company could establish its foundry near the city where it would be much easier to attract labour. It could get all the pig iron it wanted from B.H.P., and with all its modern metallurgical knowledge and practices it could secure the pig iron specification it required. I commend A.N.I. for having the initiative to take on this project. If the company makes something out of it, I will be the first to be pleased about it; and I make no apology for saying so. I am sure the people at Wundowie will also be pleased, because the prosperity of the company will be the prosperity of the people at Wundowie.

If the Government had wanted to be ruthless in the matter and had thought only about the Treasury, it could have reached only one decision; namely, to wind up Wundowie now. The Government, however, decided to give it a chance; and I would like members to consider the matter in that atmosphere.

I do not wish to dwell any more on the price factor, because frankly there was no-one interested in making a bid for this industry. Everyone knew it was available, but there was no sensible or reasonable offer forthcoming—at least not so far as we were concerned—either within Australia or without.

There were inquiries from other companies, but they did not have the initiative or the courage, which A.N.I. had, to see something as an extension of this industry—an extension by using the metal right on the spot, and by using metallurgical knowledge to extend operations at Wundowie.

The Leader of the Opposition asked what advantage there was to the industry in selling this metal to the foundry. There is every advantage.

Mr. Hawke: At cost.

Mr. COURT: Does the honourable member expect the company to pay a loaded price, particularly when it has had the initiative to establish an industry in a decentralised area? Does he wish to penalise it as compared with other industries that can buy at cheaper prices; or as compared with other people who can buy Wundowie pig iron from the industry? Does he want to penalise these people who have to take their finished product to the Eastern States?

We wanted to find a market for the non-premium iron, because the market was tumbling on us abroad. The year before last we sold 17,600 tons of iron as pig iron, and last year we were lucky to sell about 1,700 tons. This has given us a chance to get a captive market for something like 6,000 tons of this iron; it is not premium iron, but ordinary run of the furnace iron. We are getting a better price for this iron than if we were to hawk it around the world at a give-away price to, say, Japan

or the Philippines. The Leader of the Opposition did not mention that we were to get 25 per cent. of the foundry profits.

Mr. Tonkin: How can you get profits if they sell at cost?

Mr. COURT: The Deputy Leader of the Opposition has apparently overlooked the fact that we get 25 per cent. of the profits before the foundry is taxed.

Mr. Tonkin: Surely the profit-earning capacity disappears if some of the products are to be sold at cost.

Mr. COURT: I am talking about foundry profits, not the industry, I thought for once the Deputy Leader of the Opposition would say that the Minister for Industrial Development had done something good.

Mr. Tonkin: That will be the day.

Mr. COURT: It must be remembered that if this venture is the bonanza which some people consider it is, then we will be getting 25 per cent. of that bonanza. Looked at in another way, if we were shareholders and we were getting our dividends after tax, we would be getting 40 per cent. of the profits. We are getting a better price for our materials than we would on the world market and we will be participating in a bonanza, if there is one. Members of the Opposition always seem to be of the opinion that private industry reaps a bonanza. If that is to be so in this case we will be delighted, because we will be getting a very nice share from the foundry.

The Leader of the Opposition dealt with the question of scrap metal. This is metal that must be returned to the industry for remelting; and the 60 per cent. formula used was one recommended to me by the management as being fair, equitable, and advantageous to the industry. I know of no better authority to which I can refer in regard to a matter such as this.

The member for South Perth referred to the question of freights. That seems to be the main point concerning him.

Mr. May: The main point was the lack of information.

Mr. COURT: No industry has had so much publicity, or so much information, issued on it as this one. It went through Parliament last year, and it has been through the papers. What more can we do? When one is negotiating a business venture, surely some degree of privacy is necessary in connection with those negotiating with the Government. The fact of the matter is that all the information has been laid bare in the agreement. I admit that some of the clauses dealing with the accounting provisions are pretty complex, but I am quite prepared to sit down with members and see if I can help them in that regard. We tried to put this in a simple form, but this is the way the legal profession handled it. If anyone wants to sit down and look into this matter I

am prepared to make an officer available to him for the purpose. I have an officer who can express this in fourth standard language. I daresay some members probably feel that is about my standard anyway.

There is no concession made to the company in the matter of freight subsidy because any freight advantage that might accrue goes to the industry, and not to the company.

The industry is still being run as the industry. At this point of time the company has not been told there can be these great savings in freight that the member for South Perth seems to envisage. We have to dissociate the transport of 70,000 or 120,000 tons of ore of this type from the massive shuttle type service there will be to B.H.P., plus the fact that this industry is not on the standard gauge.

We have had the railway people working out—this has nothing to do with the A.N.I. exercise, but purely at the instigation of the former management of Wundowie—the minimum transport costs between Koolyanobbing and Wundowie. The simple fact is if there is to be any saving, it will not be on a subsidised basis but on a commercial negotiated basis, such as is open to any other customer of the railways. It certainly will not be on a special subsidised basis beyond the normal concession given to any low-value ore.

Mr. Grayden: Have you any idea what it is likely to be?

Mr. COURT: My own guess is that the maximum reduction we can effect, if we can bring the present price down, will be \$1.50 per ton. That appears as much as we can do, because this is different from the shuttle-type service for wheat from Merredin to North Fremantle, or iron ore from Koolyanobbing to Wundowie.

Mr. Grayden: Do you know what the present rate is?

Mr. COURT: I forget the figure offhand. However, I did obtain a figure in answer to a question asked by the honourable member, but I cannot recall it. It is a fairly heavy freight. I did not say a 15s. freight rate; and I wish to make it quite clear it is hoped to make a saving of 15s. (\$1.50) on the freight rate; not a freight rate of \$1.50 per ton.

Mr. Grayden: That could amount to £75,000 more a year.

Mr. COURT: Do not forget that freight costs, from time to time, rise, just like everything else.

I think I have covered all the main points brought forward by various members. However, might I just conclude on this note: When one is negotiating a deal like this one has to get the best possible for the industry and the State. There is a point beyond which people will not pay

and cannot be expected to pay. I think the arrangement we have made under which we are getting a minimum—and I emphasise this—of \$800,000 is as good as could be expected because it has to be related to the earning capacity of the industry; and members will appreciate it has no value from a straight earning point of view.

I would like to refer to a certain point raised by the Leader of the Opposition which I overlooked regarding the activities of the company. I want to assure the honourable member that A.N.I. has been extremely active. It has had top men on the job—the type of men we want to see here so they will convey something to the industry to bring about the rationalisation of the two industries.

Already the company has lodged an order for a large induction furnace for superheating the metal. This is the process through which additives are also added to the metal to give it the special qualities needed if this foundry is going to be a success. The company has ordered this equipment ahead in order to save time, on the assumption that this agreement will be ratified.

Mr. Hawke: Who will provide the capital for this?

Mr. COURT: A.N.I.

Mr. Hawke: As part of the foundry?

Mr. COURT: Yes. This is something that goes beyond the actual furnace of the industry itself and is a company responsibility; and for the sake of speeding up establishment of the foundry, this company has lodged this order to save time because this equipment is not readily available in the world markets.

In addition, approval has already been given for the relocation of the railway siding to make sure the foundry is fitted in the best place for maximum efficiency within the works.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr. W. A. Manning) in the Chair; Mr. Court (Minister for Industrial Development) in charge of the Bill.

Clauses 1 to 5 put and passed.

Schedule—

Mr. HAWKE: I understand, Mr. Chairman, you are putting the schedule as a whole and not clause by clause?

The CHAIRMAN: That is right.

Mr. HAWKE: My first question is not important and has to do with paragraph (b) of clause 2. I am wondering whether the word "to" in line 1 of paragraph (b) should not be deleted.

Mr. Court: I will have it checked.

Mr. HAWKE: Paragraph (j) of clause 4 (1) states—

the insuring with the State Government Insurance Office or other Insurance Office approved by the Minister of the Industry's assets and against liability of the Industry in respect to employees, persons and property.

I understand the industry has, in the past, been insured with the State Government Insurance Office. Is this paragraph indicative of an intention on the part of the Minister to change the insurance?

Mr. COURT: At present there is no suggestion of it, but those words were included to allow flexibility. The situation could arise whereby the State office might not want the industry's business.

Mr. HAWKE: With due respect, I think it smells a bit. I desire to raise another point which is not important, but is worth considering. I feel that this schedule is virtually a photostat copy of the actual agreement. I do not mind capital letters being used in regard to The Honourable David Brand, M.L.A., or in connection with A.N.I. Australia Pty Limited. But I feel the words, "it being acknowledged" on page 9, the word, "acknowledges" on page 24, and the words, "provided however" on page 25, look ridiculous in capitals. Most of the words are in small print and then out of that small print rises, mountain-like, these words in capitals. I trust in future when agreements of this kind are being put into Bills to be brought before Parliament, capital letters in whole words, as we have in this schedule, will be kept to a minimum.

Mr. Court: I agree.

Mr. HAWKE: Most of the other points I have noted in the agreement have been discussed during the second reading debate in speeches made by the Deputy Leader of the Opposition, the member for South Perth, the Minister for Industrial Development, or myself.

Schedule put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

PAINTERS' REGISTRATION ACT AMENDMENT BILL

Second Reading

Debate resumed from the 18th August.

Mr. GRAHAM (Balcatta) [9.21 p.m.]: The Minister, when introducing this Bill, gave us the reasons, which speak for themselves, for the necessity to deter those who are not painters from so describing themselves. Accordingly this Bill makes it an offence for a person who has not the qualifications laid down in the Act, to describe himself as one who is competent; namely, a "registered painter". In other categories of trades, employment, or pro-

fessions, there is a ban on a person describing himself in certain terms if he has not been accepted under the Act, and my thought is that no-one should be permitted to describe himself even as a "painter" unless he has, under the legislation passed by this Parliament, become qualified as a painter. However, I will not pursue that further as the amendment submitted by the Minister certainly meets the current position.

There is just one thing I would like to say to the Minister in connection with this matter and that is I understand the proposal was not referred to the Master Painters' Association, which I think it should have been. I say that, recognising full well that there is no obligation on a Government to confer with persons likely to be affected by legislation—in other words, disclosing its legislative programme before it is submitted to Parliament. But in the case of this Act, as members are aware—or should be aware, because I have told them on so many different occasions—the full and entire responsibility for financing the operations under it are placed squarely on the shoulders of the Master Painters' Association.

Therefore, my thought is that any amendments, or any contemplated amendments, whether to tighten the legislation or whether to loosen it, should be referred to those people who are called upon to pay every single item of the cost of its operation. It is true this is only a minor amendment; and it is also true, as I have already indicated, it is an amendment which would undoubtedly have the approval of the Master Painters' Association; but it is the principle with which I am concerned.

I will say no more, and I have pleasure in supporting the Bill.

MR. ROSS HUTCHINSON (Cottesloe—Minister for Works) [9.24 p.m.]: In replying very briefly, I would like to thank the honourable member for his support of this small Bill. I would like to say, too, that I agree with him that the Master Painters' Association should, in principle, have been contacted about the amendment to its Act, or rather to the Act.

In actual fact, I imagined that this had come through from the association to the board, and then to me. It was so simple in its text and, as the honourable member has said, so evident that it would have the approval of the Master Painters' Association, that any further checking did not occur to me at all. However, I quite take the member's point that in circumstances such as these a check should be made with the relevant association.

Mr. Graham: I am certain the master painters are grateful to the Minister.

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.

MAIN ROADS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 18th August.

MR. TONKIN (Melville—Deputy Leader of the Opposition) [9.27 p.m.]: This small Bill proposes to do five things. One is a consequential amendment, so I need not spend any time on that. Another is to alter the definition of the words "local authority" in order to make it conform with the definition in the Local Government Act. That is desirable and necessary, and there is no need for me to waste any further time on that.

The three main provisions in the Bill are worth while, and with regard to one of these, I notice, for the first time, a very welcome attitude on the part of the Government.

Mr. Brand: Not for the first time!

Mr. TONKIN: Yes, for the first time. And because it is the first time, I shall not let it go unnoticed.

Mr. Brand: Thank you very much.

Mr. TONKIN: I am referring to the desire on the part of the Minister to make sure he really has got the power to do what he has been doing.

Mr. Ross Hutchinson: That is a left-handed compliment.

Mr. TONKIN: No; it is not meant that way at all. The Minister could have gone on doing the same thing and still leaving the matter in doubt, as one of his colleagues does.

Mr. Jamieson: Which Minister is that?

Mr. TONKIN: All that Minister does is go to the Crown Law Department and get an *ultra vires* regulation, and carry on.

Mr. W. Hegney: Quite right.

Mr. TONKIN: I will give the Minister credit; he has not done that.

Mr. J. Hegney: Not yet.

Mr. TONKIN: Because it is felt by the Commissioner of Main Roads that there is some doubt about his legal authority to spend certain moneys, he wants to remove the doubt. And I can see a very good reason: because he might subsequently be called on to make up the moneys.

Mr. J. Hegney: That would be bad luck.

Mr. TONKIN: So it is desirable that this doubt should be removed. This came about because in 1964 an amendment was made to the Traffic Act which it was thought would cover the financial provision necessary for expenditure on certain roads, and a section of the Main Roads Act was re-

pealed. This repeal has brought about the difficulty, and it is now felt desirable to put this provision back into the Main Roads Act; and that is what this amending Bill does. It will provide that the Commissioner of Main Roads may spend on any road in the metropolitan area certain moneys which come to him, providing they come from his share of the traffic fees.

Previously the commissioner was restricted to certain specific roads upon which this money might be expended. It is now intended that he shall be permitted to spend money on any road in the metropolitan area, provided the money he is expending comes from his share of the traffic fees. I have no objection to that. If it is not spent in one place, it will be spent in another; and if it is spent there, it cannot be spent here. It all depends upon the amount of money which is available to the commissioner from this source; and there is no way of his augmenting this source to the disadvantage of any other section. As that provision appears to be quite satisfactory, I do not think the commissioner should be limited to specific roads for the expenditure of this money.

That is the proposal—providing the money is available from the department's share of the traffic fees, that money may be expended on any road in the metropolitan area.

One of the other provisions with which I am in complete agreement is the one to extend the authority of the department to train other than engineering cadets. I see no reason why the department should be limited to the training of engineering cadets only. Seeing that the department is a very large one and has ample scope for training in other professions, I see no valid reason why it should not be permitted to train cadets in other professions. As I have said, this amending Bill extends the power of the Commissioner of Main Roads to train other than engineering cadets. Therefore we can anticipate that upon the passage of this amendment, additional avenues of employment will be opened to young men, who will be glad of the opportunity to receive this training and possibly, subsequently, to serve the State.

I now wish to deal with one further amendment which is contained in the Bill. This amendment will give the Main Roads Department the power to prevent the erection of unauthorised structures over a controlled-access way. When the Minister was speaking of this, he said, "over an access way." However, that is not quite right because there are two kinds of access-ways—a local-access way and a controlled-access way. This power is limited to a controlled-access way.

Mr. Ross Hutchinson: That is quite right.

Mr. TONKIN: I think it is desirable that the department should have this power, and the provision states that if any person—

and this could be the Minister for Railways—proceeds to put up a structure across a controlled-access way without first of all getting the authority to do it—and this might be a little irksome to the Minister whom I mentioned but, nevertheless, he will be obliged to do so—beforehand, then the Main Roads Department can order him to pull it down. If he neglects to do so, the department can pull it down at his expense. I am all for it.

Mr. Craig: Personally speaking!

Mr. TONKIN: With regard to a controlled-access way, I think this is a very important roadway. We are likely to have one along the Swan River very shortly, but the Premier refuses to let me see the plan—

Mr. Brand: You have seen the plan.

Mr. TONKIN: —although a lot of unauthorised people can see it and apparently make sketches of it.

Mr. Brand: You are spoiling a good speech again.

Mr. TONKIN: It is very desirable that, in connection with these controlled-access ways, the Main Roads Department shall really have the power to control them. The department does not want to be put in the position of being hampered by having unauthorised structures erected over controlled-access ways. This provision, if agreed to, will amend the Act and give the Main Roads Department the power to require any person who intends erecting such a structure, first of all to get permission from the Main Roads Department.

If that person does not obtain permission, then the department will have the power to order the demolition of the structure so erected. If that instruction is disregarded, then the department may proceed and carry out the demolition at the expense of the person concerned.

I think the Bill is necessary in order to make these adjustments—more particularly the one to ensure that the Minister is acting in accordance with the law. I like that idea very much.

Mr. Craig: What about the T.A.B.?

Mr. TONKIN: I would tell the Minister for Police that, if he likes to follow this excellent example, I shall give him a great deal of assistance to expedite the passage of the Bill.

Mr. Craig: I hope you will agree with my Bill when it comes forward.

The SPEAKER: Members should confine themselves to a discussion of the Bill on hand.

Mr. TONKIN: I have completed all that I desire to say, and I commend the Bill to the House.

MR. W. A. MANNING (Narrogin) [9.36] p.m.]: I just wish to add a word of commendation on clause 3 of this Bill, which

opens up a field for trainees in the Main Roads Department.

This problem cropped up only about two weeks ago in Narrogin, where it was desired to appoint a trainee draftsman but, under the present Act, it was impossible to make the appointment. I feel that where the opportunity exists to train young fellows in jobs, every effort should be made to take advantage of it. This particularly applies to country areas where there are branches of the Main Roads Department and where these opportunities can arise.

I feel it is most timely that this amendment should be made in order to provide an opportunity for our young men.

MR. JAMIESON (Beeloo) [9.37 p.m.]: Like other speakers, I feel the provisions contained herein are desirable. However, I do just query one portion, and that is the part relating to controlled-access roads. I want to be sure that the Minister knows exactly what he is doing in this regard because, certainly, the Commissioner of Main Roads is not too sure at this stage what roads of the controlled access variety his department is responsible for. I have recently discussed this matter with the commissioner.

There are several categories of controlled-access ways, and it is still being argued who has the authority over such controlled or limited-access roads. One in point in respect of which I was requesting some information is in the Welshpool area. The commissioner told me that it definitely had not been determined who was responsible for building such roads—that is, the major controlled-access roads. Whilst the department had certain specified responsibilities, the responsibility for these other joining limited-access roads had not been determined.

If this Bill is passed as it is, it would seem—by inference at any rate—that the commissioner is committed to the responsibility of being authorised to have control over all such roads.

Mr. Ross Hutchinson: Only controlled access.

Mr. JAMIESON: This is controlled access, but whether it is "limited controlled access" or "complete controlled access" is a matter of definition. I do not know whether the Minister has the complete definition of these two terms but, obviously, they are all tied in together.

I cannot see why the responsibility of the Minister should cease when there is a vital road which has limited access and which joins two major controlled-access roads but, apparently this is not his responsibility.

But as I understand it, it is not, and it could be just as important for him to have authority over this area as it is to have authority over others, if it is his responsibility.

However, I am sure this has not yet been determined, or, if it has, it has been determined only in the last couple of weeks. Therefore, I draw the Minister's attention to this point so that he may have an opportunity to obtain a further definition of this particular terminology.

MR. ROSS HUTCHINSON (Cottesloe—Minister for Works) [9.41 p.m.]: I thank those honourable members who have contributed to the debate and who have supported the Bill. I must confess I had a degree of surprise and some little shock to hear some warm praise of the Bill by the Deputy Leader of the Opposition. I am not accustomed to having legislation introduced being treated in such fashion.

Mr. Tonkin: You do not deserve it.

Mr. ROSS HUTCHINSON: I merely wish to say it is a pleasure to hear the Deputy Leader of the Opposition speaking in such terms. I think the point raised by the member for Beeloo is one I could look at, but the definition of "controlled road" is that it is a controlled-access road and at the present time the power sought by this Bill is required only for controlled-access roads.

It may be that as a result of our implementation of this legislation in the future it will be found necessary to try, in certain circumstances, to widen this definition, but at the present time I am not sure.

Mr. Jamieson: It is widened. It gives further powers to the Main Roads Department.

Mr. ROSS HUTCHINSON: This legislation merely seeks to give the Commissioner of Main Roads power over controlled-access roads in respect of the circumstances that are described.

Mr. Jamieson: You will be pleased to use it again; I am sure of that.

Mr. ROSS HUTCHINSON: We will see about that.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr. W. A. Manning) in the Chair; Mr. Ross Hutchinson (Minister for Works) in charge of the Bill.

Clauses 1 to 4 put and passed.

Clause 5: Section 28B added—

Mr. TONKIN: It was quite right of the member for Beeloo to raise this point and have it clarified at this stage, but there is really no difficulty about it. The Main Roads Act provides a definition of controlled-access road and it has to be proclaimed as such. If the controlled-access road is not proclaimed as such, this power which is now sought to be put into law will not operate. It can only operate in regard to controlled-access roads which are proclaimed as such.

The definition of controlled-access road in the Act reads as follows:—

"controlled-access road" means a road, which is for use by prescribed traffic without avoidable hindrance by traffic from intersecting or adjoining roads or by other avoidable hindrance;

which may be entered and departed from at specified places only; and

which is proclaimed a controlled-access road pursuant to the provisions of this Act.

So once the provisions of the Act are invoked and a road is declared a controlled-access road, then this power which we now seek to give to the Commissioner for Main Roads will operate, and only on those roads will he be able to require any person contemplating the erection of a structure to seek permission beforehand, and if that permission is not granted, he will require the demolition of the structure if it is being erected. So there is no doubt about it; it is clearly set out in the Act. It is a restricted power and can be used only in regard to those roads which have been proclaimed as controlled-access roads.

Mr. JAMIESON: I take it the Minister agrees with what the Deputy Leader of the Opposition has just said, and I will be very surprised if the eyebrows of Mr. Aitken do not rise very high tomorrow, because he was contesting the responsibility for having those roads so defined. Now there is no doubt, because this Committee has expressed its opinion on it, and it will be a good lead to the members of this Chamber. The Commissioner for Main Roads may regret this debate, if the Minister does not.

Clause put and passed.

Clause 6 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

House adjourned at 9.48 p.m.

Legislative Council

Wednesday, the 31st August, 1966

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

QUESTIONS (7): ON NOTICE

AGRICULTURE AND HORTICULTURE IN THE SOUTH-WEST

Research in High Rainfall Areas

1. The Hon. H. R. ROBINSON (for The Hon. V. J. Ferry) asked the Minister for Mines:

Further to my question on Thursday, the 25th November, 1965, concerning agricultural research in high rainfall areas, will the Minister advise—

- (1) Has the Department of Agriculture now arrived at, and adopted, an overall proposal for research in the higher rainfall areas of the State?
- (2) What will be the future role of the research station at West Manjimup?
- (3) What progress has been made towards obtaining additional land in the Manjimup-Pemberton area for purpose of research into problems of agriculture and horticulture in the higher rainfall areas, particularly above 40 inches per annum?