Mr. Tonkin: That is not true.

Mr. ROSS HUTCHINSON: There have been instances on our sea coast where the privilege of having private jetties has been abused, and the Government has had to step in to make those jetties available to all and sundry. I do not follow the honourable member at all.

Clause put and passed.

Clauses 11 and 12 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

House adjourned at 9.55 p.m.

Legislative Council

Thursday, the 21st September, 1967

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

BILLS (2): INTRODUCTION AND FIRST READING

1. Town Planning and Development Act Amendment Bill.

   Bill introduced, on motion by The Hon. A. F. Griffith (Minister for Mines), and read a first time.

2. Child Welfare Act Amendment Bill.

   Bill introduced, on motion by The Hon. L. A. Logan (Minister for Child Welfare), and read a first time.

ELECTORAL ACT AMENDMENT BILL

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Justice), and transmitted to the Assembly.

LOCAL GOVERNMENT ACT AMENDMENT BILL

Third Reading

THE HON. L. A. LOGAN (Upper West —Minister for Local Government) [2.36 p.m.]: I move—

That the Bill be now read a third time.

THE HON. F. R. H. LAVERY (South Metropolitan) [2.37 p.m.]: I would like to ask the Minister whether he has given any consideration to having the Act reprinted.

THE HON. L. A. LOGAN (Upper West —Minister for Local Government) [2.38 p.m.]: I have already issued instructions; and, if possible, the Act will be reprinted next year.

Question put and passed.

Bill read a third time and transmitted to the Assembly.

LICENSING ACT AMENDMENT BILL

Further Report

Further report of Committee adopted.

EVIDENCE ACT AMENDMENT BILL

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Justice) [2.39 p.m.]: I move—

That the Bill be now read a second time.

The purpose of this Bill is to facilitate the taking of evidence on oath in Australia by such persons as foreign diplomats and consular officers.

At the suggestion of the Commonwealth Government, the Standing Committee of Attorneys-General has agreed to introduce uniform legislation throughout Australia similar to the Victorian Evidence (Foreign Tribunals) Act of 1966. The main provisions of this Act are as follows:—Where an authority desires to take or receive evidence in Victoria, that authority may appoint a person to take or receive evidence in Victoria, who shall, subject to certain conditions, have power to take or receive evidence in that State for that authority, and for that purpose to administer an oath. The Bill now before members is identical with the Victorian Act.

The condition to which I have already referred is that, where the authority is not a court or judge, a person so appointed shall not have power to take or receive evidence or administer an oath in one of the Australian States under the provisions of this proposed uniform legislation, unless he has first obtained the consent of the Attorney-General.

This Bill, nevertheless, does not authorise the taking or receiving of evidence by a person so appointed in or for use in criminal proceedings.

When I speak of an "authority" I refer to any court, judge, person, or body, which is authorised under the law of a foreign country to take or receive evidence on oath in that country.

That, briefly, explains the purpose of the Bill, which has as its objective the granting of facilities for diplomats and representatives here to administer oaths. In the case of a widow of a deceased American soldier, for instance, she could be called in by a representative of the U.S.A. and be examined on oath in matters arising from the death of her husband. At the present time, such procedure would be breaking the law because by the laws of the State, it is unlawful for such person to administer the oath.

Debate adjourned, on motion by The Hon. E. M. Heenan.

METROPOLITAN WATER SUPPLY, SEWERAGE, AND DRAINAGE ACT AMENDMENT BILL

Second Reading

THE HON. G. C. MacKINNON (Lower West—Minister for Health) [2.43 p.m.]: I move—

That the Bill be now read a second time.

This Bill has as its main objectives the amendment of the Act to provide certain machinery provisions necessary for the better administration of the Act, and to delete some redundant sections. Opportunity is taken to revise penalties by upgrading to current values.

Additionally, the passing of this measure would confer some additional powers necessary for the proper control and functioning of the public services entailed in the provision of water supply, sewerage, and drainage works.

Briefly, I might mention that the metropolitan water supply, sewerage, and drainage area in which the board operates was, when first created by legislation, composed of an amalgamation of four individual and existing districts; namely, Perth, Fremantle, Claremont, and Guildford. Hence the original description in districts of the second schedule to the 1909 Act.

The Act provided that the boundaries of the area and districts, and the number of districts, could be altered by Order in Council. The boundaries of the area have been amended over the years and the several districts unified and are, in description, identical with the area. These alterations are not shown, however, in the second schedule and the Act still contains a section naming the old non-existent districts; so it will be appreciated that the current position is not being concisely reflected by Statute.

A considerable portion of this Bill, therefore, has reference to proposals for the cancellation of the districts named in the Act, the cancellation of the second schedule, and provision for the definition of the area and alterations made by Order in Council.

Another general matter which affects several sections is the review of monetary penalties imposed for breaches of the Act and their conversion to decimal currency. Most of the penalties still appearing in the Act were imposed by the original legislation, and their adjustment to current values is considered to be well warranted.

Most of the other proposals contained in the measure have been inserted for the better implementation of the powers required by the board to operate under the Act, and the provision of certain additional powers, such as altering water reserves or catchment areas, or cancelling them if they are no longer required.

There is an amendment to enable a main drain to be cancelled if not required, and another to grant an allowance of water for other than domestic purposes for rates levied on a property. A better means for facilitating the assessment—by averaging—of consumption of water, when a meter is not functioning correctly or has been removed by the board for repair, is also provided.

This measure proposes to empower the board to provide connection to the sewer for non-ratable properties. There is a provision requiring plans when water is needed for building and setting out more specifically conditions for building over sewers.

Some troubles have been experienced in dealing with joint drains—that is, house sewers, in cases where there is now a board's sewer to connect to—and an appropriate amendment in the Bill clarifies this position.

While on occasions, it might be decided to declare land non-ratable because of certain particular conditions, there is need for authority to provide for cancellation of such a declaration when such conditions cease to apply.

In the matter of appeal, some amendment is required. Appeals may be lodged against land valuations subject to payment of rates due, so a provision has been included in the Bill for payment to be made on lodgment of the appeal.

The unification of districts amendment provides a clause also for the redrafting of the section of the Act covering the spending of board funds derived from rates.

Included in the Bill is a means for simplifying the levying of proportionate rates when a water main, sewer, or main drain is provided during the year and there is an appropriate amendment also for reviewing the valuation of land subdivided during the year. Where annual charges are levied under the Act, the same power of recovery as for rates is provided in this measure.

The requirement for allocation of capital expenditure among districts is not needed and is to be deleted, as there is only one district with boundaries coinciding with those of the metropolitan water supply, sewerage, and drainage area.

The existing power of the board to make by-laws, about which matters the by-laws may deal, is to be extended as, for instance, with respect to "fixtures," which is being presently redefined and included in by-law powers.

The Bill also makes provision for control of trade wastes and charging of fees for conveying these wastes through the sewerage system.

Another amendment requires that owners and occupiers will have to give notice of change of ownership or residency. A time limit for the board to take action for breaches of provisions of the Act has been set and a general penalty clause has been included.

This is a Bill which I would regard as what might be termed "a Committee Bill." It contains some 62 clauses a great many of which are supporting and complementary in their application, and I do not think it would be helpful to members were I at this stage to endeavour to give a full explanation of each single amendment. Members may be assured, however, that I shall endeavour, in the Committee stage, to answer any questions upon particular points about which further information is sought.

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

IRON ORE (HANWRIGHT) AGREEMENT BILL

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [2.50 p.m.]: I move—

That the Bill be now read a second time.

In moving the second reading of this Bill, I desire to say that its purpose is to ratify an agreement between the State and Messrs. L. Hancock and E. A. Wright, whose association with the early exploration of Hamersley Iron Pty. Ltd. areas is well known to members.

This agreement might be said to have had its genesis in the termination of the operations of Australian Blue Asbestos Pty. Ltd. at Wittenoom, and the request for two Mt. Lockyer iron ore areas previously discarded by the Hamersley Company. The later requests for temporary reserves extended to 34 areas which are covered by this agreement.

The partners plan their early operations around the existing Wittenoom mine and town facilities, and this could benefit the town. They have made it clear, however, that the granting of the temporary reserves over these areas for iron ore does not commit them to resume asbestos operations at Wittenoom. It is their intention, nevertheless, to study the practicability of this on a "wet" basis should the iron ore, rail, and port facilities improve sufficiently the transport economics for asbestos.

In referring to the "wet" process, I am expressing, I think, the official way of making reference to the process which obviates industrial disease, which was evident with the "dry" process used previously. The partners have stated to the Government that they would not be interested in reopening the asbestos mine on the old basis, if at all. This is mentioned with a view to dispelling any fears in this direction, there having been considerable medical discussion on this matter. Also, I mention that the agreement does not refer to or cover asbestos mining.

The agreement relates to the mining, transport, shipment, and processing of Pilbara iron ore, and represents merely the authority for the joint venturers to proceed with exploration and negotiations for sales, finance, engineering studies, and so on, but on a basis that terms and conditions for future development will be understood clearly should the project proceed.

This agreement aims at the processing of iron ore deposits being undertaken within the State, and it provides for the production of iron ore pellets, and later for the establishment of a plant for the production of metallised agglomerates, or a plant for the production of steel, if metallised agglomerates or a suitable substitute proves impracticable.

It was thought by the partners, when the negotiations were first undertaken by them, that they would process pellets from the start, because they believed that, in the main, their deposits were goethite and would be pelletised. Both goethite and limonite are for instance, found on the Robe River and are quite suitable for pelletising. As distinct from the high grade hematite, goethite and iron oxide is similar to limenite but with a different amount of water combined with it chemically. However, as the partners proceeded with the work, they found they had sufficient hematite available to seek permission for the export of iron ore as distinct from pellets.

I would point out, however, that the agreement is related basically to the installation of a pellet plant early in the project with some rights on certain conditions for the export of hematite during the establishing period, and then later some control over the quantity of direct shipping ore after the pellet plant has been established.

Under the agreement the project is to be undertaken as follows:—

> Firstly, the initial exploration and survey during which time, geological, engineering, port site, and similar type surveys and research will be undertaken and contracts negotiated with prospective purchasers of pellets, and finance arranged.
>
> Secondly, comes the operating stages during which the project will be established and iron ore and pellets exported.
>
> Finally, there is proposed the establishment of a plant for the production of metallised agglomerates—or a plant for the production of steel, if metallised agglomerates or acceptable substitutes are not proceeded with.

It is emphasised that the reference to steel is made only to meet the eventuality of the company not being able successfully to embark on the production of metallised agglomerates, or a substitute acceptable to the Government.

Metallised agglomerates are defined in clause 1 of the agreement on page 6 of the schedule to the Bill, as products resulting from production of iron ore or iron ore concentrates by thermal or other means whereby the iron content is increased to not less than 90 per cent. There is the further provision, which allows the joint venturers to elect to produce a product of not less than 85 per cent. iron content but, in this case, the annual tonnage of this lower grade product will have to be increased by 25 per cent. This is contained in the agreement on page 40 of the schedule and its purpose is to give the State comparable economic results.

I would mention that, in broad terms, ore with a lower content than 85 per cent. is more a product for the blast furnace, whereas a 90 per cent. plus product is one more likely to be converted directly into steel, rather than go through the blast furnace.

The fact of the joint venturers being required to produce metallised agglomerates of the quality referred to, indicates the production of a material of a high iron content and considered to be a product which could influence steel industry buying in later years.

The agreement is based on deposits lying near, and extending some 80 miles south-east of, Wittenoom and other deposits lying in the Turee Creek area south of Tom Price and being approximately 65 miles south-east of Wittenoom. I would summarise the joint venturers, commitments under the headings of investigation, export, and secondary processing—bearing in mind that they have spent in excess of $280,000 already. They are required to spend not less than $750,000 in all on the following:—

(a) A thorough geological and, as necessary, geophysical investigation of the iron ore deposits in the mining areas and the testing and sampling of such deposits;

(b) a general reconnaissance of the various sites of proposed operations pursuant to the agreement;

(c) an engineering investigation of the route for a railway from the mining areas to the port and wharf installation for the export of ore and pellets;

(d) an engineering investigation of a port site at a location to be mutually agreed on and a wharf site therein for the purposes of the joint venturers but having regard to the proper development, use, and capacity of the port as a whole by other parties;

(e) an investigation of suitable water supplies for the townsites and port, or port services;

(f) the planning of suitable townsites in consultation with the State, but having due regard to the general development of any port townsite and—if and to the extent applicable—the deposits townsite for use by others;

(g) metallurgical and market research; and

(h) the planning of a pelletisation plant and facilities.

The first phase of the agreement concerned with investigation will lead to the submission of plans and proposals by the 30th June, 1968—or if the joint venturers so request, an extension to the 30th September, 1968—for overseas export of iron ore pellets of not less than 2,000,000 tons in the aggregate in the first two years and not less than 1,000,000 tons per year thereafter in satisfaction of a required contract of not less than 10,000,000 tons of pellets.

After the investigational period, export of pellets along the lines indicated is required and investment on all the facilities must not be less than $70,000,000. There is a proviso that this applies unless the joint venturers can demonstrate to the satisfaction of the Minister that they are able to construct the works and facilities—including the plant for the production of pellets—for a sum less than $70,000,000.

This includes a port to enable the use of the wharf by vessels having an ore carrying capacity of not less than 60,000 tons. A railway between the mining areas and the joint venturers' wharf could exceed 160 miles in length dependent on ultimate port location.

The company has expressed a very strong preference for Cape Lambert and I shall explain later the special provision in this agreement.

As with other agreements, the concern is required to construct towns complete with power and water at the mining and port sites, ore extraction and handling facilities, and roads.

The joint venturers are required to begin exports of pellets within a period of five years following the commencement date when their proposals are finally approved. There is provision for a two years' extension, but construction shall actually commence within the first two years following the commencement date and be progressively continued in accordance with the reasonable requirements of the Minister. This is to ensure that a commencement is made, but little or no further action is taken.

The capacity of the pellet plant shall not be less than 1,000,000 tons per annum during the first two years and be increased to a minimum of 3,000,000 tons per annum within a period of 10 years.

At any time after they have constructed the works and facilities—other than the plant for production of pellets—they may sell unprocessed ore won from the mineral lease, but, if by the end of the first two years following commencement date, they have not actually commenced construction of the plant to process ore into pellets,

they may not afterwards shift or sell any unprocessed ore unless in fulfilment of a contract or contracts entered into with the prior approval of the Minister.

If, however, they have within the first two years, commenced to construct the pellet plant but have not completed it within five years, they are not then permitted to ship or sell any unprocessed ore from the mineral lease unless in fulfilment of a contract or contracts entered into with the prior approval of the Minister.

They are not permitted without consent of the Minister in any three-year period after completion of the pellet plant, to export from the Commonwealth a quantity of unprocessed ore from the mineral lease, which is more than 2½ times the quantity of ore won from the mineral lease and used in their plant in the production of pellets, metallised agglomerates or steel. However, from the date the concern has in operation a plant for the production of metallised agglomerates or steel, it is permitted to export four times the quantity of ore won from the mineral lease and used in the production of pellets, metallised agglomerates, or steel. Members are informed that the reason for this is to encourage the joint venturers to accelerate towards the processing of materials.

After initial exports of pellets and iron ore, the latter being subject to the restrictions outlined, they are required, before the end of year 14, to submit proposals for the establishment of the plant for the production of metallised agglomerates or the plant for the production of steel, with provision in either case for expansion when economically feasible.

The agglomerates plant must be capable ultimately of producing not less than 3,000,000 tons per year and in year 20 must have the capacity to produce annually not less than 1,000,000 tons of metallised agglomerates. The capacity must be further increased so that during year 24 and year 27, capacity will be 2,000,000 tons and 3,000,000 tons per annum respectively.

The capital cost, including all developmental costs and research expenditure of this phase, is required to be not less than $80,000,000 unless the Minister approves of the utilisation of a less expensive but an equally satisfactory method of production than is presently known.

The production figures mentioned are subject to the metallised agglomerates having an iron content of not less than 90 per cent., but should they elect to produce them having an iron content of less than 90 per cent. but not less than 85 per cent., all tonnages are to be increased by 25 per cent.

Should the joint venturers submit proposals for a plant for the production of steel, it must be capable ultimately of producing 1,000,000 tons of steel per annum with capacity to be increased so that, during year 20, the plant can produce not less than 500,000 tons with progressive increase to not less than 1,000,000 tons during year 25.

Again, the capital cost—including all developmental costs and research expenditure—is to be not less than $80,000,000, unless, with the approval of the Minister, they use a less expensive, but at least equally satisfactory, method of producing steel than is presently known either to them or to the State.

When submitting their proposals for the establishment of a plant for the production of metallised agglomerates, or a plant for the production of steel, they are also required to include details of the necessary additional port development, the provision of navigational aids, additions to the wharf, the berth, the swinging basins, and port installation facilities and services.

Also required to be submitted are particulars of services and facilities or their expansion required in relation to the towns on the mining areas or near the port, or in respect of any other towns or areas, the development of which may be affected by the establishment and operation of the plant for the production of metallised agglomerates, or the plant for the production of steel.

In addition, satisfactory evidence of availability of finance is necessary and, if the Minister requires, production of such necessary export license issued to the joint venturers from the Commonwealth.

They are required to commence construction of the metallised agglomerates plant, or the steel plant, before the end of year 15, and to complete whichever plant is undertaken before the end of year 20.

Royalties are the same as in other iron ore agreements previously ratified and cover the fields of direct shipping ore, fine ore, and fines, but if the joint venturers have not in production by the end of the fifth year from the commencement date, or the end of such extended date approved by the Minister, a plant for the production of iron ore pellets, then, in respect of all iron ore—not being locally used iron ore—shipped or sold thereafter, royalties—on direct shipping ore, 7½ per cent. with a minimum 60c; fine ore, 3¾ per cent. with a minimum 30c; fines 15c; and all other iron ore, not being locally used iron ore, 7½ per cent. with no minimum—will be increased by 100 per cent.

This will mean that for direct shipping ore, the rate of 15 per cent. with a minimum royalty of 120c will apply, for fine ore 7½ per cent. with a minimum of 60c will apply, and for fines 30c will apply, and 15 per cent. will apply for all other ore not being locally used iron ore.

In addition to this penalty royalty for future shipments, the joint venturers are required to pay to the State a lump sum royalty equivalent to a further 100 per

cent. of the total sum paid or payable as royalty in respect of all iron ore shipped or sold up to the end of the fifth year, or the end of such extended date applied for, if approved by the Minister.

It will be seen that by imposing this penalty in respect of royalties, the State is following its policy of encouraging companies to proceed to processing commitments.

It can be assumed it would be Government policy to follow this particular course in all future agreements in the light of experience. The penalty is expected to be more academic than real because the company can avoid the 100 per cent. penalty by meeting its processing commitments. Yet it is a means of encouraging the company to meet its processing commitments quickly.

The joint venturers will also be charged a rental for their chosen mineral lease—which must not exceed the maximum area of 300 square miles—from its existing 773 square miles of temporary prospecting reserves. Rents would range from 35c an acre for the maximum area down to 20c for less than 100 square miles. This is to encourage the contraction of areas.

When the port site proposal is received, and provided Cape Lambert or Cape Preston is not sought, the Minister is required to give his decision within a period of one month. If the location submitted is at or near Cape Preston or Cape Lambert, and the submission is made before the 30th June, 1968, the Minister is required, within six months after such submission, to notify the joint venturers of his approval or otherwise, or he may submit an alternative proposal.

In dealing with the proposal for the location of a port site, the Minister shall take into consideration the possible future requirements of others who may, or could be, concerned in the area and no priority is accorded the joint venturers, even should their proposals precede those of other parties. This requirement is necessary to protect the arrangement with Cleveland Cliffs in respect of Cape Preston and Cape Lambert. It presents no problems for Hanwright, because the company hopes to negotiate a joint development-user, or a joint-user arrangement with Cleveland Cliffs in respect of the port.

This arrangement was incorporated in the agreement by negotiation with a full understanding of the implications because both companies hoped to negotiate a joint-user arrangement in respect of this port. The dates specified, which are different from the normal dates, have been incorporated after mutual agreement and discussion with both the parties concerned, because it would seem that, if the two projects proceed, both companies will want to go to Cape Lambert as the port of their choice, as Cleveland Cliffs have advised they prefer Cape Lambert to Cape Preston.

THE HON H. C. STRICKLAND (North) [3.12 p.m.]: I propose to make some remarks on the Bill and the agreement. At the outset I would say that the Minister has explained the provisions of the Bill and the agreement very thoroughly and all members should have a good understanding of what is required.

I was struck by the restrictive provisions in the agreement as compared with all previous agreements which have been passed by Parliament. I consider this is a most unusual type of agreement, because all sorts of restrictions and conditions are contained in the provisions which more or less put a rather severe strain upon the company before it would be able to make any headway at all either in the export or the processing of iron ore. I do not remember any other agreement passing through the House which entailed such restrictive provisions.

To my way of thinking, perhaps there is some merit in the provisions. The parties to the agreement are termed joint venturers, and it does seem rather strange that they are not termed partners. The expression "joint venturers" has a certain flavour which reminds me of a happy wanderer, but of course that is not the case.

The Hon. A. F. Griffith: I think the honourable member will find it is an accepted taxation expression.

The Hon. H. C. STRICKLAND: That could be the case, but "partners" is also an accepted expression. It does seem a little odd, but I am not criticising it. All I said was that my reaction to it is that I am reminded of the song, "The Happy Wanderers." Nevertheless, these people are much more than that.

The provisions in the agreement give the Minister tremendous scope, power, and authority and this is what makes the agreement most unusual and quite different from any other which so far has been passed by Parliament. I see some merit in the action. No matter who the Minister may be, I am sure he will be very responsible. He must necessarily be a responsible Minister, and he would not only act on his own opinions but surely he would discuss his views with the Premier and with Cabinet before any decisions were made. Therefore, decisions would not be made lightly.

I am of the opinion that a procedure of this kind might, in fact, assist matters. However, I still raise some criticism in connection with the handicaps which are being placed upon what we would call the local boys in the iron ore business—restrictions which have no application at all in any previous agreements. Whether the local boys are singled out for some particular purpose, or whether overseas companies receive much additional consideration, I do not know. However, the differences are very obvious in this agreement,

particularly in connection with the penalty and royalty clauses. It is very apparent that these people will have to work hard and conform to strict and rigid procedures before they will be able to make any advance at all; unless some variation is made to the agreement through the clause which provides for this to be done.

I look upon the variation clause as a saving clause. I had suspicions that the State was not receiving sufficient in royalties through other agreements which have been passed by Parliament. I have voiced these criticisms in the House and said that the ore was going too cheaply. I suggested to the Minister that no provision had been made for depreciation in money values. At the time the Minister said it was provided for in the f.o.b. values. I do not think it is. I consider that, where a long-term contract is entered into, the rate will remain the same through that contract and therefore a depreciation of money will have no effect.

I still have faith enough in these companies to think that, through the variation clause, arrangements will be made by mutual agreement in the very same manner as they were made between the South Australian Government, the Western Australian Government, and the Broken Hill Pty. Co. Ltd. in relation to its royalties. These were increased through mutual agreement by 200 per cent. on one occasion. That is what I consider this company and all others will be able to do.

Provision is contained in clause 4 of the Bill whereby the power to challenge by-laws will be taken away from members of Parliament. The by-laws or regulations, after being mutually agreed upon by the Minister and the company, and then approved by Cabinet and Executive Council, may be laid upon the Table of the House.

So by-laws do not go through lightly. However, as with other members of Parliament, I object to losing the power to disallow or to amend any by-law. There are quite a few channels through which by-laws and regulations must pass and, of course, members of Parliament are able to take other action in regard to them if they find there is something important to which objection can be taken.

All in all, the Government has been rather harsh with these people. The restrictions placed upon the company are too severe. The company has not said so, but it does seem to me that these men have been subjected to harsher treatment than other iron ore companies.

I would like to take this opportunity to say something about these prospectors. I have known Mr. Hancock for many years, although I do not see him very often. I first met him, as a schoolboy, in 1924, at Mulga Downs station, which his father was managing. That station is quite close to the Hamersley Range. I know that Hancock was always prospecting in the hills during the school holidays and, ultimately, as a result of his endeavours in that direction, and his business acumen, he was successful in establishing, as a project, the blue asbestos mine at Wittenoom and eventually was responsible for having it taken over by a company.

We all know that the town of Wittenoom, which grew up as a result of the activities at the blue asbestos mine, at one time became very prosperous and had a population of 1,000 people. To all intents and purposes it appeared as if the mine would have a very long life, but unfortunately it was closed by the company as being uneconomical, and the town began to die. Once again Hancock and his partner were responsible for blowing some fresh air into the area at a time when the people of Wittenoom had become very despondent as to their future.

The residents at that centre were very upset at the closure of the mine and were anxious to leave the town as quickly as possible. Along came the joint venturers, Hancock and Wright, and they bought the whole township, as it were, and kept it alive. They have used it as a base to make examinations of the iron ore deposits in which they are interested and have been responsible for keeping quite a large population still in Wittenoom, and also of maintaining a fairly consistent volume of traffic passing through Point Samson and Roebourne.

I feel quite certain that, had it not been for Hancock and Wright, the town of Wittenoom would have died. Whilst these men are the recipients of extremely large and handsome royalties from their iron ore interests at Hamersley, they are not afraid to spend the money in the district. They are not taking it away for investment in flats or other buildings in the metropolitan area, or in farmlands in the south of the State. They are prepared to spend many hundreds of thousands of dollars of their royalties on the development of the district from whence they obtain their royalties.

They are the type of men with whom the Government should enter into generous agreements, free of any harsh provisions. I can clearly recall staying at the Wittenoom Hotel in 1961. I had been travelling through my province with my wife and was returning south when I decided to spend several days at Wittenoom. During the evening meal Mr. Hancock and Dr. Bruno Cambarna sat at the same table occupied by my wife and myself. Dr. Cambarna is a Swiss and a geologist of international fame. At the time he was employed by the Rio Tinto mining group. We used to dine together only for the evening meal, because Hancock and the geologist had always left Wittenoom by daylight and did not return until the evening when they would rejoin us at the dining table.

On one occasion I asked Mr. Hancock, "Have you found anything?" and he replied, "Yes; my friend here and I have found the biggest thing of its kind in the world." I said, "Goodness gracious, have you found diamonds?" and he replied, "I am not telling you anything more than that," so I did not question him further. Of course, he had found the iron ore deposits in 1952, but he took steps to convince the Rio Tinto group to take an interest in the deposits at Mt. Tom Price and the surrounding district. However, before that mining group would make any move to develop those deposits, it sent its geologists to the area to investigate them.

Mr. Hancock and Dr. Cambarna spent six months in the area making investigations and endeavouring to interest the company in the iron ore deposits. I happened to be there at the time and can prove how active Hancock was. That was in 1961. In 1966, with other members of Parliament, I saw iron ore being loaded into a large carrier at Dampier. Surely that is fast work! In 1961 the deposits were undeveloped, and in 1966 millions of tons of ore per annum were being loaded into ships for export overseas. All this has come about through the efforts of Messrs. Hancock and Wright. No-one else can claim the credit for this remarkable achievement. So once again I say the Government has been rather harsh in its dealings with these men, compared with the agreements the Government has entered into with other companies.

As the member for the district, I know what this agreement will mean to the area in question. I know the kind of prospecting in which these two men engage, and the type of industry they are endeavouring to establish. I know what it will mean to the people of Point Samson, Roebourne, and Wittenoom. Previously, of course, when anything was found in the area Port Hedland immediately became the centre of operations, but that port is full to capacity now. It is indeed refreshing, therefore, to hear the Minister say that this venture, if it does reach its ultimate objective, will be centred at Cape Lambert or Cape Preston.

Without doubt I would say that Cape Lambert would be the spot selected, because it has more to offer than Cape Preston. The people in the district and myself sincerely hope that is what will happen. We all hope the project will become firmly established and will accomplish its ultimate objective. This venture is much bigger than the others. No doubt members will have read in the Press that the company even intends to establish an oil refinery at that centre, although I have no idea from what source the oil will be obtained.

At first glance it seemed to be a grandiose scheme. If six years ago somebody had told me that 2,000,000 tons of iron ore would be shipped from King Bay in 1967—ore which had to be brought by rail from 200 miles inland—I would have doubted the accuracy of his statement. I would have thought that he had been misinformed. The development of the iron ore projects proceeds very quickly, and I hope the venture, the subject of the agreement before us, will also mature very quickly.

From time to time I notice articles are published and references are made in regard to our iron ore deposits, but they were not made during the time when Mr. Wise and I moved a resolution in this House some 10 years ago to request the Commonwealth Government to permit the export of iron ore. In 1889, Mr. H. P. Woodward, the Government Geologist at the time, contributed an article to a bulletin. The substance of his report was that the country he had inspected was essentially iron country, but he had not been to the Hamersley Range. He was referring, in the main, to the coastal plain between Geraldton and Whim Creek. On his own admission he had not seen the huge deposits of iron ore in the Hamersley Range, which are now being developed so rapidly. People who read such articles, although written in good faith, could be misled by the journalists and contributors. In those days iron ore was not used to a great extent in this country, if it was used at all.

There are several small deposits around Roebourne, but they are not of commercial value. I remember saying in the House on one occasion that wherever one walked in that area one would kick his foot against iron ore.

The huge deposits which have been discovered at Mt. Tom Price, and in the Hamersley Range, were all discovered and proved by Mr. Hancock. The investigations took a number of years and cost a great deal of money. I say good luck to people such as Mr. Hancock. They do an excellent job for the development of the north and the Pilbara district. They are the type of prospectors we should encourage. If the rewards are great, they have certainly earned them.

Monuments have been erected to Paddy Hannan and other gold discoverers of this State, but in the case of iron ore I am not suggesting a monument should be erected to commemorate the discoveries of Mr. Hancock. I merely want it to be recorded in *Hansard* that men like Mr. Hancock have been responsible for a tremendous amount of the development which is taking place in the north.

Debate adjourned, on motion by The Hon. H. K. Watson.

CLEAN AIR ACT AMENDMENT BILL

Returned

Bill returned from the Assembly without amendment.

BILLS (2): RECEIPT AND FIRST READING

1. Prevention of Pollution of Waters by Oil Act Amendment Bill.
2. Shipping and Pilotage Bill.

Bills received from the Assembly; and, on motions by The Hon. A. F. Griffith (Minister for Mines), read a first time.

BULK HANDLING BILL

Second Reading

Debate resumed from the 14th September.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [3.36 p.m.]: In making his introductory remarks to the measure the Minister drew attention to the fact that the Bulk Handling Act was first passed in 1935, at a time when the concept of bulk handling was, in the main, a very risky undertaking.

In the course of the following years, as one would expect, several amendments to the operative machinery of the original Act were made; because of the changing times, the expansion of the capacity of the company, the greater call on the company to develop, and the great advance it made in the bulk handling of grain by the use of machinery.

The Minister drew attention to the fact that while the Bill before us follows the principles of the legislation when it was first passed, in principle it aims at bringing the current legislation up to date by including the procedures which have been developed over the years, because it is now deemed wise and prudent to adopt them in the legislation.

The Minister went on to give what might be termed the historical sequence of events in connection with the Act. He said it emanated as a result of a Royal Commission, and he traced the difficulties which the original Bill experienced when it was introduced in Parliament. It was a Bill which had been prepared in the pre-war days, at a time when finance was particularly tight, and when big ventures were looked upon not only with reticence but also with great care by those who had faith in and put their organising ability into the schemes.

All along the way it seems that the architect of the bulk handling idea was the late John Thompson. I hope that in the course of time his great forethought and his exceptional ability will not be lost sight of by those who are associated with this organisation, and who have to work within the ambit of the Act.

The discussion of the idea and the searching inquiries of the Royal Commission were but two stages in the ultimate development of that idea; and the recommendations were put into effect by means of a Bill which had to be steered through Parliament in what I believe was, to say the least, a somewhat sceptical atmosphere.

The Hon. H. K. Watson: You are quite right.

The Hon. W. F. WILLESEE: There are others who can deal more closely with that aspect than I can and I do not intend to pursue it in great detail. I would mention, in passing, that on the basis of historical considerations, the new Act, which will be known as the "Bulk Handling Act, 1967," deletes all reference to the fact that the Act originally emanated in 1935. As the measure before us rearranges and does not list any of the original concepts, but merely brings the legislation up to date, I feel it would have been more appropriate had the short title read the "Bulk Handling Act, 1935-1967." That is a thought I had when I was trying to weigh the situation from the story presented by the Minister when he introduced the Bill.

The operations of the company are particularly interesting; and it can be described as a growers' co-operative, owned, controlled, and financed by the grain growers of Western Australia. This company, which was formed in 1935, has been inordinately successful throughout its career, which incorporates the very difficult times of its inception, the war years, and now the more affluent period of today.

I wonder what the value of the shares of this company would be if it so happened the company were listed on the Stock Exchange, with its present membership and paid up capital as against the asset backing it would have in its current balance sheet? I think its stock could truly be described as blue chip. In the course of its administrative career, the company must have contributed greatly to the improvement of harbour and berthing facilities in ports throughout the State which are used by the company.

Therefore, during the course of its operations, the company must have been a great help to Governments of the day as a result of the efficient manner in which it has carried out its share of the transportation of the product from where it was grown to the point of delivery for shipment from Western Australia. The company must have reduced enormously the losses in grain handling operations when it moved from the old bulk system to the present use of free-flowing silos.

There is no doubt this company faces great problems in the future—great problems of administration; great problems of financing; and a rapid expansion. It is not difficult to arrive at this conclusion when we consider that over the last 15 years, 1,000,000 acres of agricultural land throughout the State have been thrown open for selection each year. This in turn

must throw great responsibility on to the company. It is anticipated that three years from now — having passed the 100,000,000 bushels per annum mark—the State will be producing 150,000,000 bushels per annum; and forward planning indicated by the report of this company shows it will have to find something of the order of $40,000,000 to expend on facilities. That is a lot of money to find from limited capital.

Sitting suspended from 3.46 to 4.1 p.m.

The Hon. W. F. WILLESEE: With regard to the $40,000,000 which is required within the next three years—and having an appreciation of what a huge sum that is—it is as well to keep in mind that the Minister drew attention to the fact that the production of grain will increase by 50 per cent. in the next three years. The production of grain in Western Australia is increasing rapidly and it follows that facilities must keep pace with that production.

Possibly the most important issue in conducting a business of this nature is to maintain the free flow of the commodity involved. As greater and greater quantities of grain are handled it is essential that there is a free flow from the various storage facilities. The grain must be kept moving freely in order to maintain a continuity of service throughout the areas of the State where wheat is grown.

I do not intend to comment on the details of the Bill in any critical way. Obviously they were given a great deal of study and thought before the Bill was introduced. The fact that the measure is based on practical operation indicates there is nothing controversial in the measure, with the possible exception of the 2c increase in fees. This particular issue has been put to the growers and a favourable judgment has been given. It is common sense to incorporate the provision in the legislation at this time. It appears, from reading the Bill, that the 2c increase will not be imposed unless it is absolutely necessary.

One of the features of the company's operations is its equipment at the port of Fremantle. I understand that world authorities on the subject of grain marketing and handling claim the equipment at Fremantle is the best of its kind and the most up to date in the world. Recently a noted Canadian returned to his country and told the people that our equipment was the most efficient he had seen in the world.

What I have said illustrates that far from merely adopting the commonplace, or accepting the mean or the average of what is being done, Western Australia can show other countries in the world a method which is better than any other in this particular field of operation. That, in itself, is a great achievement and it must give the directors of the company a feeling of pride.

I noticed that there are several photographs in the corridor illustrating the buildings the silos, and the type of plant used, and these photographs show how up to date the company's facilities are. However, I think the best illustrations one can have of a company's record is a comparison of its balance sheets and the reports which accompany the balance sheets over the years. If anybody wishes to trace the history of a company, that history will be found in the successive balance sheets and reports over a period of years. The balance sheets reflect the ups and downs and the successes and failures.

A future problem of this company could be that it might not be able to maintain a continuity of flow in exporting grain from this State. It seems to me that as a greater volume of grain comes forward it will be difficult to do more than keep pace with the added production. Any cessation of flow in export could create a storage problem which would be a serious matter.

It was of interest to note in the current report of the company, under the heading of "storage," that there was a carryover of approximately 6,000,000 bushels from the 1965-66 season. That quantity of wheat was in store when operations commenced for the 1966-67 season. It is a lot of wheat to have static with the next year's production coming forward.

The company could face a financial problem if it has to raise $40,000,000 quickly. It has tried to raise the money in the United Kingdom and the United States, but because of domestic credit restrictions in both countries it has not met with any success. The Commonwealth Trading Bank is coming to the fore at the moment and the Government—whilst not able to commit itself to a financial loan—has offered to underwrite by way of guarantee, any commitments which the company may undertake. I have no doubt that the company will meet its commitments quite easily because of its background and the nature of the industry involved.

I wish the company success. It is interesting, when looking at the current balance sheet—dated the 31st October, 1966—that the fixed assets of the company, in round figures, now total $32,000,000. The fixed assets, plus investments and current assets—which would be written in at a much depreciated value—amount to over $33,000,000. That tells a great success story when one compares the figures from one of the original balance sheets presented to Parliament on the 9th August, 1938. The 1938 balance sheet was the earliest I was able to obtain, thanks to the help of our Clerk. The point I wish to illustrate is that the problems of finance are related to a company's capacity to handle its problems and meet its obligations successfully.

Bearing in mind that the fixed assets of the company today are $33,000,000, the assets at the 31st October, 1937, amounted to approximately $660,000. At that time the sundry creditors list showed about the same figure. The company also owed Westralian Farmers $150,000; the Trustees of the Wheat Pool of Western Australia nearly $200,000; the Prudential Assurance Co. Ltd. $250,000; and this included an item headed "open accounts." However, so great was the confidence of the investing public in the accounting of this company that the retailers of the day supplied machinery and building materials as they were required. The company had a nominal capital of 100,000 shares at $2 each. It had a paid-up capital of $20 but after three years in business it had accumulated assets totalling $660,000.

Those figures speak for themselves. The problem of raising $40,000,000 today will require no greater effort, relatively, than was required when the company started off in 1935 with a paid-up capital of $20. As I said, within three years it had accumulated assets to the value of $660,000, and today the assets run into millions of dollars.

With a success story like that behind it, how could anyone do anything else but wish the company well in the future and hope that there are no problems in the industry which it cannot overcome in the interests of the growers.

Debate adjourned, on motion by The *Hon. N. E. Baxter.*

EDUCATION ACT AMENDMENT BILL

Second Reading

Debate resumed from the 14th September.

THE HON. J. DOLAN (South-East Metropolitan) [4.16 p.m.]: The first amendment in the Bill proposes to exempt from attendance at school for a limited period a child who wishes to engage in employment of a nature that is related to his education at the school he attends; and provided the principal of the school concerned is satisfied that the engaging by the child in that employment for the proposed period would be in his interests, the Minister may exempt the child from attendance at school.

In the main this amendment refers to the high school certificate group in a school and, normally, they are quite a big percentage of the students at a high school. Not only can the Minister exempt these children from attendance at school, but he also has the power to revoke that permission.

Members will realise that last year an amendment was made to the Education Act to provide that the Minister could grant exemptions to children from attendance at school under certain circumstances. However, once that permission has been granted he has no authority, under the Act, to revoke it. By the amendment in the Bill the Minister, in certain circumstances—and I think it would apply only where the most difficult situations existed—can exercise a power of revocation.

The object of the proposal is to permit principals or headmasters of the schools concerned to allow certain classes of children, mostly at the second and third year high school level, to avail themselves of the opportunity to gain practical experience in work whilst still at school.

Now let us look at the position from both sides. In my experience I have found that many children do not know what they want to do when they leave school, although some of them have certain ideas about the type of employment in which they would like to engage.

Under the proposal in the Bill children will be given an opportunity to try out the particular vocation they wish to follow, and I think members will understand that the children involved will, generally speaking, belong to the group whom we would not class as being academic. These children will be of the type who engage in trade and work of a general nature. The amendment will give them an opportunity to spend some time in each term of their second and third years in the vocation of their choice. It will enable them to do what I suppose many of us like to do—try before we buy.

Having had practical experience they return to school in a frame of mind which fits them better for the work they are going to do. They have an aim in life. When they have tried out the work they would like to do, and they find it satisfactory, they have an incentive to get themselves ready for that particular avocation.

From the employer angle, it gives the employer an opportunity also to see the type of lad or girl who is offering for service, and I can give some practical examples later to illustrate that in many cases not only have the children found satisfaction in regard to their future employment, but employers also have found satisfaction in the type of lad or girl they have been able to get.

Previously there were obstacles in the way of this proposal. The Factories and Shops Act, of course, precluded children who were not of school-leaving age from taking work. Also children must be employed legitimately — the employment must be genuine—so that they can be covered by the provisions of the Workers' Compensation Act. The Bill covers those aspects.

I would like to make members aware of the fact that this proposal is nothing new. Reference was made during the Minister's second reading speech to indicate that last year this proposal met with a certain amount of success at the Kent Street High School; but the procedure has been in

vogue in high schools for many years. Only two years ago a high school teacher, in charge of a group of the type I have mentioned, came to see me and outlined this type of scheme. I could see the possibilities in it and, also, I could see the difficulties involved.

Eventually I arranged for the teacher to see members of the Trades and Labour Council and he explained his proposals to them. They were quite definite that the proposal had possibilities, but they could see limitations in it, and, of course, these limitations will be removed under the proposals in the Bill.

Let me give an example of how this experiment works. The teacher quoted the case of a boy who was keen to become a plumber and he was able to arrange with a local plumber to take this boy on for a trial period. The boy was quite happy with the type of work because it was work he was keen to do. He went back to school a much better lad and the employer was happy with the work the lad had done during his trial. Eventually the employer signed the lad on as an apprentice and the teacher told me today the boy is very happy and so is the employer.

Another lad was keen to become a mechanic and to do work associated with a service station. After experience for a trial period the lad was employed by the service station. Another boy had a different train of thought altogether and he finished up having a trial period with that well-known yachtsman, Rolly Tasker. The boy was interested in sail making, boatbuilding, and everything associated with boats. Eventually he was taken on by Rolly Tasker as an apprentice. He is happy in his work and the employer is happy to have him.

The Hon. L. A. Logan: He might have done us some good on *Dame Pattie.*

The Hon. J. DOLAN: Yes. There is another aspect to which I would like to draw members' attention. When some of these children try the type of work that they fancy they find that they are not suited for it. They may wish to change from the high school certificate type of work to a more academic type of work when they go back to school after their trial period of employment. Therefore I believe that in all schools provision should be made for this type of student, and provided they have the ability they should be able to change their courses when they realise they are on the wrong track and they wish to take on an academic type of career.

There is a proposal for a high school achievement certificate and it is possible that might cater for this type of individual who believes he is frustrated in the line of work he first thought of and wishes to change to something else. I can see hosts of advantages in this scheme, but we will have to wait to find out whether it has any drawbacks. In the meantime I am quite prepared to go along with it because I think it is worth while.

I have always felt that one of the ways in which to improve our education standards is by experiment and research. This proposal is in the nature of an experiment; it has been tried and found successful and, with an extension of it, as is proposed, I feel it will do a lot of good.

The second amendment refers to the education of children with disabilities—I refer to children who are blind, deaf, mute, or who suffer from cerebral palsy as well as those who are mentally defective. Before I entered the House I was in charge of a school where we had three classes of slow learners and I feel that this is an opportunity I cannot let pass to pay tribute to the wonderful work that the teachers of these children do. Also, I am absolutely amazed at the quality of the work these children are capable of doing; and the nature of the training they undergo is such that they are able to find a place in community life.

The other point I would like to refer to in regard to these children is the fact that their parents seem completely to have changed their outlook regarding their children's future. Once a child of this nature would be regarded probably as a skeleton in the closet, and the parents would want to keep him or her out of the way of the ordinary public. That attitude has completely changed and parents today have come to realise that the teachers who teach these children are so dedicated, and do the children such a marvellous amount of good, and the response of the children is so amazing, that the children can be treated normally.

Every member who has visited these schools would know what amazing work is being performed with children with disabilities. The amendment will remove what to a certain extent has been a misunderstanding over some years. Originally, of course, the legislation provided that a parent of one of these children should notify the Minister and make arrangements to have the child educated. If it was found impossible to have the child educated privately arrangements would be made with the Minister that, from a certain age, the child would commence its education and continue it to the age of 16 years. The parents, of course, had to share the cost of the training, but that provision is to be removed and the education will no longer be a charge against the parents. This places children of this type on the same footing as all other children. That is as it should be. Although it has been the custom now for some years not to make any charge against the parents, I think it is appropriate that the provision should be removed from the Act.

Every time I visit places where these children are being educated I wonder at the type of work that they can do. When I was in charge of a school I saw work that they did at examination times and, quite often, I could not restrain myself from taking samples of that work into some of the other rooms, where the children were normal, to show them what was being done by children when they were being directed properly. I conclude by re-expressing my admiration for the work these children are doing and also for the wonderful job the teachers are performing. I offer my full support to the Bill.

Debate adjourned, on motion by The Hon. J. M. Thomson.

ADJOURNMENT OF THE HOUSE: SPECIAL

THE HON. A. F. GRIFFITH (North-Metropolitan—Minister for Mines) [4.28 p.m.]: I move—

That the House at its rising adjourn until Tuesday, the 3rd October.

Question put and passed.

House adjourned at 4.29 p.m.

Legislative Assembly

Thursday, the 21st September, 1967

The SPEAKER (Mr. Hearman) took the Chair at 2.15 p.m., and read prayers.

QUESTIONS (30): ON NOTICE

GOVERNMENT HOUSE

Reason for Name

1. Mr. W. A. MANNING asked the Premier:

(1) What is the reason for the residence of His Excellency the Governor being called Government House?

(2) Is it found to be confusing to the public?

Mr. COURT (for Mr. Brand) replied:

(1) Mainly from a custom which has continued since the earliest establishment of British colonies. The term has also been accepted by general usage as indicated by the *Oxford Dictionary* which defines Government House as "The official residence of a Governor."

(2) No.

MANJIMUP SCHOOL

Classroom Accommodation, and Grounds

2. Mr. ROWBERRY asked the Minister for Education:

(1) How many children does the Manjimup Primary School accommodate at present?

(2) What is the estimated number of pupils who will be in attendance by 1968?

(3) What is the total acreage of the present school site?

(4) How many acres does this leave available for sport and recreation?

(5) Is there any possibility of serious overcrowding at this school both in the school grounds and in the classrooms in the near future?

(6) Is he aware that the position of the school grounds has been aggravated because the school has been denied access to the adjacent recreation ground for sport?

(7) When is it anticipated that a new school site will be determined?

Mr. LEWIS replied:

(1) 720.

(2) 740.

(3) About 4½ acres.

(4) About three acres.

(5) No. The establishment of a second primary school is under consideration.

(6) No.

(7) This matter is at present before the School Sites Committee.

TRAFFIC

Speed Limit of 65 Miles Per Hour

3. Mr. GAYFER asked the Minister for Police:

(1) From what source was information gathered in order that a blanket maximum speed of 65 miles per hour should be and would be enforced by this State?

(2) Does he consider that this will reduce the number of accidents on country roads?

(3) Is it proposed that the 65 miles per hour be introduced on a trial basis?

(4) If so, and it proves ineffective, will the limit be lifted?

Mr. CRAIG replied:

(1) The Australian Road Traffic Code Committee; speed surveys conducted by the Main Roads Department; an analysis of country accidents in Western Australian by the National Safety Council; British and American sources.

(2) There is every reason to believe so.

(3) No.

(4) In due course the matter will be reviewed.