Legislative Council

Tuesday, the 6th September, 1966

CONTENTS

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

ADDRESS-IN-REPLY

Acknowledgment of Presentation to Governor

THE PRESIDENT: I desire to announce that, accompanied by several members, I waited on His Excellency the Governor and presented the Address-in-Reply to His Excellency's Speech, agreed to by the House. His Excellency has been pleased to make the following reply:—

> Mr. President and honourable members of the Legislative Council: I thank you for your expression of loyalty to Her Most Gracious Majesty The Queen, and for your Address-in-Reply to the Speech with which I opened Parliament.

QUESTIONS (4): ON NOTICE

CRAYFISHING

Boats: Registrations

1. The Hon. J. DOLAN asked the Minister for Fisheries and Fauna:

What boats were registered for crayfishing in Western Australia as at—

(a) the 30th June, 1963; and

(b) the 30th June, 1966?

The Hon. G. C. MacKINNON replied:

(a) Not available.

(b) 847.

NATIVES

Liquor Offences: Charges and Convictions

2. The Hon. E. C. HOUSE asked the Minister for Justice:

Will the Minister advise—

(1) The number of natives charged with any offence relating to liquor at—

(a) Gnowangerup;

(b) Katanning;

(c) Narrogin; and

(d) Moora;

for each month since the introduction of drinking rights in the South-West Land Division?

(2) For the period the 1st July, 1965, to the 30th June, 1966—

(a) the number of natives who served terms of imprisonment in metropolitan gaols for, or as a result of, offences relating to liquor; and

(b) the amount of subsistence paid to the families of those natives who served terms of imprisonment?

The Hon. A. F. GRIFFITH replied:

(1) Tabulations of this nature are not kept by the department on a monthly basis. The following statement sets out the information in respect of half-yearly periods:—

Natives Convicted of Liquor Offences

Locality	1/1/64 to 30/6/64	1/7/64 to 31/12/64	1/1/65 to 30/6/65	1/7/65 to 31/12/65	1/1/66 to 30/6/66	Total
Gnowangerup	60	59	23	52	65	259
Katanning	119	115	78	76	105	493
Narrogin	139	267	217	235	235	1,093
Moora	59	103	88	92	136	478

(2) (a) This information is not available without considerable research, involving the examination of every conviction record for the period quoted.

(b) Answered by (a).

FREMANTLE GAOL

Long-term Prisoners: Employment

3. The Hon. G. E. D. BRAND asked the Minister for Mines:

Will the Minister inform the House how a long-term prisoner in Fremantle prison is occupied and/or employed during any one day of his internment?

The Hon. A. F. GRIFFITH replied:

In the various trade shops, comprising bootmaking, tailoring, printing, sheet metal, and carpentry shops. He may also attend the classroom facilities presided over by teachers from the Education Department.

Prisoners are also employed in essential service needs as, for instance, in boiler attendance, maintenance, stores, garden area.

KALGOORLIE POLICE STATION

Staff: Number in Past Five Years

4. The Hon. G. E. D. BRAND asked the Minister for Mines:

Will the Minister advise the number of officers and men manning the Kalgoorlie Police Station for the past five years?

The Hon. A. F. GRIFFITH replied:

Staff at Kalgoorlie Station
Years ended the 30th June

Year	Inspector	Sergeant	Constables	Women Constables	Plain Clothes Constables	Detectives	Gold Stealing Detection Staff	Total
1962	1	7	24	1	2	2	2	39
1963	1	7	22	1	2	2	2	37
1964	1	7	23	1	2	2	2	38
1965	1	7	24	1	2	2	2	39
1966	1	7	24	1	2	2	2	39

BILLS (3): THIRD READING

1. Brands Act Amendment Bill.

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

2. Evidence Act Amendment Bill.

3. Debt Collectors Licensing Act Amendment Bill.

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

LESLIE SOLAR SALT INDUSTRY AGREEMENT BILL

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [4.47 p.m.]: I move—

That the Bill be now read a second time.

The Leslie solar salt industry agreement ratifying Bill has been passed in another place and seeks the ratification by Parliament of an agreement dated the 27th July, 1966, between the Government and Leslie Salt Co. of San Francisco, California. The agreement has as its basis the establishment of a major industry in the Port Hedland area of the north-west producing solar salt.

It has been said by the Minister for Industrial Development in another place that the use of salt is, in a measure, a yardstick by which the country's industrial development is gauged. An indication of the importance of salt in measuring industrialisation of a country is exemplified by the fact that the United States in 1964 used approximately 310 lb., Germany used approximately 280 lb., and Australia used approximately 120 lb. per head and, of these totals, no more than 2 per cent. was used for human consumption, the balance being used in various ways by industry—primary and secondary.

Salt can be produced by three different methods—by mining of rock salt deposits, by pumping brine from beneath the earth's surface, and by solar evaporation of sea water. The third method is the one which will be used by the Leslie Salt Co.

I just want to make that clear. Salt can be produced by three methods—by the mining of salt rock deposits, by pumping brine from beneath the earth's surface, and by solar evaporation of sea water; and the third method is the one I propose to discuss.

It is necessary to have access to a large low-lying area, uniform in contour, relatively close to the sea where the evaporation is high. It is also important to be in an area where the average rainfall is low, and in country where the soil is impervious. The area is then divided off into concentration ponds which are set out in continuous chains. The sea water is pumped in and passed from one reservoir to the other, and

as it proceeds it becomes more and more concentrated, following which, when a determined degree of concentration is achieved, the brine is pumped into a crystallising area, which is also divided off into ponds of a much lesser extent than the evaporation ponds. Here, further evaporation takes place and the salt reaches a crystallised stage where it is practically all deposited leaving with it in a soluble state minerals such as magnesium potassium, and calcium.

The salt is harvested and put into a stockpile area where it is transferred to the port of export or, in some cases where chemical works are close to the point of production, to the factory itself.

The world production of salt in 1955 was 67,000,000 tons. It rose in 1961 to 83,000,000 tons, and by 1964 it was 93,500,000 tons. The leading producers in the world for 1964 were U.S.A., with 28,000,000 tons, Mainland China with 11,000,000 tons, U.S.S.R. produced 9,000,000 tons, and Australia's production for the same period was 545,000 tons.

Under the agreement, the company accepts an obligation to spend at least $7,000,000 on the establishment of the industry, including port facilities. The State in return makes available approximately 48,000 acres of otherwise useless salt marsh as a production site and crystalliser area. The majority of this land, as members will recall from their recent tour of the north-west, is subject to inundation by the sea at high tide.

With your permission Mr. President, I desire, at the conclusion of my comments, to table two plans, one dealing with the stockpile area and the other with the area of salt marsh, which is the subject of the lease over the land I have just referred to.

The State is to make available in the Port Hedland Harbour area approximately 18 acres of land for a stockpile site near a new deep-water berth which will be available for general purpose shipping as well as vessels loading Leslie Salt Co.'s production. The agreement itself marks a new and desirable phase of development ancillary to the iron ore projects. Without the availability of a deep-water channel providing access for large bulk carriers into Port Hedland Inner Harbour, this industry would not be possible. This is the beginning and I have no doubt in the future there will be a number of other industries based on the great new ports being developed in the north by the iron ore companies.

It is not my intention to weary members by recounting the agreement clause by clause. Most of the clauses are straightforward and contain provisions which members will expect as normal in an agreement of this kind. It will be noted, however, that by clause 3 of the agreement, the production site is leased for an initial term of 31 years, followed by rights of renewal for two terms of 21 and 11 years, respectively. This clause provides for public access for fishing and recreation to tidal inlets which are customarily used by the people living in the area.

Clause 4 deals with the stockpile area which, at the present time, is below high-water mark; and most of it is covered by mangroves. Arrangements have been made with Mount Goldsworthy to deposit spoil from the dredging of the turning basin and middle bank. Approximately 1,000,000 cubic yards of material will be placed in this area, so bringing it up to the desired level for the safe stockpiling of salt and to prevent inundation at high tide. This disposition of spoil will be carried out at no cost to the State. It is part of the arrangement with Mount Goldsworthy that the company will deposit agreed cubic yardages of desirable spoil from the harbour dredging into locations nominated by the Government.

The rental fixed is designed so that the State will recover the cost of preparation of this area—that is, the stockpiling area—together with interest within a reasonable period. I emphasise that the cost, so far as the State is concerned, is purely in connection with any levee banks that may be necessary as distinct from the major work of providing the spoil from the harbour. That is to be done, as mentioned, by Mount Goldsworthy at no cost to the Government.

Subsequently, the company is obliged to pay a reasonable minimum rent with provision for this to increase when the tonnage of exports increases.

Clause 5 sets out the conditions governing the building and operation of the wharf, which is to be built between the present jetty and Point Nelson. The wharf, when complete, will be equipped with bulk-loading facilities which, in the first instance, will be capable of loading vessels at the rate of 1,500 tons per hour. Having regard for the specific gravity of salt, this rate is considered high by world standards. The bulk-loading facilities will be provided at the cost of the company and designed and sited so that these facilities will not interfere with the working of the wharf or other cargoes.

One point which requires explanation is subclause (e) of clause 5(1)—and that is in the agreement, not in the ratifying Bill. This clause gives salt ships priority for the use of the wharf for 2,400 hours in any one year. This is necessary because the company could not afford to have the large bulk carriers, which it will be employing to transport the salt from Port Hedland to Japan, incurring demurrage due to lack of co-operation by other users of the berth. Should exports by the company reach the stage where its ships are likely to occupy the berth for longer than 100 days a year —that is, the 2,400 hours—then it must install additional loading facilities to lessen the time which its ships will take to load, or, alternatively, forgo its priority.

Clause 6 permits the company to be granted a license to pump salt in the form of slurry from the crystallisers to the stockpile area. Initially, the company intends to transport the salt to the wharf by road transport, and it will be noted that clause 11 grants to the company this right for a period of ten years. It is of interest to notice that, at this stage, Leslie Salt Co.'s initial target for export is 1,000,000 tons per annum, and this will involve the transport of 3,000 tons of salt every day of the year.

As Port Hedland grows, it could well be that the license to operate the heavy road vehicles, required for the road operation, will have to be restricted. In such circumstances, the company would have to investigate alternative means of conveying the salt. At the present time, it is considered that this could be either by pipeline or by railway. Provision is made in the agreement that the company may use either method.

I should add that, during the feasibility study, and at the Government's request, the company studied the possibility of using a pipeline initially to transport the salt in the form of a slurry. However, this did not prove economical, desirable, nor feasible at this stage. Nevertheless, the idea has not been discarded and, as the town becomes busier, and as the quantities become bigger, it may become economic to establish this form of transportation which has many advantages from a traffic and road point of view—even beyond those of a railway.

Members will note that subclause (b) of clause 7 provides that the company will progressively increase the capacity of the plant until it is capable of producing not less than 1,000,000 tons of salt per annum by the 30th June, 1975.

Clause 8 is important from the State's viewpoint. It provides that the company shall pay royalty at the rate of 5c per ton on the first 500,000 tons in any year, 6.25c on the second 500,000 tons in any year, whilst tonnages in excess of 1,000,000 tons per year attract a royalty at the rate of 7.5c per ton. Relating this royalty to the company's initial target of 1,000,000 tons per annum, this means that the State's revenue will benefit to the extent of $56,250 per annum.

It is also provided under this clause that the company pays wharfage charges in addition to the royalty amounts specified. Also, there is a further wharf charge of $60,000 per year set out in clause 5, subclause 2 (d).

Under the provisions of clause 9, the price of salt will be reviewed periodically and if there has been an increase, the rent, royalty, and wharfage charges will increase proportionately. In other words, our revenue is related to any upward trend in the world price of salt.

The escalation provisions are on page 16 of the agreement and the particular clause is 9 (2). This sets out the formula by which the world trend in salt-producing economics is harnessed to the charges that we receive. I should emphasise, however, that the charges stated in the agreement are the minimum charges payable and cannot in any circumstances be reduced, irrespective of the price of salt in the future. In other words, we are escalating upwards and not downwards.

Under clause 10, the State is obliged to make available 50 housing lots to the company, which it purchases and makes a reasonable contribution to local development costs. The company will buy this land at a price not exceeding $200 per lot in addition to survey fees. The company will also be expected to pay up to $420 per lot as a contribution to the usual local authority services. In addition, the company is obliged to build a house on each of these lots of a value of not less than $7,000. These houses are for company employees. Already the company has been allotted three housing lots in Port Hedland under this provision to permit the company to erect urgently-required housing for employees. The State is not required to make any contribution to the building of the houses.

Clause 18 was inserted to ensure that the company make reasonable use of the land being made available. In other words, the company has to conform with these conditions before it can obtain the freehold of these blocks.

The Bill providing for the ratification of the agreement is comparatively simple and needs no elaboration, I think, with the exception, perhaps, of clause 4. This clause gives authority to the Governor to make by-laws in respect of the use of the wharf and the operation of the railway line which may be built in the future.

Clause 5 of the Bill has been included to prevent any later indecision, although I am assured that section 96 of the Public Works Act, 1902, would not apply to any railway line which may be built by the company. The railway line to which I have referred is the one between the causeway and the stockpile area and, if ever it is built, it will be approximately five miles in length.

It is worthy of mention that Leslie Salt Co. is one of the largest salt-producing companies in the United States of America. It has a good reputation and currently produces approximately 1,000,000 tons of salt in San Francisco Bay. The company is also in the salt industry in a number of ways through the actual products and by-products of salt.

It is desirable for me to inform members that under the terms of clause 29 (1), on page 29 of the agreement, the company has already given notice to the Government that it has satisfied itself in respect of the

appropriate conditions. This is rather important because it means the agreement had progressed considerably before being introduced for ratification. In addition, the company has actually commenced construction work and has let considerable contracts for the earthworks. The initial works are predominantly earthworks as distinct from mechanical works.

In conclusion, may I say that the Bill, and the agreement that goes with it represent still another step forward in the industrial growth of the State and are of particular significance to the people of the north-west.

In commending the Bill to members, Mr. President, I seek your permission to table two plans, there being no statutory obligation under the agreement to do so. For the information of members, I will table plan marked "A" which shows the salt marsh areas that are to be the subject of leases under the agreement—those are outlined in blue—and also Public Works Plan 43015 which shows, outlined in red, the proposed stockpile area to be leased at the back of the land-backed berth, which is to be built.

The plans were tabled.

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

WUNDOWIE WORKS MANAGEMENT AND FOUNDRY AGREEMENT BILL

Second Reading

Debate resumed from the 1st September.

THE HON. F. J. S. WISE (North) [5.5 p.m.]: The introduction of the Bill heralds the beginning of the end for the Wundowie Charcoal Iron and Steel Industry under State ownership. This industry has done much for the State in many ways since its inception. I clearly recall all the preparation and inquiries made at expert level for its establishment, and weighing the prospects of such an industry being established during the war years when it was considered the fostering of industries was almost impossible, and when governments were not fortunate, as obtains today, in having largesse and large sums of money tipped into their laps.

The original Bill which approved the establishment of this State industry was passed in this Chamber by a majority of 15. If a division of the House were taken on the finish of the State-owned industry, I would think it would be agreed to by almost as large a majority. There is no doubt that strange things happen with parliamentary decisions.

The background of the industry was given in brief last year by Mr. Dolan when he spoke on the measure which, after being amended, made it necessary for this agreement to be presented to Parliament before it could be ratified. Therefore this Bill is now with us because of the negotiations which have taken place since that time. I have no doubt Parliament will pass the Bill, because it conforms to Government policy. Its principles, in detail or not, have been discussed many times in the party rooms of Government parties, and the Government has been given full rein to proceed with negotiations. That is a fact which can be verified by statements made by the Premier.

As it deals with conflicting policies of different parliamentary parties, the Bill is extremely controversial. It is obnoxious to the party to which I belong, but, in addition, is unsatisfactory to me because of some of the conditions contained in the agreement, and the manner in which the agreement was reached. It could be safely and truly said that this Government has an inherent hate of any State-owned industry. We have had ample proof of that. The State Saw Mills were given away to the degree that they may be paid for out of the profits of the undertaking.

The Wundowie Charcoal Iron and Steel Industry is now to be passed from State ownership at a remarkably advantageous price to the purchaser. I anticipate that, before long, an agreement to negotiate the sale of Wyndham Meat Works—which I believe are being conditioned for a takeover value—may also be presented to Parliament. Indeed, Robb Jetty, as also the few undertakings still remaining under State ownership, may follow, despite the fact they have given remarkable service to the State. Those are anticipations on which one could elaborate, but I will leave the question at that point, feeling quite safely the forecast will come true.

Since the introduction of this Bill last Thursday, I presume few members in this Chamber listening to me have picked the Bill up and looked at it, or even bothered about it at all. That, too, would be a statement of fact. Little time elapses between the introduction of a Bill and the necessity to proceed with it because of its position on the notice paper. No matter how voluminous, and no matter how it warrants close examination, the members of this House, and therefore this Parliament are expected to speak to the Bill and to debate it without the knowledge of the background some members may possess.

Not only because of the schedule, but also because of all it contains, this is a complex Bill. Some part or parts of it which set out the negotiations, and to which the Minister addressed himself, are quite clear. Some parts of it, in my view, are offensive to Parliament and to the people.

It is claimed that by ratifying this agreement Wundowie Charcoal Iron and Steel Industry remains a Government-owned instrumentality because it is being sold under option. Of course that point will not bear up under examination. But in another part of his speech the Minister stated it was potentially an outright sale.

I do not wish to repeat the words of the Minister on that point, which will be found in the record of his speech, but he said it was being dealt with in this way because of its being potentially an outright sale. That is the situation.

The Wundowie Charcoal Iron and Steel Industry has been sold, after writing down the industry's capital by $2,200,000, for the sum of $800,000. I think Parliament is entitled to know how the valuation was made. It is a colossal reduction, and not merely in writing-down. On studying the last-published balance sheet of this enterprise, and indeed the Auditor-General's report of last year, there will be found a figure of £2,264,373, representing the fixed assets, plant, buildings and land at cost, with the depreciation shown at a total of £985,530.

The fixed assets appearing in the balance sheet are valued at £1,473,843. I feel very concerned that a State asset of this magnitude—it is not as though we are dealing with a hardware store, or a frock shop; we are dealing with something valued a year ago in terms of millions of pounds—by the passing of this Bill today, tomorrow, or the next day, will pass from State ownership at a figure of £400,000 or $800,000. How that figure was arrived at, who knows? The Minister would know, but who else knows?

Has there been an inspection by an officer of the Auditor-General's Department or of the Treasury—particularly of the Auditor-General's Department? I would go so far as to say that this Parliament would have no qualms at all about the writing-down to any figure that was reasonable to permit a sale if an independent valuer—indeed, an engineer from the great combine of B.H.P., plus an officer of the Auditor-General's Department—had carried out an inspection, because this would satisfy Parliament that the assets were not being given away because of the whim of a government.

We have no proof to the contrary, and we have no information; and, I repeat: Parliament is entitled to such information before dealing with a Bill of this kind, particularly in view of the magnitude of the finance that is involved.

The Hon. A. F. Griffith: You can hardly refer to an agreement that took a year to conclude as a whim.

The Hon. F. J. S. WISE: The whim is in getting rid of any government enterprise associated with industry. Strangely enough, the firm with which this agreement is being made is the firm which was under consideration a year ago when we passed the previous Bill.

The Hon. A. F. Griffith: Nobody denies that.

The Hon. F. J. S. WISE: What other avenues were explored as to prospects? Are there papers this Parliament should see? That is my point. Parliament is just having this agreement thrown at it with no explanation, with no detail, and with no argument to support the contention that this industry should be given away under a 10-year option, or more, for $800,000, or more. During the currency of the option the company will be paid remuneration for its services. It will be paid $35,000 for the first year, plus other adjustments, which members will find if they read the Bill. The period of management will be for 10 years; and, during the course of that period, the company, under the agreement, within the first five years, will construct a foundry to cost £600,000, and spend £150,000 on such construction before the 30th June, 1968.

It appears obvious, not merely from the introduction of this Bill this year, but from the remarks made during the passing of the Bill last year, that a foundry associated with the Wundowie enterprise will be a proposition which is safe and one which the industry could handle satisfactorily. It does appear obvious, from all of the questions which have not been satisfactorily answered, that the industry as now established could have done this if it had had a government solicitous for its welfare and its continuation.

There is ample evidence to show that very small sums of money would have been necessary for this undertaking to ensure it would remain under State ownership, and to provide an adjunct of the kind proposed, without having the industry passing from State ownership. I repeat that both the people and the Parliament are entitled to very much more information in connection with this deal than has been made public. The writing down of $2,200,000 of capital does not destroy that capital—it remains something for the public to service and to repay. By certain provisions within the agreement it is removed from the responsibility of the undertaking.

For the satisfaction of Parliament, we should be told in detail that there has been an adequate evaluation of the assets of this enterprise so that all doubts can be removed. Since it is Government policy to dispose of these works at any cost, would it not be more satisfying to see documentary evidence that although the enterprise is worth $1,600,000, it is expedient and necessary, in the view of the Government, to sell it for the value proposed. However, we have been shown nothing of that kind—nothing to look at or to contemplate. I think Parliament is being flouted and treated in a very bad fashion in the disposal of an enterprise of this kind, and in this manner.

It is a very different sort of thing from the agreements which we have passed session after session in recent years to permit of other people spending their money—to permit of a salt industry being established, or an iron ore industry being developed in various parts of the State. That

is private money being spent in association with Government responsibility, and the counter-responsibility of the individuals who are to benefit as a company. Those agreements are very different from this one.

Before this Bill passes I hope the Minister will voluntarily give to Parliament some information or present some documents to show that the price of $800,000 is not something just plucked out of the air, but is a figure that has a valid basis, and is comparable to the value of the enterprise.

The Minister, in his introduction, explained very clearly many clauses of the agreement. There were others, of course, upon which he did not touch. I think it is disturbing to see written into this agreement, as differing from the agreements with the iron ore companies, such clauses as 41 and 43 which enable variations to take place which, in effect, would nullify the whole existence of the agreement. I repeat: The clauses in this agreement are very different from those in the agreements which I have in my hand dealing with B.H.P., Mount Goldsworthy, and others.

If members will take the trouble to look at this agreement they will see it gives the opportunity to contract out of almost anything by written agreement with the Minister associated with the undertaking. I suggest that that clause, and the one which deals with the extension of periods, have no place in this agreement, under which a private company is being sold a State enterprise at a figure very attractive to the company concerned. It is an agreement very much in favour of the company.

I repeat that under clause 41 of the agreement, any term or condition could be varied so as to render the agreement useless as far as parliamentary approval is concerned.

The Hon. A. F. Griffith: I do not think clause 41 says that.

The Hon. F. J. S. WISE: Does clause 41 not deal with variation?

The Hon. A. F. Griffith: Both clauses deal with variation.

The Hon. F. J. S. WISE: I am talking about the clause that deals with variation of the conditions. I will read clause 41; and, if I cannot understand English, I will apologise. Before I do so I will confirm that it deals with variation of conditions.

The Hon. A. F. Griffith: Don't you think the clause is for the purpose of more efficiently and more satisfactorily implementing or carrying on—

The Hon. F. J. S. WISE: It is as wide as from Alaska to the South Pole! The Minister has had legal training in a legal office and knows how wide the clause is. Clause 41 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.

Who is to interpret what the words, "satisfactorily implementing or facilitating the carrying out of any of the objectives" mean? Parliament will not be considered —Parliament will not know about it. So I say this—

The Hon. A. F. Griffith: Don't you—

The Hon. F. J. S. WISE: The Minister can have his say later on, and then say as much as he pleases.

The Hon. A. F. Griffith: I can, indeed.

The Hon. F. J. S. WISE: Would the Minister like to ask a question?

The Hon. A. F. Griffith: I did not want to interrupt. I did want to ask you something, but I will keep quiet.

The Hon. F. J. S. WISE: I do not mind if the Minister does not. The point at issue is this: While a clause drawn in the form of clause 41 of this agreement definitely has a place in the agreements which this Parliament has ratified in the past—as has clause 43, dealing with extensions of time —in this case it is a Kathleen Mavourneen arrangement.

I would like to hear some satisfactory explanation why the ability to contract out in time has a place in this Bill—which is to confirm the sale at a certain price and under certain obligations.

We, as an opposition, have no resources to obtain legal information, and that is unfortunate. However, this has always been the position. We may have a Bill drafted by a Crown Law officer, but we cannot ask him for an opinion on a Government Bill. Today I went to the trouble, at my own cost, to get a legal opinion and I am advised that the two clauses confer powers to cancel the agreement altogether —if the company and the Government wish to cancel or vary any of it.

That opinion confirmed the attitude I took, which was my initial reaction, when I first read the Bill. It is unfortunate that in the drafting of agreements, year after year, we have clauses of this nature inserted. In the sale of a Government instrumentality, such provision should have no place in the agreement. I would not mind half as much if a provision were added to both of these clauses that Parliament should be advised of every variation in the agreement.

I am wondering, if I were to put such amendments on the notice paper, whether

the Minister would feel that he could agree to them. Parliament should be paramount in the dismembering and disbanding of a State enterprise, the value of which is millions.

The Hon. R. F. Hutchison: So it should be!

The Hon. F. J. S. WISE: I would not be at all unhappy if the papers which have accumulated in the endeavours to dispose of this enterprise were tabled and made public. Again, I say Parliament is entitled to that information. I would not be so unhappy if we had evidence from valuers—accepted and reputable and capable people—that this enterprise was worth X-millions, or hundreds of thousands of dollars. However, because it is the view of the Government that it is desirable to sell the works to a private enterprise, they are to be sold at the figure mentioned in this Bill.

I have the feeling, and other members must also have the feeling in their hearts, that Parliament has been told nothing of values; nothing of what prompted the writing-off of $2,200,000 to arrive at a value of $800,000. I repeat: Parliament is entitled to know those facts. If the papers concerning this deal were made available, that would give the Government more solid ground on which to deal with the *bona fides* in a matter of this kind.

Surely it is something of very great moment to know the relationship between the value of an undertaking, properly valued, and what the sale price is to be, especially where a difference of between $800,000 and millions of dollars is involved.

The Government will have itself to blame if it refuses, and continues to refuse, to give the information which is necessary to have a complete understanding of this Bill before it is passed.

Mr. Willesee, our leader in this House, asked me to resume the debate on this Bill, and I readily agreed. I have had no more than 10 or 12 hours to study the Bill. There will be no point in my calling a division, but it will be interesting should I do so.

When the Bill has passed all I can say is that I hope the new company, which is a very powerful one, is able to retain that splendid little town of 1,200 or 1,500 people at Wundowie, with its high school and other amenities.

The Hon. A. F. Griffith: It will be retained, with more houses later than are there now. This is provided for in the Bill.

The Hon. F. J. S. WISE: I hope to see prosperity associated with the adjunct to the industry, which the smelting works will provide. I can only hope that in the ultimate, the State will be recouped through the value of this industry, and some of the money that is being given away with the passing of the Bill will also be recouped.

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

GRAIN POOL ACT AMENDMENT BILL

Receipt and First Reading

Bill received from the Assembly; and, on motion by The Hon. G. C. MacKinnon (Minister for Health), read a first time.

WOOD DISTILLATION AND CHARCOAL IRON AND STEEL INDUSTRY ACT AMENDMENT BILL

Second Reading

Debate resumed from the 1st September.

THE HON. J. DOLAN (South-East Metropolitan) [5.39 p.m.]: This Bill, and the previous one dealt with by Mr. Wise, are complementary. Without one the other would be of little value. Very important amendments are proposed in the Bill and I intend to refer to some of them very briefly, but to have a little more to say on others.

The first one to which I shall refer is clause 3 which, I think, is the beginning of the Bill. In this clause the title to the principal Act is amended by adding certain words. This provides for the management of the existing industry at Wundowie to be carried on by a private company which is known as A.N.I. Australia Pty. Limited.

Clause 4 amends section 2 of the principal Act and the amendment lays down that the provisions of the agreement made this year between the Government and A.N.I. are to prevail when there are any inconsistencies between the provisions of the agreement and the provisions of the Act.

In clause 6 of the Bill, section 5 of the principal Act is amended and this amendment permits the company to engage in the manufacture of other metalised products. This provision in the Bill is an absolute necessity and the only comment I would make, which I think is fairly justified, is that the provision should have been included many years ago so that the present management could have done exactly what is proposed. I realise, of course, that there were obstacles which prevented this being done, but the provision should always have been in the Act to give the management the power to expand the business as it wished.

Clause 7 of the Bill provides that the five members of the present board will cease to hold office when the Wood Distillation and Charcoal Iron and Steel Industry Act Amendment Act comes into operation. At this point it is fitting that I should express appreciation of the excellent services rendered to the industry, and to the State, by the members of the existing board. Those members are, Mr. Fernie, who was the chairman; Sir

Alexander Reid; the Conservator of Forests (Mr. Harris); Mr. Butterworth; and the employees' representative, Mr. Heeps. I think they have done an excellent job and it is fitting that when speaking to the Bill I should express appreciation of their service.

The new board, which will take over when the Bill is passed and the agreement comes into operation, will consist of three members. One is to be appointed by the Governor on the written recommendation of the Minister; and the other two are to be appointed by the company. One of those two appointed by the company will be nominated as the chairman of the board.

I regret that in the composition of the new board no provision has been made for a workers' representative. I feel that the presence of this individual on the present board was responsible for keeping an excellent relationship, at all times, between the men and the management. As that relationship has been excellent, it would be my wish that it should continue in that way. Without any direct representation on the board, there is a feeling that the employees in the industry do not know as much about the operations as is desirable. I hope the employees will continue to give the same efficient service as they have in the past, and if I know the workmen of Western Australia, they will do just that.

Clause 8 of the Bill amends section 18 of the principal Act. At present, the maximum amount of money which can be spent by the board on any single item is £1,000—or $2,000. In the Bill provision is made for an amount of $40,000 to be spent on any single item. Also, such spending will not require the approval of the Minister.

In another place the responsible Minister suggested—or rather he stated—that this was a more realistic amount than $2,000. With that I would agree, but I would also make the suggestion that, if it is a realistic amount today, it was also a realistic amount five years ago when an identical provision should have been made to give the present board an opportunity to make sure that operations were carried out more efficiently than is possibly the case today.

If this provision had been made some years ago the operations of the industry would have been such that no remarks could have been made to the effect that it was a losing proposition. The possibility would have existed for the management to have so spent these amounts with the result that it could have expanded the industry and made it an even more worth-while one.

Initially it was estimated that £300,000, or $600,000 was the sum which would be needed to build a modern mechanised foundry for the making of castings using hot metal from the Wundowie blast furnaces. If the existing board, and the present management, had been permitted to borrow money, or to obtain the finance necessary, apart altogether from general loan funds, I feel that by now a modern mechanised foundry would have been established at Wundowie.

The Hon. A. F. Griffith: Why do you say, "quite apart from general loan funds?"

The Hon. J. DOLAN: If the management had had permission to raise the necessary finance, through its own efforts, I feel sure it would have been able to do so. I make the statement quite deliberately, because I believe there are many institutions with money to lend which would have been quite prepared to advance it in a situation such as this.

I would be delighted to see this industry prosper, even though there is to be a change in management. I believe I am a good Western Australian—as good as any other member—and any industry which will provide more employment, conditions for workers which are satisfactory and worthwhile, and housing which will make the workers more satisfied and contented, has my support. However, when I spoke in this House last year I expressed opposition to the agreement, and I am still opposed to it. Even though I wish the industry all the best, and hope that the State will benefit from the proposals, I still say that on principle I cannot accept the agreement and it is my intention to oppose the second reading of the Bill.

Debate adjourned, on motion by The Hon. S. T. J. Thompson.

PAINTERS' REGISTRATION ACT AMENDMENT BILL

Second Reading

Debate resumed from the 1st September.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [5.48 p.m.]: This Bill is a small one, with only one main clause in it. This is to prevent people from holding themselves out to be registered painters when they are, in fact, not so qualified. It has the approval of the Government, the support of the people associated with the painting industry in this State, and has already passed another place. I support the measure.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

MAIN ROADS ACT AMENDMENT BILL

Second Reading

Debate resumed from the 1st September.

THE HON. J. DOLAN (South-East Metropolitan) [5.50 p.m.]: I support the Bill because I believe the amendments pro-

posed are worth while and necessary. However, there are a few to which I wish to make passing reference and, later on, I wish to raise some points regarding the presentation of the Bill. This is something about which I am not happy and perhaps sooner or later some other member may have ventilated it in any case.

Clause 2 amends section 6 of the principal Act by repealing the interpretation of "local authority" and re-enacting it. In the principal Act a local authority is defined as a municipal council or a road board. Therefore this amendment is a desirable one.

In clause 3 section 10 of the principal Act is amended by deleting the words "civil engineering" in line two of subsection (1a), and by deleting the word "engineering" in line three of subsection (1b). I believe that these amendments also are desirable because they give the commissioner permission, in accordance with the regulations, to employ persons for training in professions other than civil engineering. At the moment the Act refers only to civil engineering cadets.

As we all know there are several professions, as well as engineering, associated with the construction of main roads. As an example there is the profession of surveying, either civil or quantity surveying, and cadets trained with the Main Roads Department—which is an expanding department and one which would offer excellent training for cadets—would be able to obtain a good knowledge of their profession. As a result of the Bill the State will obtain more benefits and more opportunities will be created for cadets to work under ideal conditions. From that point of view alone this amendment in the measure is most desirable.

Section 16 is amended by clause 4 and this amendment will give the commissioner authority to spend money on certain roads in the metropolitan area, provided the money so spent comes from the commissioner's share of the traffic fees. In my view the commissioner should not be confined in this regard and he should be able to spend money on roads which he thinks warrant attention, such as, for example, not only the Mitchell Freeway but also any other roads in the metropolitan area on which the commissioner believes money should be spent.

Clause 5 will amend the principal Act by adding a new section 28B, and it is in regard to this clause that I want to pass some comments; because this is a mattter which I think should have been aired some time ago. In his second reading speech the Minister referred to access roads but at no stage were the words "controlled access roads" used. I think this created a wrong impression in the mind of anybody who studied the measure; because the impression was given that controlled access roads and access roads were synonymous terms. That, of course, is not so because, apart from controlled access roads, there is legal provision for what are called local access roads.

Under this amendment no person, local authority, or agent or instrumentality of the Crown—and this would include, say, the Minister for Railways, who might want to build a railway across one of these controlled access roads—except the commissioner shall do certain things without the written consent of the commissioner or, as it states in the Bill, without the prior consent in writing of the commissioner. This does not apply to local access roads, and there are local access roads even on to the Mitchell Freeway.

It is amazing when one starts to inquire about access roads how much ignorance there is about them. Information was sought from town planning authorities and they did not know that a local access road was defined in the Act. They said they had never used the term; yet the section of the Act in question has been in operation for 10 years.

I am not being critical of the Minister, or of his speech on the second reading. This is something which has happened before and is likely to happen again. However, when the notes for a second reading speech are being prepared, the person preparing them should bear in mind that we do not know the terms involved and if there is not a proper explanation of them we cannot make ourselves fully informed on the subject, and we are in the dark when we are discussing the Bill. I agree completely with the amendment and I am not being critical of the Minister, as I have already said, nor do I feel that he has done anything wrong in this instance.

The amendment contained in clause 6 is consequential and is one with which I agree.

Speaking generally I believe the Bill has everything to commend it and there is really nothing I can say against it. Therefore I support the measure.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

House adjourned at 5.59 p.m.