Legislative Council

Tuesday, 7 October 1980

The PRESIDENT (the Hon. Clive Griffiths) took the Chair at 4.30 p.m., and read prayers.

QUESTIONS

Questions were taken at this stage.

LEAVE OF ABSENCE

On motion by the Hon. F. E. McKenzie, leave of absence for three consecutive sittings of the House granted to the Hon. H. W. Olney due to private business.

CHANGE OF NAMES REGULATION AMENDMENT BILL

Second Reading

Debate resumed from 1 October.

THE HON. F. E. McKENZIE (East Metropolitan) [4.47 p.m.]: The Opposition has given consideration to this Bill, and wishes to advise it is in support of it.

THE HON. G. E. MASTERS (West—Minister for Fisheries and Wildlife) [4.48 p.m.]: I thank the Opposition for its support.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

Third Reading

Bill read a third time, on motion by the Hon. G. E. Masters (Minister for Fisheries and Wildlife), and passed.

BILLS (3): RETURNED

1. Administration Amendment Bill.
2. Constitution Amendment Bill (No. 3).
3. Waterways Conservation Bill.

Bills returned from the Assembly without amendment.

GOVERNMENT EMPLOYEES (PROMOTIONS APPEAL BOARD) AMENDMENT BILL

Second Reading

Debate resumed from 16 September.

THE HON. D. K. DANS (South Metropolitan—Leader of the Opposition) [4.50 p.m.]: The Opposition opposes this Bill for a very obvious reason. The Bill seeks to make good sense of the omissions of which the Government was guilty when it amended the Industrial Arbitration Act last year.

Already it is a matter of history that some of the amendments made to the Industrial Arbitration Act last year have not been working satisfactorily. Had the Government paid more attention to some of the advice it received from people involved in the field of industrial relations in this State, the particular amendments with which we are dealing would not be necessary.

I am on record as saying that many of the amendments to the Industrial Arbitration Act which were dealt with last year could have been supported; but the deletion of section 51B was not one. I am sure the House would agree that since section 51B has been deleted, as I predicted, the position of people who object conscientiously to belonging to unions has been made worse, because that section enabled a person to claim an exemption.

I do not want to weary the House by setting out the position that exists today. Anyone who is interested in the field of industrial relations would be aware of the position. I am sure many people would have noticed an article which appeared recently in the Press stating that the President of the Retail Traders' Association has called upon the Government to reinstate the preference to unionists clause.

I wish that when delivering his speech on the second reading of this Bill the Minister had acknowledged that there is not and never has been in any award in Western Australia, nor has the commission taken on itself, the power to impose compulsory unionism. In his second reading speech, the Minister said that the Industrial Commission is to be prevented from awarding either compulsory unionism or preference to unionists clauses. That is fair enough. The Act as it stands now prevents the commission from dealing with preference to unionists. I might add that it was a very foolish move for the Government to take that step.

When the Industrial Arbitration Act was amended last year the Government overlooked the

need to insert this amendment. The judges of the Commonwealth Arbitration Commission have always had the power to grant preference and it is granted, because it is sensible to do so. It is a means by which industrial disputes can be prevented, or settled if they arise.

I believe that in 1948 in the building workers' case, the court itself placed a preference to unionists clause in the award. It did this of its own volition and not as a result of a motion by a union. When we talk about unionists, employers, and industrial peace we are referring to the tools we give to a commission in order that it may rule on those matters. It is easy to take sides and barrack from the sidelines. However, the people who are best able to handle these issues are those engaged in this field. They are the people who are involved in the arbitration commissions and wages boards throughout the country.

I do not want to speak for much longer; but I should like to point out this Bill seeks to amend the Act as a result of an oversight on the part of the Government when it amended the industrial arbitration legislation last year.

For a number of reasons which I do not intend to enumerate, it would be difficult to go to the Civil Service Association and find people who were not members of that particular union. This Bill deals with an oversight on the part of the Government in regard to the amendments made to the Industrial Arbitration Act last year. Those amendments have not worked and in fact cannot work. Informed industrial observers have been aware of this for over 50 or 60 years. For some strange reason the Government intends to extend this provision—I suppose it is at least being consistent—to cover awards under which civil servants operate.

We now have a situation where we have a provision in the Act which respondents will not apply. I feel kindly disposed towards the people who do not want to belong to unions, because they do not now have anywhere to go. In many cases they are not granted employment in certain areas. This is not as a result of Government action, but because the bosses will not employ them. Of course, that is a matter of history now.

The Hon. P. G. Pendal: They also get a bit of a nudge from the unions on that score.

The Hon. D. K. DANS: I do not agree with the member who has just interjected. I have had a reasonable amount of experience in this area and I can say his comment is not true. We could talk about closed shop unions and there is a number of such unions in this country; but this is a matter of history and it was borne out in the decision brought down by the High Court of Australia in the Hursey case. I assume the member is not too young to remember that.

The Hon. P. G. Pendal: No, I am not.

The Hon. D. K. DANS: The High Court of Australia found that it was only the waterside workers who had a complete and unfettered right to organise on the waterfront. The High Court of Australia made that decision. Of course, there is a need to seek concensus in industrial awards and agreements; but one does not do so in the manner adopted by the Government.

In the short period the amended Act has been in operation, the comments I am making have been borne out. We should be setting up machinery and encouraging the creation of a climate for the prevention of industrial disputes and for the settlement of them if they arise.

After all that has been said about industrial disputation in this country, it would not be a bad idea if members opposite looked at the situation in other parts of the world. They would then realise the position in Australia is not as bad as the picture they try to paint.

One of the best steps which could be taken in regard to industrial relations in this country would be to remove it from the field of politics and put it where it belongs; that is, in the hands of industrial tribunals. When we have done that, we should address ourselves to the task of streamlining the industrial tribunal.

A few years ago I went on record in this place as supporting the viewpoint that we should have one wage-fixing and industrial disputation settlement agency in this country with branches in every State. We talk about uniform divorce laws, uniform company laws, etc., but we do not have uniform industrial laws. This is the very area in which we are always saying, "If there had not been a dispute, we would not have lost that particular amount of money and all those working days." The fact remains over 300 wage-fixing tribunals, courts, and boards are operating in this country.

If the Government wants to improve the industrial situation, it should proceed in the direction I have outlined. It will not improve the industrial situation if it behaves in the manner indicated by this Bill. The Government should address itself to the real problem, because a number of people throughout the length and breadth of this country have a genuine desire to see a better system in operation. The Government will not improve the situation by introducing legislation such as this. In fact, the position is

impossible for the genuine and conscientious objector.

The Opposition cannot support this Bill.

THE HON. G. E. MASTERS (West—Minister for Fisheries and Wildlife) [5.00 p.m.]: I appreciate the remarks of the Leader of the Opposition. With one or two of the things he said, I agree. The right method to solve some of the industrial problems is to create a climate of understanding, and to enter into discussions wherever possible.

I want to go on record as saying I have the highest regard for the section of the union movement which acts responsibly, and the responsible leaders in the trade union movement.

The Hon. D. K. Dans: This measure will not make them more responsible or less responsible.

The Hon. G. E. MASTERS: I am speaking for the record, because Mr Dans and Mr McKenzie have both made references to this matter. It is not fair for Mr Dans to say that we are putting right mistakes.

The Hon. D. K. Dans: Omissions.

The Hon. G. E. MASTERS: I would like to draw attention to what was said by the Hon. I. G. Medcalf, Attorney General and now the Leader of the House, on 15 November 1979. At page 4787 of *Hansard* he said—

> The Industrial Commission is to be prevented from awarding either compulsory unionism or preference to unionists and such provisions in any existing awards and industrial agreements will be nullified.

We did make the provision that where there was need to change the legislation, and amend it to fall into line with our proposals, we would take that action. This is a change.

The Hon. D. K. Dans: You have to be consistent; I said that.

The Hon. G. E. MASTERS: I want to make the point that it is on record that there would be a need to make some changes. It is simply a matter of principle as far as the Liberal Party and the National Country Party are concerned. I believe there is compulsory unionism at the moment.

The Hon. D. K. Dans: You have said the commission cannot grant it.

The Hon. G. E. MASTERS: I was intrigued by Mr Dans when he talked about "inflicting compulsory unionism". I agree, compulsory unionism is an infliction, and it is something that should be resisted.

The Hon. D. K. Dans: The commission cannot do it.

The Hon. G. E. MASTERS: I have taken up the point because we as the Government of the day have come over loudly and clearly as saying that we are totally and completely opposed to compulsory unionism.

The Hon. D. K. Dans: So am I, but the commission cannot do it.

The Hon. G. E. MASTERS: We are against people being forced to join trade unions unless they want to do so. We are simply saying that people may join, or may not join. If members of the Opposition believe there should not be compulsory unionism, they should support this measure. We went to the polls stating this policy loudly and clearly, and we won.

The Hon. D. K. Dans: You have not done anything.

The Hon. G. E. MASTERS: We have provided the opportunity for a choice. I would point out to Mr Dans that there was not a choice previously, but it does exist now.

The PRESIDENT: Order! The "Hon." Mr Dans.

The Hon. G. E. MASTERS: I am sorry, the Hon. Mr Dans. He talked about bringing politics into the issue. If ever politics were brought into this issue they were brought in by the trade unions. They have been used as a political tool by some people.

The Hon. D. K. Dans: We are talking about two different matters.

The Hon. G. E. MASTERS: We may be. Members opposite have brought in politics. I make the point quite clearly—it is a matter of policy of the Government that we are opposed to any compulsion. We see this Bill as a measure to implement the policy we have put to the public year after year, and I am hopeful we shall continue to pursue that policy.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (the Hon. V. J. Ferry) in the Chair; the Hon. G. E. Masters (Minister for Fisheries and Wildlife) in charge of the Bill.

Clause 1: Short title and citation—

The Hon. D. K. DANS: I want to make one point. I want people to understand that we are talking about compulsion and preference. This Bill will remove a preference clause in a particular agreement. I take it that what Mr Masters said was that a person was entitled to

have an opinion. But, that is misleading because the commission has never had the right to inflict compulsory unionism on anyone. The Federal court, in its wisdom, knew that years and years ago and the State court realised it at a later stage.

It is now much more difficult for a person to opt out of a union. Surely most of us have the interests of the people at heart. I do not know why the word "compulsory" has been used. The court has never had that right, and any member of the court would agree with that.

I know it is a matter of interpretation. Many people used to apply to opt out of unions, which they were able to do. I want to go on record as saying there is a vast difference between a preference clause and a compulsory provision. There are cases on record where that very word "compulsion" has been used by judges in the Commonwealth arbitration commission simply to say that someone will do something. The judges are in a position to settle industrial disputes, and that is why they are there.

The Hon. G. E. MASTERS: I guess compulsion takes many forms, whether it is coercion or the application of pressure.

The Hon. D. K. Dans: That is better.

The Hon. G. E. MASTERS: When a person applies for a job, and preference is given to someone else who is a member of a union, that means the person who is not a unionist is required, in fact, to join a trade union in order to get the job. We believe this is totally wrong. A person who applies for a job, whether or not he or she is a trade unionist, should be judged on his or her merits. That is the issue we take. In the particular situation the preference most certainly is coercion because, in fact, people are forced to join trade unions in order to get jobs. We say that should not come into it.

Clause put and passed.

Clause 2 put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

PUBLIC SERVICE AMENDMENT BILL

Second Reading

Debate resumed from 16 September.

THE HON. D. K. DANS (South Metropolitan—Leader of the Opposition) [5.10 p.m.]: This Bill is consequential to the Bill we have just dealt with, and the Opposition opposes it for the same reasons it opposed the preceding 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.

BROKEN HILL PROPRIETARY COMPANY LIMITED AGREEMENTS (VARIATION) BILL

Second Reading

Debate resumed from 17 September.

THE HON. J. M. BERINSON (North-East Metropolitan) [5.12 p.m.]: Since 1952 BHP has entered into a series of agreements with this State Government in respect of iron ore extraction and processing. Pursuant to that agreement BHP procured its site at Kwinana. Secondly, the company secured a virtual lifetime lease of iron ore deposits amounting to 200 million tonnes at Yampi and Koolyanobbing. It also acquired some ancillary rights such as favourable royalty rates, and the right to any other minerals in the Koolyanobbing lease.

For its part, BHP undertook to establish a rolling mill and blast furnace capacity, and that has been done. More importantly, though, the company also undertook to establish in this State an integrated iron and steel industry at a cost—including the cost of other obligations—of not less than $80 million. That has not been done, and by the present Bill the company is to be relieved altogether from its steel-making obligations.

For all practical purposes, that is the beginning and the end of this Bill. It would have been better by far, and more to the credit of the Government, if the Government had been prepared simply to state that. Instead, it has attempted to obscure the proposal in a cloud of verbiage, apparently directed to persuading us that the company, in return for its release from the considerable and onerous steel mill obligation, has undertaken some other substantial commitment. In fact, the company has done nothing of the sort.

To say, as this Bill does, that the company agrees that at some unspecified future time it will construct a steel industry if at that future time it determines independently that it wishes to do so, is not to express any commitment by the company to the State. On the contrary, it is a classic statement of an absence of commitment. Yet it is that which is described by the Government as an

alternative undertaking to replace an earlier and clear obligation.

The only other so-called alternative undertaking involves the relining of the Kwinana blast furnace at a cost of not less than $20 million. In that case though, no-one has suggested, and nor could they, that the relining of the furnace would not have been necessary with or without this Bill.

Given this background, the Opposition believes that this Bill should not be supported and, in fact, it opposes it. I want to make it clear though that our objection is not based on some high-flown philosophical principle. It is not a case of our being against development or being against big business, and it is certainly not a case of our being against BHP. Speaking for myself, I am quite happy to declare that I was once a shareholder in BHP, and I would be happier by far if I still were. That is not at all the point of our objection.

Our objection to the Bill is not on theoretical or ideological grounds at all; it is on grounds that are entirely practical and pragmatic. We are saying that the gratuitous release of BHP from the obligations it undertook under the earlier agreements is bad business; it is bad management, and it is a poor representation of the public interest. We say that with due regard to the world steel situation referred to by the Minister, and also accepting that the scale of industry envisaged in the original agreement would no longer be realistic or practicable.

As against that, however, we point to the fact that the 1960 agreement set out only a minimum scale for the proposed steel industry, both in terms of capacity and cost. That the minimum agreed scale is now uneconomical should not of itself frustrate the whole venture; certainly it need not of itself necessarily frustrate the whole venture.

Again, and notwithstanding the undoubted world surplus in steel-making capacity to which the Minister referred, there are continued reports of lengthy waiting periods for construction steel in Australia, and we note that the recently published report of the Chairman of BHP indicates a capital commitment for expansion of steel production capacity in Australia in 1980-81 to the extent of $150 million. Unfortunately that sum is not to be expended in this State.

So why, against that background, should we now proceed so willingly to dispose finally of the State's rights under this agreement? Is it not possible that we should be asking ourselves to seek some better, if necessary, interim alternative proposal?

Perhaps the simplest way to approach this problem is to consider the position if the boot were on the other foot. I ask members, for the purpose of that exercise, to imagine that the price of iron ore was suddenly to multiply in line with recent experiences, for example, in the price of oil and gold. Now what do members imagine BHP would say if, under those extraordinarily favourable conditions, we approached it for an additional contribution to the State not provided for by the agreement? Undoubtedly what it would say is that the windfall profit was a proper reward for its initial risk investment. Undoubtedly it would add that if the State wished to have something more from the company than it was contractually obligated to provide, then surely the company should be entitled to some sort of *quid pro quo* by way of compensation. Certainly that is what the company would say in those circumstances. What I am putting to the House is that in the present and actual circumstances the converse of that situation should be reasonably applicable.

I make no pretense at expertise in the iron ore sphere, but one obvious possibility for a *quid pro quo* from a practical point of view could well be a review of royalty rates.

In the eight years since 1972, royalty rates have gone up by less than 30c a tonne for Koolyanobbing ore. Allowing for company tax on a 30c a tonne increase in royalties, the net additional cost to the company is about 15c a tonne, or roughly the increase over the same period that has applied in regard to a single postage stamp. It may well be the case—and again I confess to my limitations in the economics of the industry—that the company at this stage could not find a single cent a tonne additional for the purpose. I tend to doubt that, however, given the indication that appears on page 9 of the company's 1980 report that there has been an increase over the relevant period of about $7 to $8 a tonne in the typical price of Australian ore on the Japanese market, and noting also the comment on page 8 of the company's statement that market conditions and prices for iron ore continued to improve during the year.

Even if it were the case that no increase at all could be reasonably expected in the royalty rate, why not at this stage simply extend the December 1980 deadline for the steel industry to allow the possibilities to be explored again at a more favourable time and under more favourable contractual circumstances from the State's point of view?

No-one can doubt the benefits to this State of iron ore development; those are not in doubt.

However, what we must ask ourselves is not whether the industry has been and will continue to be of benefit to the State, but whether it is contributing to the welfare of the State as much as it is capable of doing and as much as it should do. So far as long-term considerations are involved, it really comes down to the further question: Are we obtaining as much employment out of this industry as we should? That leads us as a matter of course to the final question: Are we obtaining as much processing out of this industry as we ought? Of course we are not and I do not believe we can remind ourselves too often of the need for processing in this State, if proper advantage is to be taken of our vital mineral resources.

We have had a very useful reminder of the contrast between mining the ore and processing the ore in the discussion which has occurred in the recent week or so following the announcement of the go-ahead for the North-West Shelf development. The projections on that indicate an employment force of a maximum 6 000 workers in the construction phase, but that the employment force will come down to 800 workers only when the production stage is reached. That is why processing has always been so much to the forefront of the considerations of this State, and I say—I think reasonably enough—to the forefront of the consideration of Liberal-Country Party Governments that have entered into these agreements. Liberal-Country Party Governments, as much as Labor Governments, have attempted to look to the long-term advantage. So they should have done, and so they still should today. However, this Bill neglects the end problem of processing and maximum employment; it gives away important rights for no return. It is not in the public interest, and this House ought to reject it.

THE HON. I. G. MEDCALF (Metropolitan—Leader of the House) [5.25 p.m.]: I found the comments of the Hon. Mr Berinson very interesting. Clearly he has looked at this question very carefully. It is good that he has researched this measure, and that he has indicated he has tried to find alternatives to the method adopted by the Government. It is a good thing that we have this kind of inquiry.

The honourable member has admitted that he has limitations to his knowledge in relation to the economics of the particular industry we are discussing. Indeed, all members must admit that. However, experts in these fields are available to the Government, and these experts advise the State on the views that it should adopt when it comes to crossroads such as the crossroads we have reached with BHP. As the Hon. Mr Berinson indicated, we reached a stage where, after many years, it became transparently obvious that it was not possible for the terms of the original agreement to be carried out any longer for the simple reason that it would have been completely economically wasteful for the company to attempt to pursue the original requirements of the agreement to establish an integrated steel and iron industry in Western Australia with a further rolling mill and the other facilities which were envisaged.

The Hon. J. M. Berinson: Why?

The Hon. I. G. MEDCALF: Really there is no need to answer that question. I have said that after many years it became apparent it was not economically viable. The question is self-answering.

The Hon. J. M. Berinson: Are you saying the steel industry in this State is not viable?

The Hon. I. G. MEDCALF: That has been made transparently obvious, and it has been made obvious in many reports furnished to and by the industry that we cannot have an integrated industry with a small production capacity. Such an industry requires a substantial capacity, and if we do not have that substantial capacity, production is so much more expensive that we cannot market the product economically.

The Hon. J. M. Berinson: Of course I accept that. Could I refer you to the provision of the agreement which sets out only a minimum capacity? There is nothing to prevent BHP setting up an industry on an economically viable capacity.

The Hon. I. G. MEDCALF: What prevents BHP from doing that are the inexorable laws of supply and demand.

The Hon. J. M. Berinson: So you are saying even a large-scale industry is not viable in Western Australia?

The Hon. I. G. MEDCALF: In a declining world market situation for steel, we cannot produce economically, and the honourable member knows that the world market for steel has been declining for some years and it shows every indication of continuing to decline. We could not produce economically in terms of the Western Australian situation. We could bring in a huge new industry if we wanted to, but we still must compete in world terms and we still have the same world situation. We cannot isolate the industry to Kwinana or Western Australia.

So taking the overall view it seemed very desirable that some other bargain be struck, and

indeed, some other bargain was struck. The honourable member has dismissed blithely the obligations referred to in the Bill. He suggested that we need not have had the agreement at all for what it is worth. He has ignored completely the fact that the company and the State have an ongoing requirement to investigate and to continue to investigate the viability of the establishment of further steel-making facilities in Western Australia, and should economic conditions change, then the company will, by agreement with the Government, be required to install the steel-making facilities we have been talking about.

The Hon. J. M. Berinson: But it cannot be required to do anything if it requires the company's own agreement at that future time.

The Hon. I. G. MEDCALF: There is a clause in the document stating, "subject to agreement".

The Hon. J. M. Berinson: Of course.

The Hon. I. G. MEDCALF: Of course it is subject to agreement; we cannot force BHP to do it.

The Hon. J. M. Berinson: You could under the original Act.

The Hon. I. G. MEDCALF: Surely the honourable member is not really suggesting—

The Hon. J. M. Berinson: I am not suggesting the company should be forced under this Bill.

The Hon. I. G. MEDCALF: I listened very carefully to what he said, and he did not seriously suggest that we should force BHP to install an integrated iron and steel industry.

The Hon. J. M. Berinson: Of course I did not.

The Hon. I. G. MEDCALF: That is what I am saying; of course the honourable member did not suggest that. He should not suggest it now.

The Hon. J. M. Berinson: You are saying rather more than that now.

The Hon. I. G. MEDCALF: Another important matter involved in this issue which was not dealt with by Mr Berinson is that BHP has played an integral part in the establishment of the Worsley Alumina Refinery. At one stage there were only three participants in this industry; namely, Reynolds Metals, Kobe Steel, and Shell. It was necessary to have an Australian participant and it was not at all apparent from where that Australian participant would come. It so happened that in the course of these discussions it was put to BHP that if changes were made to this agreement, perhaps the company would be prepared to come in as the Australian participant in the alumina industry. To that point, BHP had had very little to do with the alumina industry and, as far as I am aware—I have seen no evidence of it—it had had very little experience in that industry. BHP agreed to take part in the joint venture at Worsley and that was one of the terms on which this agreement was negotiated.

Obviously, it is not referred to in the Bill because it is not relevant to the Bill; however, that was one of the reasons the arrangement was made. In respect of the Worsley agreement, BHP undertook an obligation of the best part of $200 million, which represents about a 20 per cent interest in the total expenditure at Worsley, which, in round figures, is $1 000 million. It was a substantial undertaking on the part of BHP, and enabled Worsley to get off the ground when it did. That is also a very significant factor in this entire issue.

So, it is really not sufficient simply to say that the Government need not have done anything. We cannot conduct our affairs in that way. This matter had to be resolved. It had been pending for many years, and the situation in the steel market had not been improving. It was obviously necessary to resolve the matter and I believe it has been resolved very satisfactorily.

I commend the Bill to members.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (the Hon. V. J. Ferry) in the Chair; the Hon. I. G. Medcalf (Leader of the House) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Ratification of Agreement—

The Hon. J. M. BERINSON: I do not rise in any hope or under any illusion I will now change the mind of the Leader of the House, but I think we should at least get some quite basic matters clarified. The Attorney General has said that a steel mill in this State is not now viable. Of course, I accept that; it must have been clear from my comments during the second reading stage that this fact is accepted on all sides.

However, it is only possible to interpret further references by the Leader of the House as coming down to a judgment by the Government that an integrated steel industry in the State in fact will never be viable. Unless that is the Government's conclusion, there is no reason for the present course of absolutely rescinding the provision that the company's obligations must be fulfilled.

What the Opposition would do is to follow the course that previously has been taken in the agreement. It has been amended several times

before. On one such occasion, the original target date of December 1978 was, as I recall it, put back to December 1980. If the Government is saying that it is just a matter of temporary world difficulties which must be faced, that is one thing. However, if it is saying that a steel industry in this State will never be a "goer", that is another thing altogether, and is quite a serious proposition, especially as it conflicts with everything the Government has been saying over the last 20 years, and which it continued to say right up to the last election.

That matter is worth clarifying. We cannot be expected to take it both ways. We cannot be expected to accept that the Government's judgment is that, at some future time, an integrated steel industry will be viable unless, at the same time, we take the course of simply postponing the date by which BHP should be expected to meet its obligations. That is quite a serious matter and should be clarified, and that is my main purpose for entering the debate at the Committee stage.

Since I am on my feet, I should insist again on two other matters. Firstly, accepting that the original scale of the enterprise as envisaged in the early agreement would be uneconomic today, I again ask the Attorney General to take note of the fact that the original agreement sets down only a minimum scale for the industry. Minimum tonnage targets as well as minimum costs were imposed on BHP. That on its own is a sufficient answer to the suggestion that, altogether, the agreement is now an impracticable proposition.

Finally, I must dispute again the proposition that an agreement whereby BHP states that it will continue to investigate the possibilities of a steel industry and actually go to the construction of a steel industry if it later decides on its own that it wants to, somehow constitutes a binding commitment to the State. If members want to be technical about it, it does commit the company to something: It binds the company to thinking about it. However, it does not bind the company to agreeing to anything, and it was in that sense that I first raised this matter.

I am rather surprised that the Attorney General should continue to try to insist that any other interpretation of this provision is possible; no other interpretation is possible; BHP is released completely from its commitment. It is not being released for any particular time; it is being released forever.

We are now in the position we were in prior to 1952, when we entered into the very first of the agreements with the company. We are back to the position where, if the company is interested in establishing a steel industry in this State, it will come and tell us about it, and we will talk about it at that time.

We have nothing more than that with which to bless ourselves.

The Hon. I. G. MEDCALF: Of course the Government does not say that the time will never come when there may be an integrated iron and steel industry in this State, for which we will need additional facilities such as rolling mills and the like. In spite of the honourable member's attempt to put words in the Government's mouth, the Government has not said any such thing. Indeed, it has said the reverse. However, it is not possible to insist upon the terms of these arrangements which were made 28 years ago. Times do change; even after 28 years they change.

The Hon. D. K. Dans: No-one is arguing about that.

The Hon. I. G. MEDCALF: It just is not facing the facts of life to suggest that we can insist on leaving this situation as it has been for the last 28 years. This matter must be resolved and it will be resolved by the amended agreement. In general terms, the agreement with BHP still stands; this is a further amending agreement.

The Hon. J. M. Berinson: Why was it not resolved in this way in 1976, rather than by the postponement of the target date, which was the course followed in that year?

The Hon. I. G. MEDCALF: Because it was hoped then that conditions would improve. The deterioration in the international steel market has not happened overnight; as the honourable member should know, it has been going on for years. For those reasons, the Government has decided the time has come when it must make a decision.

The Government saw the opportunity to drive a bargain with BHP. Mr Berinson made no reference to the Worsley agreement, although it was referred to in another place by the Minister handling the Bill. This was so; one has only to read back on the negotiations on that matter to see that it was so.

The Government does not say there will not be a time when an integrated iron and steel industry will be established in Western Australia. We look forward to continuing international expansion of the iron ore industry and all the tertiary development which will then occur, with more sophisticated facilities being required. As our population expands and the demand for steel increases, we hope that Western Australia's

contribution to international trade, which already is very significant, will increase.

Therefore, it is quite clear the Government accepts the proposition that this could occur. However, we cannot hold a company to a bargain made 28 years ago, in circumstances very different from those applying today. When the time comes when an integrated iron and steel industry is economically and technically feasible, the Government can re-enter negotiations with BHP or any other company. It is free to do so.

The Hon. J. M. Berinson: From a much weaker position.

The Hon. I. G. MEDCALF: The honourable member is taking a very pessimistic view of the entire situation.

The Hon. D. K. Dans: What you are saying is that there will never be an integrated iron and steel industry, and that there will never be a jumbo steel industry.

The Hon. I. G. MEDCALF: I am saying exactly the opposite. I have never mentioned the word "jumbo".

The Hon. D. K. Dans: But other people have mentioned that word.

The Hon. I. G. MEDCALF: I know Mr Dans has mentioned it.

The Hon. D. K. Dans: I was not referring to myself.

The Hon. I. G. MEDCALF: Members opposite will not succeed in putting words into my mouth. I have already indicated the Government looks forward with great confidence to the future prosperity of this State, and we hope that, when the time is ripe, this will include the establishment of an integrated iron and steel industry.

Clause put and passed.

Clause 4 put and passed.

Schedule put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

ADJOURNMENT OF THE HOUSE

THE HON. I. G. MEDCALF (Metropolitan—Leader of the House) [5.45 p.m.]: I move—

That the House do now adjourn.

Transport Workers' Union: Intimidation of Stock Carters

THE HON. A. A. LEWIS (Lower Central) [5.46 p.m.]: I do not wish to delay the House for any length of time, but members may have read certain matters in this morning's paper, and the first on which I wish to make comment deals with the Transport Workers' Union and its bludgeoning attempts at Robb Jetty to force owner-drivers and truck drivers to join the union. We believe this sort of thing should never happen in Australian society. Of course, Mr Dans might be pleased to know that the union is covered by a Federal award. The union has distributed a letter of demand to many transport operators and I believe the public should know just what is contained in these demands. I have a copy of that letter with me and I shall quote just a few of those demands which are listed—a few of the many ludicrous demands.

The Hon. D. K. Dans: Is this an application for an award?

The Hon. A. A. LEWIS: This is a letter of demand addressed to employers from a Mr I. Hodgson of 17/25 Lygon Street, Carlton, Victoria, and the letter contains a log of wages and working conditions. Mr McKenzie, with his knowledge of the union movement, would be one of those who would be horrified with this log of claims.

The Hon. F. E. McKenzie: You understand that Federal awards have to be based on ambit claims.

The Hon. R. T. Leeson: He would not understand that.

The Hon. A. A. LEWIS: The Hon. Mr Leeson says I would not understand, but I shall indicate to him what the TWU is demanding for truck drivers, and then he might be able to imagine what would happen with the cartage of stock if these claims were accepted. The union is asking for a minimum weekly wage of $1 000 for all adult employees. The union states that male and female juniors of 16, 17, and 18 years of age and under shall be paid at 100 per cent of the adult wage. The sum of $1 000 a week is not a bad wage for teenagers!

The Hon. F. E. McKenzie interjected.

The Hon. A. A. LEWIS: The Hon. Mr McKenzie might be upset because he did not think of these conditions for members of the railways union.

The union is asking for extra payments of a minimum of $40 per week in addition to all other payments. It is asking for a site allowance of a

minimum of $60 per week, a district and divisional allowance of a minimum of $60 per week, an industry allowance of a minimum of $40 per week, and special rates to be a minimum of $40 per week, all in addition to all other payments. It is asking for a maximum of 30 hours per week, and for overtime to be paid at triple the normal rate. I thought weekends would be considered as overtime, but we have a demand for weekend and holiday work to be paid at quadruple the normal rate.

The Hon. J. M. Berinson: Do you think you are in a good position to complain, when this House is sitting for 1½ hours?

The Hon. A. A. LEWIS: I have been here since 7.30 this morning. I have done a day's work and yet I am not asking for triple or quadruple time. I was going to give the Hon. Joe Berinson a serve after his speech on the previous debate because I did not think he knew what he was talking about.

The union is demanding a meal allowance of $20 for each meal required by an employee who works overtime. It is demanding 30 days' public holidays in each year.

The Hon. D. K. Dans: Do you think they will get it?

The Hon. A. A. LEWIS: They would have no hope. I remind members that this is the union which is stopping farmers' lambs from getting to Robb Jetty. It has a demand for rest pauses, and this will suit our lawyer friends on the front benches. The union believes that every employee should be entitled to a rest pause of 30 minutes' duration in the employer's time in each hour of his daily work.

The Hon. D. K. Dans: They would not want to be late back or they would be late for their next rest period!

The Hon. A. A. LEWIS: The union is demanding that union delegates be allowed 40 hours per week to attend to union business. Not bad in a 30-hour week! In a 30-hour week they will be paid 10 hours' overtime. This is a demand by a so-called responsible union—a union which is getting stuck into truck drivers at Robb Jetty.

The union is demanding 20 days' compassionate leave without loss of pay for each employee during each year of service. At the same time, we get people talking about golden handshakes and jobs for the boys. Another demand is that there should be retiring pensions for employees at the rate of 20 weeks' pay per year of service. We should remember that the rate of pay on which they are working is $1 000 a week. Their demands go on, and they are just as ridiculous. The union is demanding that employers obtain and keep current a life insurance policy for each employee which would return the beneficiaries in case of death the equivalent of 20 years' income of the employee, and on retirement the said policy would be transferred to the employee.

The Hon. F. E. McKenzie: You cannot say that the union is not trying to do something for the workers.

The Hon. A. A. LEWIS: The union is trying to ruin the transport industry in this State. It is demanding that all female employees are to be entitled to paid maternity leave to be taken at the employee's discretion for a maximum of five years without any discrimination in employment or loss of earnings.

I realise that the Hon. Des Dans and the Hon. Fred McKenzie have represented reasonable unions, but this union is trying to take on the total agricultural industry and the movement of stock. If we consider all these demands we realise that the union is asking that its employees work four hours a day, with a total of 20 hours a week. They want to work for 38 weeks in the year, which means that in one year each employee will work just 760 hours. Taking into consideration the $1 000 a week, the $240 a week allowance, and the $384 a week for the pension, these employees will work at a rate of $111 an hour! Already the union representatives are telling the drivers at Robb Jetty that any driver should be earning between $28 000 and $30 000 a year. I think that is absolutely ridiculous.

I am glad that Opposition members have gone quiet as this indicates they realise how silly the claims are.

The Hon. D. K. Dans: You know it is an ambit claim.

The Hon. R. T. Leeson: You have just four minutes remaining.

Fremantle-Perth Railway: FOR Advertisement

The Hon. A. A. LEWIS: I have as long as I like. It seems that the Friends of the Railways have issued an invitation for people to come to Parliament House tomorrow. I know the Hon. Fred McKenzie is a friend of the same railway line.

The Hon. F. E. McKenzie: I will join them.

The Hon. A. A. LEWIS: What I love about these people is that they start off by talking about the Perth-Fremantle railway line and the Government's blatant disregard for public opinion, and then they go on as follows—

The recent steep increases in Water and Council Rates, S.E.C. charges, M.T.T. fares, car licences and fuel prices.

The proposed increase in Westrail's grain-freight rates against no increases in concessional ore and mineral freight charges.

Road widening schemes, environmental issues and Government secrecy.

This is a group which started off dealing with railway lines. Its advertisement goes on as follows—

Come to Parliament House to hear the great railway debate and measure the performance of your M.L.A.

There is no-one in the Opposition in the other place who could contribute to a great debate. Members will notice that no mention is made of this House having a debate. The group is being blatantly political. One might not think that there is to be an election on Saturday week! This group should be interested in wood chipping, alumina, dieback, and so forth. That is what they should do—they ought to die back right out of things, because their obvious political motives are coming to the fore. The gentleman who led this group once ran as a political candidate, but was defeated, and he will continue to be defeated if he goes on with this sort of nonsense.

Question put and passed.

House adjourned at 5.58 p.m.

QUESTIONS ON NOTICE

HOUSING

Home Builders' Account

257. The Hon. NEIL OLIVER, to the Minister representing the Minister for Housing:

Under the home builders' account administered by the Commonwealth and State Housing Agreement Act—

(1) How many housing loans have been approved for the financial years—

(a) 1975/1976;
(b) 1976/1977;
(c) 1977/1978;
(d) 1978/1979;
(e) 1979/1980; and

the current financial year to 30 August 1980?

(2) What were the number of loans in each of the following categories—

(a) construction;
(b) newly completed; and
(c) established?

The Hon. G. E. MASTERS replied:

(1) and (2) The number of housing loans approved under the home purchase assistance account (old home builders account) are as follows—

Year	Construction	Newly Completed	Established	Total
1975-76	496	32	2	530
1976-77	282	51	32	365
1977-78	272	292	96	660
1978-79	414	115	46	575
1979-80	188	26	51	265
Jul-Aug 1980	16	2	8	26

HOUSING

Loan Guarantee Act

260. The Hon. NEIL OLIVER, to the Minister representing the Minister for Housing:

Under the guarantee fund administered by the Housing Loan Guarantee Act—

(1) How many loans were granted for the financial years—

(a) 1975-76;
(b) 1976-77;
(c) 1977-78;
(d) 1978-79;
(e) 1979-1980; and

the current financial year to 30 August 1980?

(2) What were the number of loans approved in the following categories in each of the above financial periods

(a) yet to be constructed;
(b) newly completed; and
(c) established, if any?

The Hon. G. E. MASTERS replied:

(1) and (2) The number of loans approved under the Housing Loan Guarantee Act are as follows—

Year	Construction	Newly Completed	Established	Total
1975-76	Records Not Available			
1976-77	234	21	6	261
1977-78	150	28	3	181
1978-79	117	19	3	139
1979-80	137	55	3	195
Jul-Aug '80	24	9	—	33

FIRE BRIGADES

Board

270. The Hon. F. E. McKENZIE, to the Minister representing the Chief Secretary:

(1) Who are the current members of the WA Fire Brigades Board?
(2) On what date does the term of each member expire?

The Hon. G. E. MASTERS replied:

The Chief Secretary advises—

(1) and (2)

Name/Representing	Term Expires
Western Australian Government—	
L. S. Turnbull, JP—president	8.11.1981
H. Kuhaupt	31.12.1982
Insurance Companies—	
E. W. Dubberlin, E. D., JP	31.12.1982
R. G. Pearce (deputy president)	31.12.1980
R. B. Willis	31.12.1981
Local Authorities—	
J. M. Leahy (Perth City Council)	31.12.1981
*Vacant— (country)	31.12.1982
R. Mitchell, OAM (goldfields)	31.12.1981
J. F. Howson, OBE, JP (Metropolitan)	31.12.1980
Volunteer Fire Brigades—	
V. Barclay	31.12.1980

* Steps are currently in hand to fill the vacancy caused by the resignation of Mr C. W. Tuckey with effect from 30 September 1980.

NOONKANBAH STATION

Television News Item

271. The Hon. PETER DOWDING, to the Minister representing the Minister for Police and Traffic:

On a news item on Channel 7 television on Monday, 8 September 1980, there was a report of an interview with persons from Derby, two of whom urged, as a solution to the Noonkanbah dispute, that Aboriginals should be shot. I ask the Minister—

(1) Have the police investigated this to see whether it constitutes an offence under the Criminal Code, be it the offence of sedition or otherwise?

(2) What are the results of the investigation, and what action has been taken?

The Hon. G. E. MASTERS replied:

The Minister for Police and Traffic advises—

(1) Yes.

(2) Not yet finalised.

FUEL AND ENERGY

Solar Research Institute

272. The Hon. F. E. McKENZIE, to the Minister representing the Minister for Fuel and Energy:

(1) How many of the 40 applications for the initiation of new projects reported to have been received by the Solar Energy Research Institute during the year 1977-78 were referred by the institute to its advisory committee?

(2) How many applications were received by the Solar Energy Research Institute in the year 1979-80?

(3) How many applicants requested exclusion of their applications from consideration by the advisory committee for each of the years 1977-78, 1978-79 and 1979-80?

The Hon. I. G. MEDCALF replied:

(1) The manner in which the Board of Directors of SERIWA seeks to have applications assessed is an internal matter and it is not appropriate to provide specific details beyond the answers already given on Wednesday, 17 September 1980, to Legislative Council question 246. It is, however, the practice of the board to ensure that all applications are subject to a rigorous process of assessment.

(2) 48.

(3) See (1) above.

POLICE

Shaker Morton: Letter

273. The Hon. PETER DOWDING, to the Attorney General:

Since the offence of sedition is committed by the publisher of seditious material, and with reference to question 141 asked on 2 September 1980, since the material may be seditious and the publisher of the newspaper concerned may possibly be guilty of an offence, will he investigate why the police have not proceeded with the matter, since the excuse that they cannot find the writer of the letter would not excuse the lack of action in relation to the publisher?

The Hon. I. G. MEDCALF replied:

It is not customary for the Attorney General to involve himself in the investigation of alleged crimes.

I would suggest that the question should properly be addressed to the Minister for Police and Traffic.