stepped in and at least conducted an inquiry to see whether those people did not have just cause for a better kind of assistance and a more humane attitude on the part of some Government departments.

We know that when we have a department, whether it is under the control of a Minister or an administrator, it is always claimed that the department is doing the best it possibly can in view of the circumstances. However, there could sometimes be, for some reason or another, short cuts or different methods not attempted or tried out by the department.

A Select Committee on this matter could well bring these short cuts and methods forward and as a consequence some of the underprivileged children could benefit immensely. I do not know why the Government adopts the dog-in-the-manger attitude. Obviously, there has been a Ministerial decision on a Cabinet basis. One gets a bit tired of this attitude and I do not know what the Parliament is coming to.

The member for Pilbara, while dealing with the matter of committees and other organisations looking after the welfare of the people, was pointing out the situation that has developed. It is most unfortunate, and I draw the Minister's attention to the fact that in the last 10 or 11 years of the present Administration only about two Select Committees have been appointed from this Chamber.

While the Labor Administration was in office for six years—and the Minister for Forests would well know this—there was possibly one Select Committee each and every year. There was at least one, and possibly two, each year because we determined that some situations existed which deserved inquiry by Parliamentary representatives. We determined that it was the right of the people to put their ideas and their sworn evidence before Parliamentary Select Committees.

The public was able to suggest to the Government of the day how a prevailing situation could be bettered in various spheres. Why the present Government cannot be big enough to grant such a concession, I do not know. I can well see that if there is a change of Government at a later date, there will be moves on the part of the present Administration for Select Committees to inquire into all sorts of matters.

The Administration only gets into a rut and says, "The others did not grant a Select Committee, so why should we?" If the Minister had put forward a cogent reason for a Select Committee not being appointed for the purposes of this matter, one might be able to understand the attitude which has been adopted. However, such a reason was not given.

The Minister gave the House some information of the situation which exists departmentally. Also, the member for Mirrabooka indulged in many airy-fairy words and mentioned organisations, some of which, I am sure, exist in his own imagination and very little practical work comes from them. At least a Select Committee would supply the Government with some sort of report and decision which the Government may, or may not, act upon.

Further, those people who are worldly-wise on problems associated with this question would have had the chance to put forward their views, doubtless with the purpose and in the hope that some good would come from the situation. I support the laudable attempt on the part of the member for Maylands, who moved with this purpose in mind when he presented his motion for the appointment of a Select Committee.

Debate adjourned, on motion by Mr. Lapham.

House adjourned at 10.22 p.m.

Legislative Council

Thursday, the 11th September, 1969

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

QUESTIONS (2): ON NOTICE

1. EDUCATION

Kinlock Primary School

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

(1) Is it a fact that at Kinlock Primary School there are two permanent vacancies on the teaching staff—one from the 29th July and one from the 8th September?

(2) Are there any permanent teachers available to fill these vacancies?

(3) If so, will appointments be made immediately?

The Hon. A. F. GRIFFITH replied:

(1) Yes.

(2) Yes; but a number of teachers are still absent on sick leave recovering from influenza.

(3) Vacancies should be filled by next Monday.

2. ARCHITECTS BOARD

Investigation of Complaint

The Hon. CLIVE GRIFFITHS asked the Minister for Mines:

(1) Has the Architects Board of Western Australia received a complaint

from a Mr. F. Sanders of Thornlie, alleging misconduct by an architect that he engaged?

(2) If so, has the board considered the complaint?

(3) If the answer to (2) is "Yes", has a decision been reached?

(4) If the answer to (3) is "Yes"—

(a) when was the decision reached; and

(b) what was such decision?

(5) (a) Has either Mr. Sanders or the architect concerned been advised of the decision;

(b) if so, what was the date of the advice in each case; and

(c) if these persons have not been notified, when can they expect to be officially advised?

The Hon. A. F. GRIFFITH replied:

(1) Yes.

(2) Yes.

(3) Yes.

(4) (a) The 2nd September, 1969.

(b) No evidence of misconduct under the Act was found.

(5) (a) Mr. Sanders has been advised verbally. The architect has not been advised.

(b) Mr. Sanders was advised on the 10th September, 1969. The architect is to be advised on the 11th September, 1969.

(c) The board's legal advisers are writing today to both parties advising them of the decision.

CHURCH OF ENGLAND (DIOCESAN TRUSTEES) ACT AMENDMENT BILL

Third Reading

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

LOCAL GOVERNMENT ACT AMENDMENT BILL (No. 4)

Second Reading

THE HON. L. A. LOGAN (Upper West—Minister for Local Government) [2.39 p.m.]: I move—

That the Bill be now read a second time.

This Bill contains 24 clauses and is designed to amend the Local Government Act in respect of matters which have arisen durthe last 12 months. Local government legislation requires constant revision in order to meet changing conditions and it is expected that a further Bill to amend this Act will be presented before the end of this session in respect of further proposals which have been considered by Cabinet.

As members will see, clause 1 provides for the necessary adjustment to the title of the Act, and provision is made in clause 2 to enable the legislation to come into operation on dates to be fixed by proclamation. Clause 3 of the Bill seeks to amend section 37 to exempt a person from disqualification as a member of a municipal council if he has been paid compensation or has agreed to provide material under the provisions of section 281, provided the agreement for the supply of material was on the same basis as that under which non-members of a council may be recompensed.

Clause 4 provides for an amendment to section 119, which section prescribes the system of voting at municipal elections as the preferential system, and the amendment is designed to ensure that the preferential system is also applied for elections under sections 73 and 75, for president and deputy president respectively. At present doubt exists as to whether the preferential system should apply for these elections and of course the result can be different if the "first past the post" method is used.

Clause 5: Section 179 of the Act at present provides that a council may appoint such number of members of a council being less than half of the total number of members of a council, as an occasional or standing committee. Section 182 (2) provides that the mayor or president is *ex officio* a member and chairman of the committee so appointed. It has generally been understood that the total number of members of a committee shall be less than half of the total number of members of a council; however a legal opinion recently indicated that because the mayor or president is not appointed to the committee, the number prescribed in section 179 does not include the mayor or president.

The Local Government Association, the Country Shire Councils' Association, and the Country Town Councils' Association have all indicated that they favour the amendment which provides that the number of members of a committee, including the mayor or president, shall be less than half the total number of members of the council.

Clause 6, which amends section 234, is designed to introduce "owner-onus" in respect of the identification of offenders who drive vehicles on reserves or who otherwise, by use of a vehicle, contravene the provisions of municipal by-laws.

Section 221 of the Act was amended in 1967 to provide for "owner-onus" for vehicles which contravened the by-laws in respect of street lawns.

Clause 7: Concern has been expressed at the number of vehicle accidents and it has been suggested from time to time that one means of reducing the road toll would be for municipal councils to exercise

greater control of fences, hedges, and trees on property adjacent to street intersections.

The only control at present is provided by a uniform by-law made many years ago under the provisions of the Town Planning and Development Act, and it is considered desirable that municipal councils should have authority, under the Local Government Act, to require the owner or occupier of land where a traffic hazard exists to remove such hazard.

The Local Government Act came into force in 1961 and since then the procedure adopted for obtaining approvals under sections 266 and 267 of the Act relating to the sale of land and the lease of land respectively by municipal councils, has been for the consent of the Governor in Executive Council to be obtained, whereas these sections require that the Governor should, by order, direct the actions of councils.

The approvals have always been published in the *Government Gazette*. The procedure adopted is considered to have been satisfactory, but in the opinion of Crown Law Department officers it will be necessary for an amendment to be made to the Act to validate incorrect procedures.

This validating provision is included in the proposed section 267A in clause 10. Clause 8 provides for the amendment to section 266 and clause 9 amends section 267 to eliminate the necessity for orders to be made.

Clause 11 is in respect of section 295 which relates to the approval by councils of subdivisions. A committee was recently appointed to consider minimum standards of roads in subdivisions and a report was prepared recommending standard specifications, particularly in the metropolitan area. It was recommended that the Act be amended to provide for a minimum width of constructed carriageways being prescribed.

The amendment allows the Minister to prescribe these standards by notice published in the *Government Gazette*.

Clause 12: At present there is some conflict between the provisions of section 313 of the Local Government Act and regulation 301 under the Traffic Act which both refer to the provision of traffic signs. It is considered desirable that the control of such signs should be confined to the provisions of the Traffic Act and regulations and that section 313 of the Local Government Act be amended by the deletion of the words "and traffic signs" wherever they appear.

The amendment in clause 13 is to delete the words "of a City or Town." The section provides for the temporary closure of a street and there appears to be no reason why the same section should not apply in the district of a shire. The elimination of the words "of a City or Town" will make the section applicable to all municipalities.

Clause 14: The Uniform General Building By-laws have always provided for licenses to be obtained for the demolition of buildings and it was recently resolved to vary the provisions of these by-laws. However, it was discovered that part XV does not at present afford any power to regulate the demolition of buildings. The new section 374A proposed in this clause is designed to remedy the situation and also to provide for an appeal to the Minister in respect of any conditions imposed by a council in granting a license for demolition.

Clause 15 is a corollary of clause 14 and amends section 433 by the insertion of a new paragraph (15a) to enable by-laws to be made for regulating the taking down of buildings.

Clause 16 is designed to amend section 434 which relates to by-laws made under part XV of the Act (buildings) to incorporate similar provisions in respect of the application of by-laws as are at present included in section 190 (7). These provisions enable by-laws to be applied to particular classes or cases, specified times, specified persons, bodies, and classes of persons and to provide for certain exemptions from the provisions of by-laws.

Clause 17: At present section 435 provides for the appointment of a building advisory committee of up to five persons who are conversant with the building trade. The amendment is designed to increase this number from five to seven and also to provide for the appointment of deputies to each member.

The volume and scope of the activities of the committee has increased considerably in recent years and the amendment will provide for full representation at meetings of the committee and will assist in ensuring continuity of membership and the widening of the basis of representation on the committee.

Clause 18 amends section 511 which provides for a council, with the consent of the Minister, to authorise a person to construct subways and bridges from land on one side of a street to land on the other side of the street. The Council of the City of Perth wishes to construct, in conjunction with the developer of properties in Hay and Murray Streets, an overway across Murray Street to a point on the footpath on the northern side of Murray Street. As the overway will not lead from land on one side to land on the other, it is considered desirable that the section be amended to enable this and similar projects to be undertaken.

Clause 19 provides for a new section 531A, and together with clauses 20 to 23 is designed to give relief in respect of rates on land used for primary production and which is adversely affected by urban valuations. Clause 19 provides for a definition of "farmland" and "urban farmland" and is applicable to areas used for primary

production and which are in excess of five acres. "Urban farmland" is that declared by a council of a municipality or the appropriate valuation appeal court.

Clause 20 provides for a new section 533A to enable a person who is the owner of farmland to seek a declaration from the council that it is "urban farmland" and for the council to declare accordingly, or refuse. This section also provides for declarations that the land has ceased to be "urban farmland."

Clause 21 amends section 540 to require a council to record and incorporate in the rate book, details of any ratable property declared to be "urban farmland."

Clause 22 amends section 548 to enable a council, subsequent to the 1st July, 1970, to impose a lesser rate on "urban farmland."

Clause 23 provides for the right of appeal to the valuation appeal court of any person aggrieved by the refusal of a council in respect of the declaration of "urban farmland" or the revocation by a council by such declaration.

Clause 24 amends section 611 to provide that any demand or petition seeking a loan poll must contain a statement of the purpose of the proposed loan to which the demand or petition relates.

This amendment has been requested because of claims that organisers of petitions against a municipal council's loan proposals have confused signatories of petitioners who have believed that the petition was in respect of loans other than those for which the organiser was demanding a poll.

Clause 25: Section 35 of the Municipal Corporations Act, 1906, provided for the rectification of errors made under repealed Acts, but section 691 of the Local Government Act at present permits the rectification of errors in Orders-in-Council. However, on the face of it, this rectification is limited to orders made under the Local Government Act and it does not extend to orders made under the Acts repealed by that Act. This amendment is therefore designed to enable such a rectification to be made.

Debate adjourned, on motion by The Hon. J. Dolan.

LAND ACT AMENDMENT BILL (No. 2)

Second Reading

THE HON. L. A. LOGAN (Upper West—Minister for Local Government) [2.51 p.m.]: I move—

> That the Bill be now read a second time.

This Bill has already been passed by the Legislative Assembly and it contains amending provisions to the Land Act, which affect the sale and purchase of town and suburban lots. In addition, there are other provisions affecting conditions for the improvement of agricultural land necessary before qualifying for issue of a Crown grant.

Under the provisions of the parent Act, any town or suburban lot offered for sale by public auction but passed in as unsold is available for purchase within the following 12 months.

It is now proposed to allow such lots to be withdrawn from sale within 14 days of the auction. During this interim period, the department will be enabled to evaluate the result of the sale and determine whether the lots passed in should be available for application for the following 12 months or withdrawn from sale.

A reason evaluation is necessary after sale is for consideration as to whether genuine home builders require the lots or whether other than genuine home builders are interested, such as in seaside towns.

It is further proposed to amend the Act to allow a refund of purchase money on forfeited licenses. There are occasions when the building conditions applying to town and suburban lots purchased by auction are not adhered to and the lots are forfeited. It is apparent that quite often varying circumstances prevent the licensee from complying with the conditions of town and suburban lots purchased at auction; and, because the sum paid is usually quite substantial, a purchaser can ill-afford to lose this money. It is therefore proposed that the Minister for Lands should have power in his absolute discretion to approve of the refund of whole or portion of the amount paid.

An interim form of sale of Crown land other than auction of town lots under section 38 or for special purposes under section 45A is also considered necessary. Crown land offered for sale under the proposed new system would have the effect of stabilising prices because the sale would be at the reasonable valuation fixed and not necessarily in a competitive way.

Priority of applications would be maintained in accordance with their order of lodgment. Should two or more applications be lodged at the same time, both would be deemed to be equal and priority would be determined by the Minister.

With respect to agricultural land, where such land does not exceed 500 acres, applications are restricted to adjoining holders of land. The amendment now proposed would give a farmer in the vicinity, but not necessarily abutting the 500 acres or lesser area available for selection, a chance to apply for this land. In effect, farmers in close proximity would be entitled to apply for the land in order to improve economically their holdings.

A land board would consider the applications should more than one application be received for the same parcel of land. The adjoining holder's restriction would still be in operation but the terms and conditions of release would be widened to allow farmers in close proximity to apply for the land.

A final amendment makes provision in the Land Act for an adequate water supply to be provided before issue of the Crown grant.

There is no such provision in the Land Act at present to make it obligatory for a licensee to provide a water supply. The Farm Water Supply Advisory Committee considers that the provision of a key water supply by the farmer should be a prerequisite to the freeholding of Crown land unless specifically excepted under freeholding conditions.

I should add in this connection that before land allotted under conditional purchase can be made freehold, certain conditions have to be complied with but there are no conditions relating to the provision of water. Water is, of course a vital function in farming and it is considered that this should, in future, be a prerequisite if required by the Minister, before a Crown grant is made.

Debate adjourned, on motion by The Hon. F. J. S. Wise.

WOOD CHIPPING INDUSTRY AGREEMENT BILL

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [2.55 p.m.]: I move—

That the Bill be now read a second time.

I would like to explain that this Bill is a rather unusual one in that it affects two portfolios particularly and others, of course, indirectly. The actual negotiations in respect of this agreement were conducted conjointly by my colleagues, the Minister for Forests and the Minister for Industrial Development. One reason is that raw materials will be needed, particularly from forests, and this part of the project will come under the normal administration of the Forests Department. Beyond that point, it becomes a matter for the Department of Industrial Development.

There is good reason for this agreement being ratified. Most of it could be arranged within the terms of existing Statutes but there are some aspects in regard to which some Statutes had to be modified. It is therefore desirable to bring them all together in one agreement to be ratified by Parliament. This procedure became more and more apparent as the companies concerned were negotiating their financial and other arrangements, because it is an industry which is not without its complexities, and it is not without its economic problems. In some respects, it is a marginal industry and therefore the companies had to have something clearly set out in terms which could be stated with confidence in advising the House.

The Bill now before members seeks ratification of an agreement dated the 28th June, 1969, between the State and W.A. Chip & Pulp Co. Pty. Ltd. and Bunning Timber Holdings Ltd. for the establishment of a wood chipping industry at Diamond, near Manjimup, and transport of the wood chips by rail to Bunbury, with export overseas from that port.

A further object of the agreement is the investigation of the feasibility of the establishment of a pulp mill for processing wood chips into unbleached wood pulp.

The implementation of the provisions of the agreement will give substantial impetus to our timber industry. It will represent an addition of at least one-third to the existing use of timber within the State. It also represents a step forward for decentralisation of industry, giving employment to some 210 workers at Manjimup and an additional 30 at Bunbury, as well as the consequential employment increase that follows from industries of this nature.

Of prime importance, too, is the fact that another use will be provided for the little used marri timber, although some karri and jarrah will also be chipped, as well as sawmill wood waste. Tests in Japan have proved the suitability of marri for the production of unbleached kraft pulp and its conversion into the final product of paper. There are some matters yet to be resolved in connection with the economic effectiveness of marri as compared with some of the Eastern States and Tasmanian eucalypts. This is a crucial factor in determining the economic price Japanese industry will eventually pay.

There are some fluctuations of opinion as to whether our local hardwoods, because of their density, have values comparable with those in the Eastern States and Tasmania. Some people claim that this is offset by other factors. Experts within the industry are currently assessing these aspects, and this does not alter the fact that proved practical successful tests have been made of converting our marri, jarrah, and karri into paper.

Establishment of the industry will also play a major role in developing the first stage of the proposed $20,000,000 deepwater export harbour at Bunbury. This first stage is to be completed by late 1971 or early 1972 and will involve dredging a berth and access channel to a depth of 36 feet. At a later stage it is hoped that it will be feasible to increase the depth beyond 36 feet.

The work of establishing the berth and access channel at the new inner harbour at Bunbury will be financed through the Government and the Bunbury Port Authority, aided by a contribution of $2,900,000 from the W.A. Chip & Pulp Co. Pty. Ltd. and an amount yet to be determined by another potential port user.

In explanation of the parties to the agreement, Bunning Timber Holdings is the guarantor of the W.A. Chip & Pulp Co. Pty. Ltd. up to the time of the "commencement date." I shall explain later the significance of "commencement date." Bunning Timber Holdings will also be guarantor for payment by W.A. Chip & Pulp Co. Pty. Ltd. of the first instalment of $1,000,000 towards the estimated cost of the reclamation of the stockpile area and the dredging of the berth, turning basin, and access channel at Bunbury. Consequently, Bunning Timber Holdings will be behind the W.A. Chip & Pulp Co. Pty. Ltd. until that company reaches the stage where it is satisfied it can stand on its own feet.

Under the agreement, the company—that is, the W.A. Chip & Pulp Co. Pty. Ltd. —has contracted to establish, on a leased area of land of approximately 65 acres at Diamond, a few miles south of Manjimup, a chipping mill to produce not less than 500,000 tons per annum green weight of wood chips for export through Bunbury by 1972. To achieve this target, the company must satisfy the State that it has—

Satisfactory contracts for the sale of wood chips.

Obtained an export license from the Commonwealth Government.

Made arrangements for financing of all its works.

Had its proposals, including plans and specifications for the project, approved by the State.

The proposals to which I have referred must adequately cover the construction and establishment of a chipping mill and all other necessary ancillary works, such as buildings, plant, equipment, and services at a cost of not less than $11,000,000, unless it is able to satisfy the State that it is able to provide the required facilities at a lesser cost than $11,000,000.

The "commencement date" is the date on which the State is satisfied that the company has entered into contracts, obtained an export license, and made satisfactory arrangements for financing the works required under the agreement. Under the agreement, the company had until the 15th August, 1969, to settle these matters, but this period has been extended to the 30th September, 1969.

The chipping mill to be built at Diamond will be connected by rail to the existing Bunbury-Northcliffe line. The cost of any additional railway track required is to be met by the company. In addition, the company will provide rolling stock, sidings, and loading and unloading equipment. Railways Commission locomotives will be used until such time as the annual export tonnage exceeds 300,000, after which the company will supply two 2,000 h.p. engines. This changeover from Railways Commission locomotives to company locomotives is allowed for in the freight rates covered by the agreement, but there had to be a transition period while the changes were being made.

The timber for this project will be available from an area of some 3,900 square miles broadly centred on Manjimup. This area is referred to in the agreement as the "production area." I seek your concurrence, Mr. President, in my tabling of a map which sets out the production area as well as the chipping mill site. The company will be formally issued, after application is made, with a forest produce (chipwood) license to remove trees from this area for a period expiring 15 years after the date of the first export of wood chips.

On the expiration of this initial period—provided suitable species of timber are still available—the forest produce (chipwood) license may be renewed for such period and on such conditions as the Minister determines.

Land to be leased to the company includes the chipping mill site at Diamond, for a term of 17 years after the commencement date, and any land needed for necessary rail access thereto. The cost of any land acquired by the State for these purposes is to be paid for by the company. If the forest produce (chipwood) license is renewed, then the company may also have its lease of the chipping mill site renewed for the same period as the renewed license. It will be observed that, for obvious reasons, the lease and the license, so far as time is concerned, are the same.

Provision is also made in the agreement that, should the company require an additional area to be added to the chipping mill site for the purpose of extending its operations or otherwise complying with the agreement, the State will, subject to the company's request being reasonable, provide the area under the same conditions as for the original area.

Brief mention has already been made of the use of the existing Bunbury-Northcliffe railway line; and, although the company is required to construct and maintain any additional track required to connect the chipping mill site with the Bunbury-Northcliffe railway, its plans and specifications for the connection are subject to approval by the Railways Commission. The additional line will also include any necessary loops, spurs, and sidings at the loading

point and at the stockpile area at the port. Use of these facilities will be available at all times to the Railways Commission provided there is no unreasonable interference with company operations.

To allow for a regulated increase in the company's rail traffic operations from Diamond to Bunbury, the agreement provides that for the first year of operation 300,000 tons of wood chips must be railed, to be followed by 400,000 tons in the second year, and 500,000 tons per annum thereafter.

As mentioned earlier, the possibility of a pulp mill being established is provided for in the agreement and, if this is built, the question of minimum tonnages of wood chips and freight rates over the Diamond-Bunbury railway will be renegotiated by the State and the company. Quite obviously, if pulp is substituted for chips, there will be an entirely different transport requirement. Further, some of the additional chips will come from another area.

Clause 15 of the agreement sets out the rail freight payable on a scale which provides for a lesser rate per ton as higher tonnages are carried. Provision is made for a review of these rates, according to the formula prescribed under subclause (3) of clause 15. The first of such reviews is to be on the 1st July, 1970, and at half-yearly intervals thereafter.

The State has recognised that the company may wish to develop its own supply of water at Diamond, independent of the existing Public Works' Manjimup supply; and should the company elect to do so, it is required to submit full proposals for the consideration and approval of the Minister for Works. If, on the other hand, water is drawn from the State's supply at Manjimup, either because the company prefers to do so or because its proposals to supply its own water are unacceptable, then the State will supply to the boundary of the chipping mill site sufficient water for the normal operations of the chipping mill, subject to the company paying the cost of any extensions required to the existing mains.

The prospect of the company wishing to use a hydraulic debarker, or some equipment or process using an abnormally large quantity of water daily, has also been considered. Should this eventuate, all matters, including apportionment of the cost of the supply, will be negotiated at that time between the State and the company. The water provisions as set out in the basic requirements of the agreement were determined on the basis that a hydraulic debarker would not be used. The company will use the normal dry method, but there are circumstances in which it would be more economic to use a hydraulic debarker and this would make a tremendous demand on water supplies; hence the provision to protect the State against a situation entailing an unreasonable demand for water being made.

The company will need to establish a stockpile area at the port for its wood chips. The agreement allows for an area to be leased to the company for a period co-terminous with the lease of the chipping mill site and at a rental of $200 per acre per annum. The company is to erect a conveyor to convey wood chips from the stockpile area to the berth and, for this purpose, a license will be granted to the company for the operation.

The State will, at the request of the company, design and prepare specifications for the berth; and when these have been agreed upon between the parties, the State will have the berth constructed not later than 24 months after the commencement date. In addition, the State will arrange for the berth to be dredged to a depth of 36 feet below the Bunbury Port datum, the access channel to a bottom width of 400 feet and a depth of 36 feet, the turning basin to a bottom width of 1,200 feet and a depth of 25 feet. The State has also agreed to use its best endeavours to complete the required dredging not later than 24 months after commencement date.

Regarding the different depths in the turning basin, as compared with the approach channel and the actual berth, I mention that the ships coming into the harbour will be riding high; and therefore they will be able to turn in water 25 feet in depth, but they will need 36 feet in depth to load and to sail out to sea again. In view of the fact that the agreement was written on the assumption that the wood chipping industry would be the first to use the new berth, the company did not want to wait until such time as developments necessitated a greater depth over the whole turning basin. Provision was therefore made for an access channel and a berth of required depth, and also for a turning basin which could be used by ships when they arrived empty.

The sum of $2,900,000 to be contributed by the company for the development of the Bunbury Harbour is to be paid in three instalments—$1,000,000 30 days after the commencement date; $1,000,000 12 months after the commencement date; and the balance, $900,000, 24 months after the commencement date.

The bulkloading facilities to be constructed by the company at the berth will, as far as is reasonable, be for the company's exclusive use, but provision is made under the agreement for the State and third parties to use these and other facilities at the berth in accordance with by-laws to be submitted for approval by the Governor in Executive Council.

Following the commencement date, the company has three years in which to complete construction of all the facilities necessary to export wood chips, so that for all practical purposes, export of wood chips should commence some time in 1972.

A wharfage charge of 15c per ton on wood chips loaded at Bunbury is payable to the port authority. The agreement provides that this charge shall be reviewed on the 1st January, 1975, and at the beginning of every third year thereafter. If the review shows that there has been an increase on the 30c per ton now payable at Bunbury on minerals, metallics, and earthy products, the amount of the increase will be added to the original charge of 15c per ton. This is based on the amount and not on the percentage of the increase.

With regard to housing, there is no commitment on the State's part, the company being required to provide proper and reasonable accommodation and facilities for its workers.

The chipwood license to be issued to the company provides for royalty to be paid to the Conservator of Forests at the rate of $1.50 per 100 cubic feet of log timber measured in the round and obtained under the chipwood license. This rate will apply for the first five years from the commencement of production of chips and thereafter may be reviewed and adjusted every five years in the light of royalty generally in relation to hardwoods cut for other purposes, and having regard to the f.o.b. price at the time of review, compared with the f.o.b. price of wood chips at the commencement of export.

As mentioned earlier, an objective of the agreement is the establishment of a pulp mill and, to this end, the company is required to investigate in detail the feasibility of establishing a pulp mill within an area having a radius of 130 miles from Manjimup.

If a pulp mill is established an additional quantity of wood chips will be required. The State recognises that the source of supply of timber from the production area will not be adequate, and alternative sources of supply will be made available to the company from the Manjimup-Pemberton area and the Collie-Bunbury area. These areas will supply respectively sufficient timber to produce a maximum of 150,000 tons and 225,000 tons green weight of wood chips per annum. A grant of a further forest produce (chipwood) license over areas in the two localities mentioned will be made to the company on such special conditions—including the payment of royalty—as the State determines.

Had we not provided for this extra supply of timber, from which to produce chips, the whole of the economics of the transport system could break down when there was a transfer from exporting 500,000 tons of chips to producing the paper pulp from those chips. Therefore, in order to maintain a continuation of an economic use of the facilities at the harbour and in the transport system, the idea would be for additional tonnages of wood to be made available to produce wood chips to enable the company to continue in the dual business of producing export chips and chips for the local manufacture of pulp.

The company is required to keep the State informed at half-yearly intervals, commencing during the first three months after the first shipment of wood chips, of the progress and results of its investigations regarding pulping, and submit its findings not later than two years from the date of its first shipment of wood chips from Bunbury. This is expected to be in 1974.

If, as a result of its investigations, the company advises that the processing plant is neither feasible nor economically viable, the Minister can require the company to undertake further studies as may be reasonable in the light of any significant changes that have occurred in the costs or economics of production or the availability of markets. The Minister may also, in any event, undertake or cause to be undertaken other studies and investigations as he considers necessary or desirable.

Should the company's investigations show that pulping is feasible and economically viable, it is required to submit detailed proposals showing where the pulp mill is to be established and giving full information regarding commencement and completion of construction of the plant.

The capacity of the plant is to be not less than 100,000 tons of unbleached wood pulp and is to be in production not later than three years after the company's proposals have been approved.

The company is required to ensure that its proposals relating to water supply and effluent disposal are adequate for the requirements of the plant; and, to this end, it must retain expert consulting engineers who must collaborate closely with the State in the design and development of these schemes.

In a manner similar to that provided for in the iron ore agreements, the State may negotiate with a third party to undertake the pulping process should the company be in default.

Specifically, the State may, by notice to the company, determine the agreement if—

(a) the company fails to inform the Minister of the progress and results of its investigations;

(b) the company fails to submit reports and proposals, as required under the agreement;

(c) as a result of studies undertaken by the company or studies undertaken or furnished to the Minister, the Minister is of the opinion that the production of unbleached wood pulp is feasible and economically viable but the company is unwilling or unable to undertake such production;

(d) proposals are submitted by the company and approved, but the company fails to commence construction of the plant or, having commenced the construction, fails to continue and complete construction within the prescribed time.

Each of the foregoing points could be cause for declaration of default under the agreement.

Should a third party take over the pulping commitment, it must do so on terms which, on the whole, are not more favourable than those available to the company. In particular, the establishment of a pulp mill must be within the 130-mile radius of Manjimup and wood chips used must be produced under the forest produce (chipwood) license granted under the agreement.

Also, if the agreement is determined and the company still has an obligation for the supply of wood chips from contracts which it has entered into, the third party would be required to supply wood chips in accordance with the contract on a basis which is fair and reasonable as between the company and the third party.

The provision is, of course, to provide for a situation where the Government is able to negotiate for a third party to produce pulp while the original company is still in the process of supplying contracts for wood chips, which the Government had approved. It would be quite incongruous if there were not some machinery available under which these contracts could be completed, both in the intersts of the company and the industry and the good name of the State.

In writing out the agreement and including the license attached, both Ministers directly concerned have endeavoured to depart as little as practicable from the provisions of the Forests Act so far as the actual forestry side of the operations is concerned, so as not to create any precedent. There has been a minimum departure from the provisions of the Forests Act to avoid anomalies creeping in.

Because of the expenditure to which the company will be put in establishing the chipping mill and associated facilities for perhaps a very limited number of years, if it does not undertake the pulping process, special provisions have been written into the agreement which provide that in default the company will be reimbursed, not only for its machinery, equipment, removable buildings, bulk loading facilities and conveyor, but also for the expenditure on civil engineering works.

With regard to the machinery, equipment, removable buildings, etc., value will be assessed on a basis which has regard for their use in a going concern, whilst with civil engineering works value will be calculated on a 10-year amortisation basis, commencing from the date of the first shipment of wood chips from Bunbury.

That might sound rather complicated, but the provisions are deliberately included in the interests of fairness. If the company ran its normal term as a wood chip industry, of course, it would be able to amortise all of these things over the life of the license, which would normally be at least 15 years. However, if the license was prematurely terminated because of a form of default due to the inability or the unwillingness of the company to go on with the pulping plant, it is felt that there has to be an equitable means of reimbursing the company for those assets which would go to a third party.

If members study the provision, I am sure they will realise that it is only just and proper that this different method of reimbursement should be assessed. In other words, if a third party comes in and takes over the assets, the original company will be reimbursed on what is, for all practical purposes, a going-concern basis; whereas, under other forms of default, the reimbursement to the company would be of a very minimal nature. The Government agreed that it would be fair and reasonable to include this special method of valuation, if the agreement was terminated, in the interests of having a third party establish the pulp industry.

Other normal provisions included in the agreement cover such matters as arbitration, export license, no discriminatory taxes or charges, rating, no resumption, variation, *force majeure*, etc.

Commonwealth concurrence with the agreement, as such, is not required, of course, because this is essentially within the sovereignty of the State, and the State would not ask for Commonwealth concurrence in an agreement such as this. However, the Commonwealth has been kept informed, particularly because we knew that at one stage the Commonwealth was concerned about certain negotiations in other States.

The Minister for Industrial Development has, however, stated publicly that he was very disturbed when the Commonwealth went the whole hog and decided to introduce export licensing; because the two companies which the Government was weighing up in order to see which should get the license had made what appeared to be very satisfactory f.o.b. price arrangements in respect of wood chips. These prices were disclosed to us and to the Commonwealth. The price that was indicated by both companies was a price acceptable to the Commonwealth for export licensing purposes.

Members know the story from that point on. At the critical moment when the Government was about to make the decision to give the license to the Bunnings group, the

Commonwealth Government announced export licensing. This had an immediate reaction and the situation was changed almost overnight, from a question of a straightout negotiation between a number of companies, which was moving along very satisfactorily from our point of view, to an entirely different form of negotiation where it virtually became, one might say, almost a Government to Government type of economic confrontation.

This is not an unusual situation. We reacted rather harshly to the situation because we felt that had the matter been allowed to go along as it was, neither company would have been embarrassed by the situation that developed. However, the Commonwealth had its own reason for wanting to step in at that time.

We do not know the particular project that was causing the Commonwealth Government the most concern, but Mr. Court personally felt that had that Government asked the various State Governments to make sure that no arrangements were permitted which would violate the Commonwealth's idea of a fair price, then the State Governments themselves could have made sure—as this Government was making sure—that this was not breached. We had a good reason for wanting the f.o.b. price; namely, because it had a serious effect on the economics of the project.

While this is not an easy project, it is a profitable operation, but not a bonanza. However, it does have tremendous value from the overall economics of forestry and sawmilling in the State. Members may realise that, overnight, the volume will be increased by one-third. This means that the economies of scale will benefit within the sawmilling industry plus the fact that this allows for better forestry practice. Yet another benefit to the State will be the fact that large areas will be cleared and this will permit reafforestation with other species which will have a greater role to play in the future.

Up to now marri has not been a popular timber from a commercial point of view, and if this area can be applied to other preferred species, so much the better.

As the point was raised in another place, I should inform members that no Commonwealth license has been granted to a Western Australian company, because, at this stage, it has not been able to consummate a sales contract. The only contract that has been publicly approved is the Tasmanian one, which has been stated at approximately $27 per B.D.U.—which means, per bone dry unit.

There is a lot of argument going on between Japan and Australia at the moment because Japan will not accept a price of $27 B.D.U. I would not like to be drawn any further as to what Japan will accept, because there is a difference between the various species within Victoria and Tasmania, and New South Wales and Western Australia. My own view is that none of the States will receive an identical price, because all these factors will have to be expertly weighed up as to the relative economic values.

The company has demonstrated to us the actions it has taken in respect of a sales contract, but it has run into a situation where the Japanese industry at the moment is offering a price of approximately $22 per B.D.U. The Tasmanian price, which the Commonwealth has approved, is $27. Consequently, the price of $22 is the one that is subject to argument.

I come back to the point that we should not assume that $27 is the only price that will be approved. I should explain that the Eden operation is one where the Commonwealth has, of course, departed from this principle and has approved the Daishower-Harris operation on a basis which is not related to a declared f.o.b. price. The Commonwealth explained to us and to the public that it had agreed to this operation with reluctance, only because the negotiations had proceeded so far that the Commonwealth Government could not reasonably ask for it to be cancelled. Consequently, this operation is quite different from all the rest.

It is on a basis where it is related more or less to an intercompany arrangement rather than to a fixed f.o.b. declared price, such as is the case in Tasmania and such as our industry will have to declare in Western Australia.

We are giving all the support we can to the Bunnings people in their discussions in Japan to arrive at a contract as quickly as possible. However, we have had to say to them that we cannot continue to give them an extension of time indefinitely, because it would not be fair to the other company—the one that was not granted a license when it was a matter of tweedledum and tweedledee as to who got the license.

The price controversy is causing us quite a deal of concern and just at the moment there does not seem to be any break occurring. However, the Minister for Industrial Development is confident from what has happened recently that the results will be successful. If the Japanese want the wood chips badly enough, and they cannot get alternative supplies, he feels that in the course of business they will arrive at a sensible price and one which will be approved by the Commonwealth under the export system. The company has until the 30th September, but after that, if it cannot estimate when the negotiations will be completed, the matter will have to be considered on its merits.

When saying that large areas would be cleared because of this operation, I would not like to give the idea that this means marri will be taken on a face regardless of its millable qualities. It is the intention of the Minister for Forests and the Conservator that marri of millable quality will, of course, be used for milling purposes but marri will not be put into chipping merely because it happens to be in that particular stand.

Mr. President, I wish to table a plan showing the production area, which is bordered in green, and the chipping mill site, which is coloured in red, and which is referred to in the agreement.

The plan was tabled.

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

ORD RIVER DAM CATCHMENT AREA (STRAYING CATTLE) ACT AMENDMENT BILL

Second Reading

THE HON. G. C. MacKINNON (Lower West—Minister for Health) [3.32 p.m.]: I move—

That the Bill be now read a second time.

Mr. President, you will recall that the year before last legislation was passed to vest in the Crown the property in and the right to possession of any cattle, including horses and mules, found at large throughout certain pastoral leases which have been resumed for the purposes of the programme of soil conservation and pasture regeneration on an eroded section of the Ord catchment area.

The areas then involved comprised the whole of the Ord River Station and the whole of Turner Station, which had both been resumed in April, 1967. While that legislation referred to those stations only, it is a fact that the regeneration programme covers portions of the Flora Valley Station and Ruby Plains Station leases and this Bill deals with those areas.

These were excluded from the earlier legislation because fencing had not at that time been completed on the Flora Valley and Ruby Plains leases. In view of this factor, Australian Investments Pty. Ltd., which company previously controlled the Flora Valley area, was authorised by the Department of Agriculture to continue the clearing of cattle during the 1968 and 1969 mustering seasons and, therefore, the straying cattle Act would be extended to cover those lands only from the 1st January, 1970.

This Bill accordingly proposes that ownership of remaining cattle will not pass to the Crown before that date.

On the other hand, the portion of Ruby Plains Station which is affected has not been used by the owners and complete agreement to the resumption for the regeneration programme was reached. The additional area now proposed to be covered by this Bill is approximately 480,000 acres, of which 400,000 acres is within the former Flora Valley lease.

Members may be interested to know that the legislation has had the desired effect, in that owners of cattle grazing the land have taken positive steps to clear cattle from the catchment area. Acceptance of the provisions in this Bill to further widen the coverage will assist materially the programme to stimulate the revegetation of eroded areas. I commend the Bill to the House.

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

DAIRY INDUSTRY ACT AMENDMENT BILL

Second Reading

Debate resumed from the 10th September.

THE HON. F. R. H. LAVERY (South Metropolitan) [3.35 p.m.]: I rise to support the Bill. It has one main clause which is to delete subsection (2) of section 15 of the Act. The reason for this deletion is that the subsection has now become redundant. As the Minister said yesterday, now that the companies produce a monthly statement, it is no longer necessary to produce the yearly statement. This seems to be a small provision to delete from the Act but, being redundant, it is better to remove it.

I would like to make a few remarks about the Act itself. As the Minister said, it was promulgated in 1922 during the second session of the eleventh Parliament. In those days the sessions often extended into the following year. Since that time there have been five amendments to the Act, and on two occasions the amendments were rather important ones for the benefit of the industry and consumers alike. However, this particular amendment is purely one of administration and I believe it will help the companies.

I have made a few notes on this subject to which I would like to refer. At the time the legislation was first introduced in another place, in 1921, it may be of interest to the House to know that 2,600,000 lb. of butterfat was produced in this State. In 1967-68—the latest period for which I could obtain figures—13,200,000 lb. of butterfat was produced; in other words, almost six times the amount produced in 1921.

In 1922 the industry was still in its infancy—the group settlement scheme was not completely underway at that time—and the introduction of this Act was

indeed a tribute to the legislators of the time. The debate which took place was, as the Minister said, an extremely interesting one. When I read that debate I found that it covered 15 pages of the fine print which was used in *Hansard* in those days.

It is interesting to note that the subsection we now intend to delete was placed in the Act because of the distrust of the dairymen regarding their returns from the factories. It is also interesting to note that during the debate at that time the matter of margarine *versus* butter was mentioned. That was in 1922, and in 1969 we still have not solved this problem to the satisfaction of the manufacturers of both margarine and butter. It seems to me that the wheels are inclined to grind slowly.

The parent Act provided three main items: the control of factories, the marketing of dairy produce, and the proper registration of dairy factories. We who live in modern times must admit that the controls which were introduced by the parent Act have, in fact, produced for all of us a better class of milk and butter. They have also resulted in a better handling of dairy products and, of course, an improvement in health standards. In the main, I would say the health standards in our dairy industry are the equal of those in any other part of the Commonwealth.

I noted in the debate that took place in the other House, one member representing a dairying area said that he believed the industry ought to give some further thought to helping itself, particularly in the matter of transport. However, that aspect is not covered by this Bill and I having nothing further to say except that I support the measure.

THE HON. N. McNEILL (Lower West) [3.41 p.m.]: I wish to indicate my support of the Bill which, as has been said on several occasions and in different places, is quite a small one and would appear to be inconsequential. It is headed "A Bill for an Act to Amend the Dairy Industry Act, 1922-1953." By the measure, subsection (2) of section 15 is to be repealed. This will make it no longer necessary for dairy produce factory managers to provide to suppliers an annual return relating to certain processing in the manufacturing plants. It has also been said that one of the reasons for repealing the subsection is that the return is redundant because the information is already conveyed to suppliers by way of a monthly form or account.

I would like to develop that thought a little further because there is more in it than meets the eye. I wish to read subsection (2) of section 15—the subsection that is to be repealed by this Act. It is as follows:—

> The manager of every dairy produce factory shall forward to suppliers of milk or cream within three months after the expiration of the thirty-first day of December in each year an account in the prescribed form showing the charge levied for manufacture and sale of all dairy produce manufactured during the twelve months preceding the thirty-first day of December, and the quantity and value of milk or cream of each grade for which suppliers have been paid during that period . . .

The subsection goes on, but the rest of it has no relevance.

There are two points in that subsection on which I propose to enlarge. The first relates to the prescribed form showing the charge levied for the manufacture and sale of all dairy produce; and the second point relates to the form showing the quantity and value of milk or cream of each grade for which suppliers have been paid during the period referred to.

The suggestion that the information contained in the annual account has already been provided to suppliers in their monthly statements is not quite correct—it is not a true statement of the situation. If we refer to the regulations and relate them to the subsection to which I have referred we will see, first of all, that regulation 62 provides as follows:—

> 62. The monthly return required by section 15 shall be made in accordance with Form 18, and shall be sent or delivered to the Department of Agriculture so as to be received by the Superintendent of Dairying not later than the 20th day of the month next following the month in respect of which the return is made.

That relates to monthly returns which are forwarded to the department. The reference to the annual returns is in regulation 64, which reads—

> 64. (1) The annual return to suppliers required by subsection (2) of section 15 shall be made either in form 17 or 20, as the case requires, and shall contain all the particulars required to be supplied in the appropriate form.
>
> (2) A copy of every such annual return shall be forwarded also to the Superintendent of Dairying not later than the 31st day of March in each and every year . . .

Sitting suspended from 3.46 to 4.7 p.m.

The Hon. N. McNEILL: I was referring to the different types of returns which are required to be provided under the regulations to the Dairy Industry Act, and I had just referred to regulations 62 and

64 which provide for monthly and annual returns to be made relating to certain statistics of the factories.

I was endeavouring to make the point that although it was said in relation to this Bill that the information contained in the annual statement is already available in a monthly return to suppliers, this is not technically or precisely a correct statement of the situation.

I think it is well to bear in mind that the significance lies in the words, "a return to suppliers," as against the expression, "a return to each supplier"; because, in fact, the regulations also provide for certain returns to be made to each supplier and those, of course, are quite different; they are not concerned with section 15 of the Act, and the particular subsection—subsection (2)—about which we are concerned at this moment.

The returns which are required to be submitted by the factories are provided for in regulation 67, which says—

> The secretary or manager of each dairy produce factory shall forward to each milk or cream supplier, at least four times a month, a statement in Form 13 or 14, as the case requires—

The Hon. G. C. MacKinnon: Four times monthly or four times a year?

The Hon. N. McNEILL: Four times a month. To continue—

> —showing the particulars of milk or cream received, the test, and the quantity of fat calculated; and at the end of each month, when payment is being made, shall furnish a statement to each supplier in Form 15 or 16 as the case requires.

The reference to forms 13, 14, 15, and 16, relates either to the processing of butterfat into butter or the processing of milk and cream into cheese; that is why a different form is prescribed. The part about which I am concerned is the latter end of regulation 67, which says—

> . . . at the end of each month, when payment is being made, shall furnish a statement to each supplier in Form 15 or 16 as the case requires.

These are quite different forms from those prescribed in regulations 62 and 64, which are the regulations with which section 15(2) actually deals.

There is perhaps no great consequence or significance in this explanation, because the particular subsection is in fact redundant; and there is no point in retaining it in the Act. I do say, however, that the reasons for it are, in fact, a little different from those which have been given, particularly in another place.

To get a proper understanding of the situation, and I think it is not unimportant—and while it has been said that this has a historical background, I will not enlarge on that aspect because it has already been referred to and dealt with in some detail—members should be aware that with the commencement of the Act, and indeed throughout the early years of its operation, the dairy produce factories were, in fact, regarded as intermediaries, or simply as processing plants, performing a function or a service to the dairy industry and, as such, they were entitled to make certain charges for processing. In fact, the first part of the particular subsection refers to those charges. I read the relevant section at the commencement of my speech.

This, of course, implies—I daresay it does a little more than imply—that inasmuch as the factories were simply processors, the produce virtually remained the property of the producer and, in the course of handling or producing the butterfat, the factory made its charge for the service it performed and for certain other administrative acts in relation to the handling of the product.

In the course of doing this the factory conducted its test. As members know, the test for butterfat has been the Babcock test, using the centrifuge. This is a laboratory test which by chemical and physical means obtains the butterfat content. It deals with cream being turned into butter in the course of manufacture.

It so happened that a certain quantity of butterfat, after being converted into butter and turned out in the finished form, showed that there was a discrepancy in the quantities. In other words, the results of the test of the quantity of butterfat seemed to be at variance with the actual amount of butter produced.

Inasmuch as this produce was taken to be virtually the property of the producer—and I use the word "virtually"—it was felt that this apparent discrepancy could have yielded a margin to the processing plant—a margin to which the producer or the industry itself was entitled. It was not to be regarded as a fair margin of profit for the factory concerned.

Accordingly, there had to be some opportunity for this to be distributed to the industry. In order to safeguard the interests of the industry and to ensure that the information was well known to the industry—that is, the statistical information as to the quantities of cream or butterfat which had been accepted into the factories for the tests of butterfat and the subsequent production of butter both in its grade and quantity—the information had to be made available to suppliers.

I emphasise the words "to suppliers." It is not necessarily sent to each supplier, and this is the second point referred to in subsection (2). In other words, it was a requirement that the factories make available all the statistical information relating to that produce for the information

of suppliers to satisfy them, in fact, that their produce was being handled fairly and that they would and could receive any equitable distribution of the margins as a result of the operation of the discrepancy.

The discrepancy in the industry is described as the overrun. In other words, a certain quantity of butterfat, or butterfat of a particular test, in fact yields a greater quantity of butter and this is due to a number of factors such as the inclusion of water, salt, and various ingredients during the manufacturing process; and this has to be accounted for.

So in fact all the amendment is designed to do is to remove the necessity for the factories to provide to all suppliers the annual return of statistics. It is quite different from the monthly return which it is still necessary to provide to each supplier. We know it furnishes all details relating to the individual farmer's produce which, in fact, has been supplied or delivered to the factory.

All in all, I would say it is obviously a good move. I can well imagine that within the industry, and more particularly within the factories, this would be regarded as a good step because it would appear to cut out unneccessary red tape, which does not serve a useful purpose. I might add that one of the reasons it would be regarded in this light is because most factories would prepare, and should make available, an annual report of their business, and this annual report would almost certainly contain all the statistical information which would otherwise have to be provided for under subsection (2) of section 15 of the Act.

Inasmuch as the furnishing of this return may contribute to the costs and expenses of the factory and is now to be dispensed with, the amendment is a good thing. It is a further step, small though it may be—I do not think it is significant—and is a gesture, to relieve one item of cost from the processing or off-farm costs in the dairying industry.

This brings me to another point: inasmuch as we are concerned with dairy farmer returns, we are concerned with the question of costs, whether they be on or off-farm costs. It is as well for me at this time to make some further reference to the industry itself.

So many times it has been said that this is an industry which has been fraught with problems and difficulties over a period. When speaking to this Bill a short while ago, Mr. Lavery referred to the fact that the *Hansard* reports of an earlier debate occupied some 15 pages. I would imagine that if legislation of a like nature—as all-embracing as it was in 1922—were to be introduced into Parliament again in 1969 or 1970, we would not be involved with a *Hansard* record of only 15 pages. I suggest it would be of a far greater length if we were dealing with all the complexities of the industry. In other words, if given the opportunity, we could go into great detail and length concerning all sorts of propositions on how to overcome difficulties and to create a desirable future for the industry.

I believe some thought should be given to the history of dairying in Western Australia. It has not always been a happy one. We are aware that demands have been made for change. In fact, these have been fairly consistent and continual demands. I am not sure that these demands have ever been satisfactorily clarified or crystallised to a point where any particular authority would know what steps should be taken in order to bring about the desired reform in the industry.

Certain changes would seem to be justified—well and truly justified—but the question surely is what form should those changes take, and how can they be effected? I do not believe it would be sufficient for Western Australia to endeavour on its own to put matters right in the dairy industry. All sorts of reasons exist to make such a proposition unworkable. We would be faced, first of all, with the situation imposed on us by section 92 of the Constitution. We would also be faced with the problem of determining how we could provide for some alteration to the Commonwealth-wide equalisation scheme.

I am aware that moves have been made, not infrequently, to persuade Western Australia to depart from equalisation. I do not pretend I share this view; but at the same time I recognise that there may appear to be some disadvantage to Western Australia in its being a party to equalisation. By the same token there are also some very great advantages to be derived from it.

Rather a paradoxial situation exists in the industry in Western Australia. While we are responsible for a very small proportion of the total Australian dairy production, we have dairy farmers experiencing great difficulties, some of them being at a bare subsistence level. These are not my thoughts. This is a situation which has been determined in surveys, both unofficial and governmental. It is quite apparent that a great many farmers are not making a profitable venture of dairying, and certainly the industry is not yielding a profit to them individually.

The paradox is that in 1968 it was recognised, and I believe for the first time, that Western Australia accepted a situation of a permanent shortage of butter. We were placed in the position of having to import in that year some 120,000 cases of butter from Victoria, while at the same time so many of our farmers were producing at below their capacity.

It is certainly true that the dairy cattle population in Western Australia is declining, and it has been for some time. Therefore, it seems to me that the change proposed in this Bill is of a very minor nature indeed. We should be considering far more significant changes which would have a far greater implication and be of greater consequence than the small one envisaged in this Bill. It is inevitable that some steps will have to be taken. We are considering a change which might be introduced by the implementation of the Commonwealth proposal in relation to the marginal dairy farm reconstruction scheme.

I would like to make note of the fact that even today Western Australia is the only State in Australia that has signified its acceptance of the Commonwealth proposal. This in itself is a very great principle and one I would like to see implemented. It has not been yet because although Western Australia has signified its acceptance of the proposal, presumably other States have not yet come to the party, and it is not possible to implement the proposal in one State only.

If this proposition were implemented, it would certainly make some material difference to at least one section of primary industry, and a section of those farmers in a fairly localised area of Western Australia.

There are other aspects and one should refer to them in a debate of this nature. If changes involving reconstruction or reorganisation are envisaged, some rationalising must be made between the whole milk section of the industry and the butterfat section. I do not share the view of some people that these two sections should be amalgamated in order that the benefits from one should be shared by the other section, because I do not think this will really solve the problem. The benefits to be derived by the poorer section at this stage, with our relatively small production of dairy products—

The DEPUTY PRESIDENT: Order! I would point out to the honourable member that I believe he is straying from the subject matter of the Bill. I suggest he gets back to it. It concerns the repeal of a subsection of the Act, and this does not require a general dissertation on dairying.

The Hon. N. McNEILL: I note your comment, Mr. Deputy President, but I would point out that section 15 of the Act, which is amended by this Bill, provides for the overall administration of the butterfat industry, and relates to the returns on production which are required to be furnished by factories. These returns relate to the annual and monthly statements and concern the actual farm production, value, and price. They also relate to certain costs in connection with the conduct of the industry, and it was in this context that I was making these observations, inasmuch as this Bill is designed to provide for a change to ease some of the burden so that those in the industry might obtain a greater share of the returns which are, generally speaking, available over the whole industry.

However, I think I have made this point and, with great deference and respect to you, Sir, I will not proceed beyond it. I think both the position and the point are clear.

Nevertheless, I do once again make the point that a necessity does exist for a re-examination of this Act, including the particular section now under discussion. I make the point that if a reorganisation is, in fact, being contemplated, it seems to me that little necessity exists to make this fairly small and inconsequential amendment at this time. In my opinion it would have been far more appropriate, in view of the needs of the industry, had the Act been completely overhauled. It has not been amended very many times; in fact, I believe, not since 1953, and only four times prior to that.

I think the legislation is overdue for a major re-examination, and probably a reorganisation of its provisions. I think it is a matter of regret that time was taken in introducing this small amendment when, in fact, the time could perhaps have been better used in conducting a full-scale examination, and probably a redrafting of the whole Act bearing in mind its application to the dairying industry. The industry is well aware of the difficulties which are facing it. However, with those few remarks I support the measure.

THE HON. G. C. MacKINNON (Lower West—Minister for Health) [4.31 p.m.]: I thank members for their comments. I was aware that perhaps there was a little more information which should have been given to members—and I was aware of this from my knowledge of the situation. I did secure some further details which perhaps should be on record. As Mr. McNeill has explained, in regard to subsection (2) of section 15 there were a number of reasons which I was not able to give yesterday and which affect the matter of repeal. Mr. McNeill covered those points in great detail.

Since the framing of the legislation the equalisation and bounty payment scheme has been introduced and we have an equalisation committee which determines the margins the factories may work on. Mr. McNeill pointed that out to the House. Also, the Department of Agriculture now weighs and checks the cream and, as Mr. McNeill pointed out, there are certain systems used for the checking. Knowing that I should have had this information, I was sorry that I was not able to present it when I introduced the measure. I did not get it until this morning. However, be that as it may, any lack in what I had

to say was made up for by Mr. Lavery and Mr. McNeill, and I thank them for the information they gave.

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.

WHEAT MARKETING ACT CONTINUANCE BILL

Second Reading

Debate resumed from the 10th September.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [4.34 p.m.]: The purpose of this Bill is simply to ensure a continuance of the provisions of the Wheat Marketing Act. The measure is really a form of insurance should the existing marketing scheme break down. In that event the provisions of the State Wheat Marketing Act will become operative.

I do not intend to delay the House debating the pros and cons of the legislation, why it is here, whether or not we should have it, or whether or not it is in fact necessary. The point is that the legislation is on the Statute book and it is being given a further term. The Government has seen fit to continue the provisions of the Act and I see no reason to oppose the measure.

THE HON. E. C. HOUSE (South) [4.35 p.m.]: Western Australia is the only State which has legislation to provide for its own wheat marketing scheme should the Commonwealth scheme break down. A farmer cannot grow wheat without rain.

The Hon. L. A. Logan: Have you prayed for some?

The Hon. E. C. HOUSE: Certain stories are circulating throughout the eastern wheatbelt that some light rain is falling in that district and, as it is coming from the east, we hope it will at least ensure that some of the wheat crops will be finished off. Whether that is so or not, I do not know, but I can relate an authentic story: it is snowing in Melbourne. Whether that is any consolation, I would not know.

When the Wheat Marketing Act has been continued at the end of each five-yearly period it has been re-enacted more or less on an automatic basis because it has always been felt that there was really no cause for alarm. However, on this occasion I think the continuance of the Act could have more importance than many people realise. My reason for saying this is that should any State in the Federation disagree, or should negotiations break down, the Commonwealth wheat stabilisation scheme will cease to exist. Unless all the States agree to the scheme—in other words, the decision must be unanimous—it must lapse.

In this regard we should be mindful of the problems and the troubles that occurred when the last stabilisation scheme was renewed, the difference of opinion among the States, and the fact that any one of them could have objected. In some cases I do not suppose the States would have worried whether the Commonwealth Act was renewed or not. Each State has its own problems in regard to wheat and each has different machinery for handling it. Some have more internal wheat feeding than others; some do not produce a great deal of wheat; and some produce considerably more than we do.

Being isolated as we are, it could well be that there could be objections to some of the proposals put up by the wheatgrowers of Western Australia, and this could cause a breakdown in the wheat marketing system. For instance, we had problems in regard to our efforts to have the price of wheat which was to be used for the feeding of sheep in the drought areas reduced to a more realistic figure than the home consumption price. We know, too, that many of the meetings that were held in this connection were conducted under a great deal of tension.

One does not know, of course, what would have happened in the long term had the Federation held out and refused to permit wheat to be sold back to the farmers in this State at a price lower than $1.70. Over the years the whole picture has changed and when the Act was renewed on the last occasion, five years ago, wheat from Australia generally was readily saleable; there was not a surplus of wheat in the world as there is now. At present the countries that buy our wheat are fighting for a reduction in the price and we are facing competition from other countries which are trying to take over our wheat markets.

This is the first time for many years that we have been faced with a critical situation in regard to our wheat industry, and it could well bring about a breakdown in the wheat stabilisation plan. No-one wants this to happen, of course, because it took many years to get the different organisations to amalgamate and agree to improve the scheme that was first introduced until today we have something which is most acceptable to the wheatgrowers. However, there is no doubt that there is a need to have another look at some of our price structures within the wheat stabilisation scheme so that our wheat can at least be sold at a reasonable price.

Western Australia does have an advantage as regards freight rates on overseas sales and, in the long term, this might cause an attempt to be made to capitalise on that advantage. Bearing in mind the troubles within the wheat industry, one

never knows when the present marketing structure could break down thus requiring our Wheat Marketing Act to be proclaimed. I know most wheatgrowers would want to have this legislation on the Statute book so that in the event of a breakdown in the Commonwealth scheme we would have our organisation ready to be put into operation and so control not only the marketing and delivery but also the sale of wheat.

The quota problem is common to all States and is causing a great deal of concern and argument in most of the States, including Western Australia. This in itself could bring about another set of circumstances within the Federation which could result in a breaking down of the scheme, and its discontinuance. Therefore, I support the Bill because I believe we are wise in having it on the Statute book as a precautionary measure. It is a comfort for all wheatgrowers to know that the machinery is there should it be needed in the future.

THE HON. J. DOLAN (South-East Metropolitan) [4.44 p.m.]: I just want to pass a few remarks on the Bill and I agree with my leader that if the Government believes the legislation is necessary, I would support it on that aspect alone. However, it is unusual that Western Australia is the only State that believes an Act of this nature is necessary—an Act that has never been operated since it has been in existence. Yet we still want to keep it going. One would think that we had reached a stage in our development where we could bring in modern and up-to-date legislation immediately if it were required. However, the Commonwealth wheat marketing scheme is still in operation and so far there has been no necessity for this legislation to be proclaimed.

I agree with my leader that by having it on the Statute book it could, if the occasion arose—and I cannot see it arising—be used immediately.

THE HON. J. HEITMAN (Upper West) [4.45 p.m.]: I wish to support this Bill. Mr. Dolan wondered why we have kept this legislation going from time to time. In Western Australia we have a very good wheat pool since the Australian Wheat Board took over control and the Commonwealth Government guaranteed a certain price for wheat. This wheat pool has since changed its name to the Grain Pool of W.A. and, over the years, it has been responsible for selling almost all of the oats and barley that have been sold for export from Western Australia.

While the Grain Pool of W.A. is active, and while this legislation is ready to be proclaimed at any time it is needed, we have machinery that will stand the farmers of this State in good stead. The Grain Pool has carried on through the years and has made wonderful sales of barley and oats; so much so that the Barley Board of Western Australia has been asked to co-operate with other States to form a Commonwealth pool for coarse grains.

We in this State have a freight advantage and we have certain avenues for selling coarse grains. We also have an organisation which has been built up over the years and which is still being built up from year to year; as the older members of the coarse grain pool retire, they are replaced by younger farmers who are taught the rudiments of the business of selling grain. I think the fact that we have younger people coming into the organisation and learning the rudiments of selling is a good thing. These younger people are there ready to take over at any time, and this is of great benefit to the growers of Western Australia. I, for one, would be sorry to see this Act dropped from the Statute book.

From time to time we have had a few scares with the Australian Wheat Board due to the International Grains Agreement lifting and dropping the price of wheat and, of course, it would not be a good thing for the people of Western Australia if this Act were to be removed from the Statute book. If the International Grains Agreement fails—although there are are many countries that do not subscribe to it—I think we would have to watch the position very closely to ensure that the Australian Wheat Board and the Commonwealth sales organisation did not fold up. There is not a great deal to keep them going if they cannot keep up with the current prices.

Of course, one could turn around and say that we have a five-year agreement; but if overseas prices drop very much one would find that any Government would be keen to drop the Commonwealth legislation and leave it to the States to fight their own battles. For this reason it is necessary to continue this Act.

The Hon. J. Dolan: Would you favour a Bill which covered not only wheat, but also coarse grains?

The Hon. J. HEITMAN: The coarse grains pool is in operation now.

The Hon. J. Dolan: But would you like them to be amalgamated?

The Hon. J. HEITMAN: The coarse grains pool would take over the organisation of selling wheat if it had to do so at a later date.

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.

METROPOLITAN MARKET ACT AMENDMENT BILL

Second Reading

Debate resumed from the 10th September.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [4.51 p.m.]: I am not sure that I like the idea of introducing a penalty system into the control of traffic at the markets. Anyone who attends the markets occasionally, as I do, would see what would appear to be bedlam on the marketing floors, but which is really a completely controlled situation.

The Hon. F. J. S. Wise: It is an organised business.

The Hon. W. F. WILLESEE: Yes. It is a source of amazement to me to see so many trucks loading and unloading and people buying and selling, and with apparently no suggestion of holdups. This applies to the secondary markets also—the fish market and the poultry market, and so on. In the same area there are private enterprise people who do not sell by auction, and they are equally busy handling traffic and shifting produce. That small area is a busy scene on market days, and I have never yet, on the occasions that I have visited the markets, had any reason to believe that there was any disrespect for inspectors, or any reason for this legislation.

However, during his introductory remarks the Minister said there was some doubt regarding the authority of the inspectors to achieve the results they desire. I suppose one must accept the very remote possibility that if an inspector were challenged by an individual, there could be some difficulty. However, I have yet to see it. I have seen inspectors tell people to shift their vehicles and it has always been done in the interests of marketing.

Upon looking at the Bill it created one doubt in my mind. The measure is reasonably comprehensive in that it makes provision for the appointment of inspectors, and gives authority to regulate traffic, and to erect signs. The Bill also details how penalties and fines should be collected, even to the notification of a person. It suggests how tickets may be placed on vehicles. This will be done in much the same way as tickets are placed on vehicles when one parks for too long at the kerbside. However, the Bill does not specify who is an "owner."

If it is intended that an owner can be given a ticket for an infringement, and that this would involve that person in certain costs, I think we should have a definition of an "owner." This point caused me to look back into the parent Act to see whether it contained a definition of an "owner," but I could not find one anywhere in the Act.

The Hon. L. A. Logan: You will find the definition of an owner of a vehicle in the Traffic Act.

The Hon. W. F. WILLESEE: I can quote the Minister the definition of an owner under the Hire-Purchase Act, and there must be very many vehicles in the Metropolitan Markets area from time to time—including my own—the drivers of which would not be the owners. I am the hirer of my motor vehicle and, if I could use my own case as an example, it would be somewhat embarrassing—if this Bill becomes law—if I were picked up by an inspector and given a ticket which applied to the owner of my vehicle, because the resultant liability would devolve on the person of the Premier of the State. I would not like that to happen, for both our sakes. So, in essence that is the doubt I have about this Bill. It does not define who an owner is.

We all know that there might be something in the Traffic Act. One might think that in the case of an employee driving a vehicle, the person who employs him would be responsible; but the complication can still arise if a vehicle is under hire purchase. I think the Bill should definitely, emphatically, and clearly define the term "owner" before it goes any further. Obviously the owner need not necessarily be the licensee or the person who drives the vehicle; so the owner could be completely ignorant of what has happened in the case of hire purchase. If the owner was an employer he could be held to be responsible for his employee, and I am not sure that would be justice. So I think we should get away from the point of ownership and place a degree of responsibility upon the person who is driving the vehicle. So much for that; I do not intend to belabour the situation, and I will leave it to the Minister to look at the point and give me his reply.

One other point in the Bill to which I wish to draw attention is this: despite all the provisions in the Bill to which I referred, we find that the second last paragraph gives an inspector the right to exempt any person or vehicle, or class of person or class of vehicle, from complying with the regulations. That seems to me to be totally at variance with the concept of the Bill. Why should any person within the ambit of the market trust, and subject to the rules and regulations of that authority, and who is empowered by special Act of Parliament to apprehend, to fine, and to do all the things that any ordinary policeman may do on a highway, be given the power to grant exemption to an individual?

The Hon. F. R. H. Lavery: It might be an embarrassment to the inspector.

The Hon. W. F. WILLESEE: It would not be an embarrassment to the inspector; it would be an embarrassment to the person who is not exempted. If two persons were driving vehicles, side by side,

and one was given a ticket while the other one was told to go on his way, that would be an embarrassing situation. I think this paragraph in the Bill is not desirable and should be deleted.

If the traffic situation in the markets has deteriorated to such an extent—but I do not believe it has—that proper control cannot be exercised, then surely no favour should be shown to any particular person. A person who drives a vehicle in that area should be treated no differently from any other driver. No inspector should be able to say to drivers, "You are exempt, but he is to be charged." That is the situation as I see it.

Debate adjourned, on motion by The Hon. V. J. Ferry.

SOIL FERTILITY RESEARCH ACT AMENDMENT BILL

Second Reading

Debate resumed from the 10th September.

THE HON. W. F. WILLESEE (North-East Metropolitan—Leader of the Opposition) [5.2 p.m.]: This Bill seeks merely to create new titles in section 4 of the Act, but it has no relationship to changing the title of the Soil Fertility Research Act. I have no reason for disagreeing with the proposed change in names, and I do not intend to hold up the legislation.

THE HON. J. HEITMAN (Upper West) [5.3 p.m.]: I would like to add something to the debate on this Bill. I am aware that the measure seeks to change the names which appear in section 4. One amendment seeks to substitute the passage "the Grain Pool of W.A." for the passage "the Trustees for the time being of the Wheat Pool of Western Australia." This of course relates to the amendment which was made to the Act in 1955 when the Wheat Pool of Western Australia changed its name to the Grain Pool of W.A. At that time the trustees of the grain pool became members of the committee administering the Soil Fertility Research Fund.

I want to point out what a wonderful job the soil fertility research section has done for agricultural pursuits in Western Australia. The idea originated at a Farmers' Union meeting in Morawa, in 1953, when it was decided that ¼d. per bushel on grain produced would be paid to that fund for the purpose of undertaking research into the fertility of the agricultural soils of this State. This idea was taken up by the Farmers' Union. It will be noticed that the president and the two vice-presidents of the wheat section are three of the trustee members administering the Soil Fertility Research Fund.

Since that time the Institute of Agriculture has done a terrific job in the breeding of clovers and leguminous plants for the purpose of building up the nitrogen in the soils. Not only has this programme been the means of improving the soil, but also in increasing the sheep-carrying capacity as a result of introducing new types of clover, and discovering clovers which will grow in areas with as little as 3½ in. of rainfall a year.

I noticed recently that the Cyprus clover growers in this State have been asking the clover pool to market Cyprus clover seed. This is a type of clover with which the Institute of Agriculture and the research programme had a great deal to do. The Cyprus clover was bred by Mr. Millington and his band of helpers at the institute. This clover has been the means of great strides being taken in Western Australia in the building-up of the fertility of the soil in the lower rainfall areas. It will grow in areas with 3½ in. of rainfall; and it will even grow from seed.

The sheep get a fair amount of feed from the herbage, but more particularly they benefit from the exceedingly quick seeding rate. Cyprus clover is a great nitrogen builder for the soil. Even on ground which has been cropped for three or more years, there is a regrowth of this clover without replanting. This is phenomenal, because most of the clovers grown before Cyprus clover was introduced were of the sub-clover type, and they grew only in areas with 14 or 15 inches of rainfall a year. As a result of the research that has been undertaken by the Institute of Agriculture through the Soil Fertility Research Fund, many sub-clovers and other types have been bred which will grow in areas with a low rainfall, and this has proved to be of great benefit to the agricultural areas.

I can cite an instance where land which previously grew approximately 15 bushels to the acre is now growing—with the advantage of the cropping of clover—30 to 40 bushels to the acre. So, we can see this Soil Fertility Research Fund has proved to be of great benefit to Western Australia; maybe even to the extent of increasing the wheat production of Australia to the stage where wheat quotas have to be imposed. Without the new clovers which have been introduced as a result of research we would not be carrying half the stock that we are carrying today; and wheat production would still be in the doldrums.

I think that the introduction of clovers to build up the nitrogen in the soils has brought about the manufacture of nitrogenous fertilisers. Some people say that today we can buy nitrogenous fertilisers and so put nitrogen into the soil; but I can assure members that this type of farming does not produce the same amount of feed as the clover plants provide for sheep and the nitrogenous build-up of the soil.

I support the Bill. The Soil Fertility Research Act has been of great advantage to agricultural pursuits in Western Australia.

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 5.11 p.m.

Legislative Assembly

Thursday, the 11th September, 1969

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

QUESTIONS (28): ON NOTICE

1. *This question was postponed.*

2. TRAFFIC

Education Classes

Mr. GRAHAM asked the Minister for Traffic:

Has he any figures to demonstrate the relativity of further breaches or accidents between those previously involved and required to attend traffic education classes on the one hand, and those fined or otherwise penalised on the other?

Mr. CRAIG replied:

Persons who are recommended for appearance at the traffic education classes have their names checked against similar lists for the previous 12 months only. If recorded within this time they are not permitted to again attend such a class but are prosecuted.

In relation to accidents, the same conditions apply, but it would have to be a very minor offence for a person so involved to appear before a traffic education class.

It should be stressed only borderline prosecution cases are called to attend traffic education classes; that is, where a warning is not sufficient but prosecution deemed, perhaps, too severe for a first offender.

3. WESTERN AUSTRALIAN STATUTES

Consolidation

Mr. BRADY asked the Minister representing the Minister for Justice:

(1) Are preparations in hand for the consolidating of all Western Australian Statutes in one complete set?

(2) If so, what stage has been reached?

(3) When is it anticipated the completed set will be available?

Mr. COURT replied:

(1) Yes.

(2) An index is in course of preparation and reprints are also in course of preparation.

(3) The project will take some time, but it is anticipated the first volume will be completed in 1970.

4. MINING

Temporary Reserves: Fees

Mr. T. D. EVANS asked the Minister representing the Minister for Mines:

Upon what basis are fees payable for rights of occupancy of a temporary reserve decided upon?

Mr. CRAIG replied:

On an area basis in the main, as follows:—

Iron ore—$8 per square mile.

Other Minerals—

Up to 1 sq. mile—$20.00 p.a.

Over 1 sq. mile not exceeding 10 sq. miles—$30.00 p.a.

Over 10 sq. miles not exceeding 100 sq. miles—$40.00 p.a.

Over 100 sq. miles not exceeding 500 sq. miles—$60.00 p.a.

Over 500 sq. miles not exceeding 2000 sq. miles—$80.00 p.a.

Over 2,000 sq. miles not exceeding 6,000 sq. miles—$100.00 p.a.

Over 6,000 sq. miles not exceeding 12,000 sq. miles—$200.00 p.a.

Over 12,000 sq. miles—$400.00 p.a.

Apart from this, where industrial mining agreements are made, the fees are set out in these agreements.

Occasionally, and in particular circumstances, some other basis may be applied.

5. *This question was postponed.*

6. CATS

Licensing

Mr. FLETCHER asked the Minister representing the Minister for Local Government:

As the R.S.P.C.A. is on record as having stated in *The West Australian* of the 9th September, 1969, that as from the 1st October, 1969, collection and disposal