

wish to delay the House any further but I do emphasise the need to improve our presentation and packaging.

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 10.17 p.m.*

## Legislative Council

Wednesday, the 7th September, 1966

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

### QUESTIONS (6): ON NOTICE

#### W. P. CASSIDY: SUPREME COURT JUDGMENT

##### *Excessive Charges by Solicitor*

1. The Hon. R. H. C. STUBBS asked the Minister for Justice:

(1) Is the Minister aware of the Supreme Court Judgment, No. C 50/64, in favour of William P. Cassidy against the State Government Insurance Office on the 22nd July, 1966?

(2) Is he also aware that the total amount of the judgment, amounting to \$1,183.51 and costs, has been withheld by the solicitor who acted on behalf of the plaintiff for payment of services rendered?

(3) If so—

(a) Does he consider that the amount of costs claimed by the plaintiff's solicitor is excessive?

(b) Is the solicitor entitled to claim costs of this amount, which appear to be based upon an amount of \$14,000-\$15,000?

(c) Based upon the rules of the Supreme Court, what amount of costs would be payable to the solicitor in this particular action?

(d) What action can Mr. Cassidy take to ascertain what would be a proper allowance for the solicitor in this case in view of the fact that he has written five times to the solicitor and has had no reply?

The Hon. A. F. GRIFFITH replied:

(1) I have been made aware of the judgment, which was given in February, 1965, not July, 1966.

(2) I am advised that of the amount of \$1,183.51 awarded, \$878.50 was paid direct to the hire purchase company concerned. Nothing has yet been paid for costs—or will be paid until the costs are taxed or agreed. However, a total of \$605.01 was paid to the solicitor on the 30th September, 1965, representing the balance, namely \$305.01, of the judgment, and \$300.00 being the price at which the damaged motorcar concerned was sold.

(3) (a) to (c) It is for the trial judge to decide the appropriate scale on which costs should be taxed, and then for the Taxing Master to decide the actual amount. The judge has not yet been asked to decide the appropriate scale. The solicitor concerned appears to consider as relevant the fact that judgment in the above case had the effect of making the State Government Insurance Office liable for over \$20,000 damages previously awarded against Cassidy in favour of a passenger in Cassidy's motorcar. The relevancy of this fact has been denied on behalf of the State Government Insurance Office, and the solicitor has been invited to tax his costs.

(d) He may require the solicitor to account or to have his costs taxed. If he wishes, he may also complain to the Barristers' Board.

2. *This question was postponed for one week.*

## SANDALWOOD

*Production, Export, and Market*

3. The Hon. J. J. GARRIGAN asked the Minister for Mines:

- (1) For the financial year 1965-66—
  - (a) how many tons of sandalwood were gathered in Western Australia;
  - (b) how many tons were exported; and
  - (c) what was the total value of sandalwood gathered?
- (2) What are the principal areas from which sandalwood is obtained?
- (3) Is there a regular market for sandalwood?

The Hon. A. F. GRIFFITH replied:

- (1) (a) Total from Crown lands and private property, 1,040 tons.
- (b) 716 tons.
- (c) Value of sandalwood from Crown lands was \$66,938 on rails at country sidings.

(2)

Main Roads—					\$	\$
Coolgardie- Esperance	510.4m.-541.8m. Various Sections	Reconstruct and Prime 1.7m. 20 ft. wide, widen and prime 0.4m. 8 ft. wide	37,000			
Do. do.	569m.-570.6m. ....	Reconstruct and prime 20 ft. wide	14,000			
Do. do.	518.4m.-541.8m. Various Sections	Single coat seal 20 ft. wide	8,400			
Do. do.	569m.-570.6m. ....	Single coat seal 20 ft. wide	2,200			
						61,600
Important Secondary Roads—						
Ongerup - Ravenshorpe - Esperance	382m.-406m. Various Sections	Improvements (Drainage)	8,000			
Do. do. do.	399m.-399.9m. Various Sections	Reconstruct and prime 20 ft. wide	7,000			
Do. do. do.	399m.-399.9m. Various Sections	Single coat seal 20 ft. wide	2,400			
Do. do. do.	....	Maintenance	7,000			
						24,400
Developmental Roads—						
Contributory Bitumen Scheme	....	Details to be arranged with local authority	18,000			
Esperance-Mt.-Merrivale-Boyardup	....	Improvements—3 miles	6,000			
Gibson East	....	Improvements—2 miles	3,000			
Gibson-Dalyup	....	Improvements—2 miles	3,000			
Tourist Roads	....	Improvements	6,000			
Balladonia-Israelite Bay	....	Improvements	1,000			
Shark Lake-Myrup	0m.-7m. ....	Improvements	10,000			
Esperance-Israelite Bay	9.8m.-10.8m. ....	Construct and prime 20 ft. wide (part cost)	8,000			
Do. do.	26.35m.-34.45m. ....	Construct and prime 20 ft. wide	77,000			
Do. do.	34.45m.-73m. ....	Improvements	20,000			
Do. do.	2.15m.-9.15m. ....	Single coat seal 20 ft. wide	25,500			
Do. do.	20.35m.-26.35m. ....	Single coat seal 20 ft. wide	22,000			
Esperance Harbour Access	....	Single coat seal 24 ft. wide—3 miles	12,600			
General Allocation	....	....	8,000			
School Bus Routes Maintenance	....	....	6,550			
						226,650
Roads to New Land Settlement Areas—						
Maintenance	....	....	6,000			
Oldfield Area	....	....	30,000			
Esperance Plains North of Location 13 and East	....	....	18,000			
Grass Patch West to Lort River	....	....	40,000			
Scaddan East	....	....	6,000			
Neridup Area	....	....	40,000			
						140,000
						\$452,650

(3) Answered by (1) and (2).

- (2) North-east of Kalgoorlie, Laver-ton district, trans.-line.
- (3) Yes, but the quantity fluctuates considerably from year to year.

## ROADS

*Esperance: Current Programme of Main Roads Department*

4. The Hon. R. H. C. STUBBS asked the Minister for Local Government:

- (1) Has the Esperance Shire Council been advised of the Main Roads Department works programme for this year?
- (2) If so, on which roads in the Esperance district is work to be done, and where is other work scheduled to be done within the shire?
- (3) If not, why not?

The Hon. L. A. LOGAN replied:

- (1) Yes. The council has been advised of the department's allocations in respect to important secondary roads and developmental roads, but excluding road works in new land settlement areas.

## ROAD AND TRAIN ACCIDENTS

*Number and Fatalities*

5. The Hon. R. H. C. STUBBS asked the Minister for Mines:

For each of the past three years—

- (1) (a) how many accidents occurred in the State between;
  - (i) trains and road vehicles; and
  - (ii) trains and pedestrians?
- (b) what number of fatalities were attributable to these accidents?
- (2) what number of fatalities were attributable to all road accidents?

The Hon. A. F. GRIFFITH replied:

	Year ended 31/12/63	Year ended 31/12/64	Year ended 31/12/65	Half year ended 30/6/66
1. (a) (i)	39	42	32	20
(b) (ii)	0	9	2	7

2. 198 222 252 122

\* As accidents involving railway trains and pedestrians occur at points other than road crossings, they are not specifically tabulated by the Statistician. The information, therefore, is not readily available.

## STANDARD GAUGE RAILWAY

*Kalgoorlie Services: Announcement in "Kalgoorlie Miner"*

6. The Hon. R. H. C. STUBBS asked the Minister for Mines:

With reference to my question on Tuesday the 9th August, 1966, relating to railway services to and from Kalgoorlie when the standard gauge comes into operation, will the Minister explain, in view of the reply to the question, how it was possible for an announcement to be made on the 1st September, 1966, in the *Kalgoorlie Miner* revealing details of the passenger service which is to operate, when just three weeks prior to this I was informed that a passenger timetable had not been arranged?

The Hon. A. F. GRIFFITH replied:

As conveyed in my reply to the honourable member on the 9th August, 1966, a decision has not yet been made respecting times of arrival and departure of standard gauge passenger services at Kalgoorlie.

The information contained in the newspaper article referred to, dealt with type of services to be provided as distinct from timetable.

PAINTERS' REGISTRATION ACT  
AMENDMENT BILL*Third Reading*

Bill read a third time, on motion by The Hon. L. A. Logan (Minister for Local Government), and passed.

MAIN ROADS ACT AMENDMENT  
BILL*Third Reading*

THE HON. L. A. LOGAN (Upper West—Minister for Local Government) [4.45 p.m.]: I move—

That the Bill be now read a third time.

THE HON. J. DOLAN (South-East Metropolitan) [4.46 p.m.]: Arising out of the contents of this Bill I wish to refer something to the Minister in connection with the definition of "local-access roads" as it may be necessary to amend the Act later on.

A "local-access road", according to the definition means—

A road designed to provide access to, or over, or under, a controlled-access road.

Reverting to the Kwinana Freeway, there are only two such roads—one near Canning Highway and one near the Narrows Bridge. There are similar roads which come off the freeway and, for the life of me, I cannot see why they should not all be classified the same. I think this could be accomplished by the addition of the word "from" to the definition.

There may be a good reason why this has not been done, but I do know of it and refer the matter to the Minister so that he can find out and inform us.

THE HON. L. A. LOGAN (Upper West—Minister for Local Government) [4.47 p.m.]: I cannot answer the specific question except to say it is apparent this is all that is wanted at the moment. The definition of "controlled-access road" in the Act reads as follows:—

"Controlled-access road" means a road, which is for use by prescribed traffic without avoidable hindrance by traffic from intersecting or adjoining roads or by other avoidable hindrance; which may be entered and departed from at specified places only; and which is proclaimed a controlled-access road pursuant to the provisions of this Act.

If Mr. Dolan is suggesting that the same principle should be applied to other access roads, or roads similar to the controlled-access way, as mentioned in this measure, he may have a point that we look at it at a future date.

The Hon. J. Dolan: That is right.

The Hon. L. A. LOGAN: I, too, believe it is possible the definition is too limited in its scope. I will have the Minister for Works look at the point to see whether the proposal can be extended to other major highways which are not major access roads.

Question put and passed.

Bill read a third time and passed.

**GRAIN POOL ACT AMENDMENT BILL***Second Reading*

**THE HON. G. C. MacKINNON** (Lower West—Minister for Health) [4.49 p.m.]: I move—

That the Bill be now read a second time.

The amendments contained in this Bill will facilitate the establishment of a linseed pool in this State. The growing of linseed is fast becoming a commercial proposition and something of a new agricultural development, particularly in the Esperance district. Climatic conditions and soil types there have, for some time, been indicative of economic yields, and I am advised that officers of the Department of Agriculture foreshadow the major part of 2,000 to 3,000-acre crops being sown within 20 miles of the port of Esperance.

Members taking an active interest in these matters would be aware that the Perth mill, to which linseed grown in the Esperance area during recent years had been sent for processing, has ceased operations. In addition, there appears at the present time to be little prospect of our disposing of the local crop in other parts of Australia. An important aspect in this regard is that growers in New South Wales are able to satisfy completely the home market.

We must therefore find overseas outlets for this product. The local association of growers, known as the Esperance Linseed Growers' Association, has sought the assistance of the trustees of the Grain Pool of W.A. in this regard. The existence of a buoyant overseas market has been confirmed through inquiries made by the Grain Pool. Samples of linseed have been sent abroad and the quality of these samples has earned high comment from interested parties. As a result of investigations carried out, the trustees have satisfied themselves that the marketing of linseed can be handled efficiently and profitably. Japan, for instance, is regarded as a logical market for the Esperance product.

Satisfactory arrangements have been made for procuring suitable finance for a first advance to growers, having in mind the establishment of a pool similar to those operating for oats and barley.

The Rural and Industries Bank advises that, subject to appropriate amendment of the Grain Pool Act, together with seasonal investigation of overseas markets, the Government could safely approve the conduct of pools for linseed grown in the Esperance district and guarantee repayment of borrowings for an approved first advance to growers.

It is expected that such linseed pool borrowings would be unlikely to exceed \$100,000 in any year, in view of the limited acreage involved. The view of the Rural and Industries Bank is further sup-

ported by indications received from the Rural Credits Department of the Reserve Bank to the effect that there would be no difficulty in adding linseed and linseed products to the second schedule to the Reserve Bank Act as commodities, the marketing of which the bank could assist.

This Bill is accordingly commended to members bearing in mind that although not representing a large section of primary industry, linseed growing can become a worth-while export product if attention is given to its marketing overseas. The establishment of a linseed pool along the lines indicated would be an effective means of promoting this industry and the marketing of its products with beneficial advantages to growers of linseed, particularly in the districts where climatic conditions and soil types give every indication of satisfactory yields.

Debate adjourned, on motion by The Hon. A. R. Jones.

**LESLIE SOLAR SALT INDUSTRY AGREEMENT BILL***Second Reading*

Debate resumed from the 6th September.

**THE HON. W. F. WILLESSEE** (North-East Metropolitan—Leader of the Opposition) [4.53 p.m.]: This Bill is known as the Leslie Solar Salt Industry Agreement Bill, and the company concerned proposes to institute a project and develop an industry costing in the vicinity of \$7,000,000 by the process of the solar evaporation of sea water. It could be said that this industry is a direct result of the iron ore activities in the area. The salt-producing industry has followed in the wake of those activities.

If I had a personal regret with regard to this legislation it would be that the company is not of Western Australian origin, or mainly of Australian proportions. However, that is not the case. It was the Leslie Salt Co. which had the finance and the enterprise to approach the Government and put the proposition to it. As a result of the negotiations between the Government and the company we have the Bill before us containing the agreement for ratification.

I intend to comment on some of the clauses in the agreement, but not all of them. There are 30 pages in the Bill and it will be appreciated that it would take a long time for a person of my capacity to absorb all of the clauses in detail. However, some of them are rather unusual, to me at any rate, and I foresee that there could be difficulty when applying the provisions under working conditions. The first provision with which there might be difficulty is contained in clause 5 (c) on page 10 of the Bill. This paragraph deals with the priority of ships loading salt, and reads as follows:—

provided that the company complies strictly with the provisions of paragraph (c) of subclause (2) of this clause and at all times uses methods and facilities reasonably expeditious by world standards for the loading of salt all ships requiring the berth at the wharf for the purpose of loading salt produced from the production site shall be entitled at all times to the use of the wharf in priority to all other ships including ships owned or chartered by the State provided that if in any year the aggregate loading time of ships loading salt at the wharf exceeds two thousand four hundred (2,400) hours then the Company shall not thereafter for that year be entitled to any priority hereunder;

In the same clause, paragraph (g) (i) reads as follows:—

at the request of the Company recommend the Governor in Executive Council to make alter and repeal by-laws for the purpose of—

- (i) making any ship liable to pay to the Company any loss sustained or incurred by the Company by reason of the failure of the master charterers or owners of that ship to give the priority provided by paragraph (e) of subclause (1) of this clause save and except where that failure was due to Act of God or circumstances beyond the control of the master charterers or owners of the ship or the exercise of the ordinary and necessary authority of the Port Authority or Harbour Master with respect to the directions and control of that ship;

I cannot see how a particular ship can be given priority, through an agreement, over and above the working authority of the port. That situation is somewhat qualified by the last part of paragraph (i), which reads—

... the exercise of the ordinary and necessary authority of the Port Authority or Harbour Master with respect to the directions and control of that ship.

It appears to me that the word "reasonable" might well have been included in clause 5 (e), because, all things being equal with regard to the safety of a jetty and the working of a port, it could be expected that the Leslie Salt Co., which would be using a chartered ship, could reasonably expect to have the use of the port for the shipping of its salt.

However, there might also be a manganese ship on charter looking for a quick turnaround, or a State ship bringing food supplies for the district, and the right of choice in the operation of loading or unloading of the ships should lie in the hands of the port authority.

Operations under this clause would mean a complete departure from the normal operation of port traffic, and the company will at all times have priority in the use of the wharf. However, I do not think the position will be as drastic as that, and priority will be given where it is possible, having regard to all the circumstances of the situation.

I have seen an instance where a port authority has ordered a ship to leave a jetty because of ground swells developing around the ship and creating a dangerous situation. Under such dangerous conditions, if the jetty were damaged, the port would be out of commission for a considerable time.

So circumstances arise from time to time, in ports such as we have in the north, where only a person on the spot, and one with long experience and good judgment, knows just what priorities should prevail on those occasions.

It is appreciated, of course, that the company wants to handle the ships which it charters as expeditiously as possible. After all, these ships are chartered and, therefore, cost the company concerned a good deal of money and, in addition, that company is subjected to additional charges if a ship remains in port for a longer period than is necessary.

On page 14 of the Bill I found what I thought was a rather unusual clause. I refer to clause 8(3) which deals with wharfage rates. Subclause (3) states—

- (3) Throughout the continuance of this Agreement the company shall pay to the State on the salt which is loaded into ships at the wharf the wharfage charges set out hereunder:—

Rate per ton	
On the first 500,000 tons in any year	12.5 cents
On the second 500,000 tons in any year	7.5 cents
On all tonnages in excess of 1,000,000 tons in any year	5 cents

It then goes on to state—

A fair and reasonable reduction will be made in the above wharfage charges if under any agreement with the State a company has agreed to contribute (either directly or indirectly) to the cost of the wharf or dredging referred to in paragraph (c) of subclause (1) of clause 5 or to make any contribution towards the maintenance thereof or either of such works.

The point about this which strikes me as unusual is that, as far as I know, in all other instances there is no reduction for quantity in regard to wharfage rates. If one bale of wool is handled at wharf at a given cost the same rate applies to any number of bales handled, and the total cost is the rate for one bale multi-

plied by the number of bales handled. The rate per bale is the same whether 1,000 or 1,000,000 bales of wool are handled. However, in this agreement, we find that the rate is 12.5c on the first 500,000 tons in any year, on the second 500,000 tons it is 7.5c, and on all tonnages in excess of 1,000,000 tons in any year the rate is 5c. I do not think I have ever seen a sliding scale such as that applied to wharfage charges for any other commodity. Generally a flat rate is used and that rate is multiplied by the number of articles handled.

It could be that the economics of this industry are such that a sliding scale can be used in regard to wharfage charges. I could not say, but the maintenance costs for wharves are very high, despite the use of a more modern construction. Newer types of piles may be used, but the maintenance costs are still high because of the need to preserve rather than replace the piles.

If a sliding scale is to be applied in this instance then I think other commodities must also be considered; because side by side with the shipment of salt there will also be the shipment of other products from the area. It is only reasonable that the people handling those items should expect the same sort of treatment, and I think it would be unjust to apply a sliding scale, with a lower rate applying to greater tonnages, to one commodity, salt, and not apply the same rule to manganese, wool, tin, copper, or any other commodity being shipped from that district. If the sliding scale is a workable proposition and can be worked on an efficient basis, I hope it will be extended in the other directions I have indicated.

Another departure from the usual procedure in regard to wharfage charges is set out in subclause (4) which follows the subclause to which I have just been referring. This subclause reads as follows:—

Subject to the provisions of subclause (1) of clause 20 hereof the State may make or cause to be made against vessels using the wharf the usual charges from time to time prevailing in respect of services rendered to vessels by the State or any agency instrumentality or local or other authority of the State and may charge vessels using the wharf such conservancy and pilotage charge or dues as are payable from time to time pursuant to the provisions of any Act and 40 per cent. of any berthage charge payable under any Act.

Here again a rate of 40 per cent. of any berthage charges payable under any Act is to apply to ships being used by the company in question. This seems to me to be somewhat of an anomaly, despite the reference to subclause (1) of clause 20. This subclause draws attention to the fact that the Mount Goldsworthy company, as a result of opening up the channel that is to

be used, has reached an agreement with the salt company under which the latter company is to pay a certain fixed sum for the use of the passage to the wharf. Apparently it is proposed that the salt company is to receive a rebate for this by having to pay only 40 per cent. of the berthage charges normally payable.

The fact that the salt company will have to pay only 40 per cent. of the berthage charges struck me as unusual. I would think that if a ship chartered by the company were liable for the payment of any services it would be a matter strictly between the wharf authority and the owners of the ship. If any extra charges were incurred it would indicate that the charterers, or the owners of the ship had fallen down in handling their side of the contract. However, any penalties so involved will be covered by a by-law made by the Governor in Executive Council. As a result, all ships chartered by the salt company will be paid this allowance; whereas a ship moored alongside such ships, and at the same wharf, but chartered by other companies, will receive no similar allowance.

Obviously this provision is inserted in the agreement to encourage the salt company, but it will operate to the disadvantage of other companies which are shipping other commodities from Port Hedland. Although the agreement has been signed, and I wish the company success, I believe that provisions such as these, placed in this type of agreement, give to the companies concerned a little more than is given to companies which are already in existence, and acts to their disadvantage. If such provisions were not included in these agreements I do not think it would affect the overall result, and I am sure such agreements would still be signed by the Government and the companies concerned. The omission of such provisions would certainly provide for the better handling of cargoes, and ships generally.

On page 20 there is a clause which has the marginal note "limitation of liability." Possibly there is an explanation for this clause, and it could be read somewhat differently from the way I read it. However, this is the way clause 16 reads in the agreement—

Where the Company from time to time constructs a levee or other works on the production site for or incidental to the production of salt and thereafter a third party makes improvements to lands or becomes the owner of improvements so made on lands adjacent to the production site and subsequent to those improvements being made the Company removes (either wholly or partly) or fails to maintain or to repair that levee or other works and in consequence thereof the third party suffers sustains or incurs damage to those improvements or any part thereof then notwithstanding

any Act or any rule of law or equity to the contrary the Company shall not be liable for those damages to any person or persons whatsoever.

This strikes me as an extraordinary clause. Surely negligence by this company should be no different from negligence by any other company or individual. Yet that is the clause which is written into the agreement and in my view it favours the company concerned so completely that it would tend to make it not bother to take even ordinary precautions as regards the property of people operating adjacent to it.

Under the heading "Employees" clause 17 states—

The parties hereto acknowledge the principle that in the operation of a solar salt plant all employees during their respective normal working hours are not continuously or fully engaged in the performance or discharge of their respective duties and hence from time to time there is or could be a surplus in the number of employees required by the Company. To avoid this so happening and to maintain so far as practicable full employment for all its employees at all times the Company proposes to use employees whilst not engaged in the performance or discharge of their respective duties to assist in the loading of ships at wharf with salt produced at the work sites and in the supervision thereof and to perform or discharge such other duties as may be assigned to them from time to time by the Company. To enable the foregoing objectives to be put into practice the State will at the request of the Company made to it from time to time use reasonable endeavours to assist in the implementation and achievement of these objectives.

This clause has already caused a considerable amount of anxiety, from an industrial point of view, and a considerable amount of thought among those who are interested in this piece of legislation. In the first instance I think the clause could work to some advantage to both sides if it were realised that the Australian Workers' Union handles the labour on the waterfront at Port Hedland, and at other ports in the north-west. Those who work on the wharf at Port Hedland are not employed full time on that work, but they have the exclusive right to the work; and I think the answer to the problem could be for them to be absorbed by the salt company as obviously they are capable of doing wharf work.

That would be a very happy solution to the problem, provided the rates of pay applicable to all the operating sections of the wharf were the same. If we had a set of rates applicable to the salt company workers which was different from the standard rates applicable to those

working on other vessels, then it does not need much imagination to project the problem that would arise. If, on the other hand, the salt company uses a separate set of employees, who are still engaged under the jurisdiction of the Australian Workers' Union, we would then be faced with the problem head-on of having two sets of workers governed by one union and working under similar conditions, one to the detriment of the other.

The Minister for Industrial Development has taken this matter up with the Trades and Labour Council, and with the union concerned. As these developments are taking place at the present time I shall not pursue the matter any further. I think there is a danger, and it is as well that we come to grips with the problem now, rather than have an industrial problem arising in the future—least of all at the time when the first boat comes alongside the wharf to load the products of the company.

Clause 20 (e) of the agreement, contained on page 25 of the Bill, sets out a further provision in respect of labour conditions. It states as follows:—

during the currency of this Agreement and subject to compliance with its obligations hereunder the Company shall not be required to comply with the labour conditions imposed by or under any Act in regard to any lease of any land within the work sites.

I am given to understand this provision will override the provisions in the Mining Act; and possibly the Land Act. It goes no further than that; it is a precautionary clause, and is one which has been included in other agreements.

Finally I refer to the variation clause in the agreement. It is similar in context to the one read out by Mr. Wise when he spoke on the Wundowie Works Management and Foundry Agreement Bill. The clause in this agreement states—

The parties hereto may from time to time by mutual agreement in writing add to, vary or cancel all or any of the provisions of the Agreement or any lease license easement or right granted or demised hereunder or pursuant hereto for the purpose of more efficiently or satisfactorily implementing or facilitating any of the objects of this Agreement or for altering the provisions of clause 10 hereof.

Clause 10 of the agreement is the one dealing with housing.

It is true that if we get down to the essence of this piece of legislation we are confined to the first five clauses which are found on pages 1 and 2 of the Bill. The agreement has been included in the Bill to enable members to comment on it. It was signed by the Premier and by the representatives of the company on, I think,

the 27th July last. We now have the opportunity in Parliament to read the Bill, and to comment on it to the best of our ability and as constructively as possible.

When a clause, such as the variation clause, is included in an agreement, what is the good of bringing the agreement before Parliament to be ratified? If in the best interest of the company and the State the agreement can be improved on, well and good; but surely it is only a matter of courtesy to bring the question before Parliament when variations are to be made, and better still for Parliament to discuss the variations before they are written into the agreement.

As I see the position, if a new set of circumstances arose one thing could lead to another, and the whole agreement could be rewritten. Nobody outside Executive Council—I am not condemning that in any way because I believe in government by the Executive—would know what was happening. If agreements such as this can be so drastically and completely varied, then there is not much point in doing the things which I have just been doing.

The Hon. A. F. Griffith: One day the Leader of the Opposition will become a Minister. I think he will then change his attitude to this sort of thing. Experience often changes the minds of people.

The Hon. W. F. WILLESEE: The Minister is a real diplomat.

The Hon. F. J. S. Wise: The Minister is in a very depressed mood today.

The Hon. W. F. WILLESEE: The Government would probably appreciate the benefit of the knowledge or wisdom of this House on matters of this nature. If we analyse the background of the Leslie Salt Co. we will appreciate its vast interests in America and all over the world. When it establishes itself in a Cinderella State like Western Australia, it knows full well everything it wants before it starts to negotiate; it knows how far it can go; it knows the world markets; it knows the cost of shipping; and it knows all the problems of administration as a result of its world-wide experience. If I were the Government I would be very pleased to have the support of the members of Parliament behind me in negotiating an agreement such as this.

There is one important issue in the components of this agreement which makes it so different from others. I have not heard or read of an instance where the raw material upon which an organisation is developed is delivered at the door of the factory twice a day, every day, and for eternity; because the tides never fail.

**THE HON. J. DOLAN** (South-East Metropolitan) [5.24 p.m.]: I want to pass only a few comments on this Bill. I am in accord with most enterprises of this nature; and speaking in general terms the State always has something to gain and very little to lose from them.

The history of salt is, of course, an interesting subject. As a matter of fact, the Latin term for salt is "salarium", and from that the word "salary" is derived. We have included the word "salary" in our language, because when the Roman soldiers of early times were paid, they received not only money but also a ration of salt; and from the word "salarium" came the word "salary" to mean wages.

I would like to point out that American companies are not the only ones with the know-how, when it comes to solar salt production. I appreciate the fact that the Leslie Salt Co. is one of the, if not the biggest of its type in the world. I can remember one in Australia which has been in operation for a long while. At Bowen in Queensland there is a solar salt company operating, and it has produced many thousands of tons annually. This industry is of great value to that State, and particularly to the cattle industry.

Salt is essential to human life, and without salt human beings would be in a bad plight. One of the punishments for criminals in the old days was the depriving of their salt ration. The result was that they became insane. From that we can see how valuable salt is.

In some countries salt has been used as a taxation medium. I refer to India, for example, where the sale of salt is a Government monopoly. Under those circumstances it can be a most valuable product to a country.

I do not want to go into detail to deal with the various clauses in the Bill. I hope this venture proves to be successful, because the company is to take over an area of wasteland and produce salt from it. If we can extend that operation to the whole State, and bring other 25,000-acre areas of wasteland into production, what a marvellous State we will have. I am hoping that in the future other companies will develop projects to use up our wasteland, as this company will do.

The Hon. R. F. Hutchison: Western Australian companies.

The Hon. J. DOLAN: I hope so. If we can establish our own company and invest our own money in it, all the better. The State will then reap all the benefits.

The Hon. L. A. Logan: There is a local company operating at Shark Bay.

The Hon. J. DOLAN: Solar salt systems have been operating in Western Australia for a long time; there is one at Rottnest Island, and another at Norseman where the pure salt content is 99.4 per cent. This salt is produced naturally; the operators do not have to level the area off, because nature does this for them. In this State we have been using natural solar salt for a long time. The part which salt plays in our industry will, I hope, make a big contribution to our economy. I hope the companies which



will use it will be Australian companies with Australian capital; and I hope the Australian people will reap all the benefits.

Debate adjourned, on motion by The Hon. R. Thompson.

### BILLS (7): RECEIPT AND FIRST READING

#### 1. State Housing Act Amendment Bill.

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

#### 2. Farmers' Debts Adjustment Act Amendment Bill.

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

#### 3. Builders' Registration Act Amendment Bill.

Bill received from the Assembly; and, on motion by The Hon. L. A. Logan (Minister for Local Government), read a first time.

#### 4. Industrial Lands (Kwinana) Railway Bill.

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

#### 5. Country High School Hostels Authority Act Amendment Bill.

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

#### 6. Agricultural Products Act Amendment Bill.

#### 7. Fruit Cases Act Amendment Bill.

Bills received from the Assembly; and, on motions by The Hon. L. A. Logan (Minister for Local Government), read a first time.

### WUNDOWIE WORKS MANAGEMENT AND FOUNDRY AGREEMENT BILL

#### *Second Reading*

Debate resumed from the 6th September.

**THE HON. N. E. BAXTER** (Central) [5.34 p.m.]: The main part of this Bill is contained in the agreement which is the schedule to the Bill. That agreement contains quite a number of complex provisions which the ordinary layman is struggling to understand. This applies particularly to the financial provisions. Having spent some hours last evening and today studying the agreement, I am still far from thoroughly conversant with it, even at this stage; and I feel that those who prepared the provisions, and particularly the financial ones, must have spent a greater number of hours on them than it has been possible for us to spend in the time available since the Bill was presented to the House.

The agreement provides for the formation of a management company which will be subject to the Minister. It will be the sole manager for the next 10 years from the 1st July this year. It shall have the power to borrow money against the assets of the industry, and sell surplus assets to the value of \$10,000 without the Minister's consent. It will also have the power to purchase plant and equipment and buildings for the purpose of trading, to the value of \$40,000, without the prior consent of the Minister.

Here I would like to interpolate that the present board of the industry has been limited to \$2,000 in respect of any one item of expenditure without the Minister's approval. Therefore the company which will become the management board of this industry has greater powers in this respect than the present board has had over the years.

As far as the remuneration of the board is concerned, as I read the Bill, I understand that the company will be entitled to an average, over the 10 years, of a minimum management fee of \$18,900, and this applies, of course, solely to the industry, and not to the foundry.

We come now to the finances of the industry, but before dealing with that aspect I would like to quote the figures which were given to us last year by the Minister for Industrial Development when he was dealing with the Bill which gave the Government the right to proceed with an agreement concerning the Wundowie works. I have grouped the losses and the profits in the trading results of the industry over the seven years to the 30th June, 1965. The figures are as follows:—

Losses for the years 1958-59, 1963-64, and 1964-65—£76,979.

Profits for the years 1959-60, 1960-61, 1961-62, and 1962-63—£203,396.

The Hon. A. F. Griffith: Did you say a profit was made in 1959?

The Hon. N. E. BAXTER: A loss was made in 1958-59.

The Hon. A. F. Griffith: I think it made a loss of £24,329.

The Hon. N. E. BAXTER: In the year 1959?

The Hon. A. F. Griffith: I think so.

The Hon. N. E. BAXTER: I will quote the figures given by the Minister for Industrial Development last year if the Minister for Mines wants to hear them.

The Hon. A. F. Griffith: I am not being emphatic about it.

The Hon. N. E. BAXTER: The following appears on page 2676 of volume 3 of *Hansard* of 1965:—

	Gross Profit.	Depreciation.	Interest.	Net Profit or Loss.
	£	£	£	£
1958-59	64,735	58,997	89,064	24,329 Loss

The net profit shown by the Minister last year in his speech was £24,329.

The Hon. A. F. Griffith: Loss!

The Hon. N. E. BAXTER: Yes, loss. I am sorry.

The Hon. A. F. Griffith: Now we are not at cross-purposes.

The Hon. N. E. BAXTER: I was quoting a total of losses over the past seven years and those losses were for the years 1958-59, 1963-64, and 1964-65. The total loss was £76,979. Then I segregated the years which showed a profit and the total profit was £203,396. Therefore a net profit of £126,417 was earned over the full period.

The Hon. A. F. Griffith: I am sorry. I thought you said that 1959 was a profit year, but I was pretty sure it was not a profit year.

The Hon. N. E. BAXTER: No, it was a loss year—very definitely. From those figures it appears the industry did particularly well over those years. In the profit and loss account for 1965, an item concerning an adjustment to stocks and other matters was included. The amount involved was £139,098, and the Minister explained last year that actually that adjustment should have been provided for over a period of years, and it was really to bring the stocks and other items up to date in accordance with proper book-keeping methods. Prior to that time, the method was rather haphazard in this respect.

Before dealing with the finances I thought I would give the profit and loss figures to give a clear picture of the financial situation to the 30th June, last year.

Under the agreement, the funds of the industry will be allocated to three accounts; namely, the capital account No. 1, the Government loan account, and the industry provision account No. 1.

As members are aware, the write-off of capital has reduced the value of the industry to \$800,000; but the Minister has informed us in his speech that the capital account No. 1, after adjustments, will be credited with approximately \$1,300,000, and the exact amount will be known when the 1965-66 accounts have been finalised.

The Minister, in his speech, was not very explicit on the industry provision account No. 1 and the Government loan account, and I feel he could give us some broader and more detailed explanation of these accounts in order that we might study what is involved. The accounts are quite complex. I would say that no-one, unless he were a fairly highly-qualified accountant, or a member of the Treasury, would have a possibility of working out what the accounts really mean, and what they will achieve. I ask the Minister to give us some more details of these accounts when he replies.

It appears that the industry provision account No. 1 is purely a book entry. I am probably wrong, because I am no ac-

countant and it is very hard to try to get to the bottom of what these accounts mean.

We come then to the sale to the company of a certain part of the works, defined in the Bill as the foundry plant. This is to be sold to the company for \$15,000. If members would like to look at page 35, which is the last page of the schedule to the Bill, they will find the plant included under clause 18.

Although there seems to be a fair amount of plant involved, actually it is not a very big foundry. There is a building which has dimensions of 100 ft. by 63 ft. 6 in., and another which measures 40 ft. by 54 ft. Some of the plant that is contained in the smaller foundry is listed.

I would not have any idea as to the value of the foundry at Wundowie but I should say that originally it would have cost a great deal more than \$15,000.

Another aspect of the Bill on which I would like to touch is in connection with the funds for housing. Provision is made that a limit of \$200,000 may be borrowed annually through a borrowing authority which is to be set up by legislation. These loans are guaranteed by the State and, when raised, will provide the finance necessary to build some 80 houses. Members can see these provisions if they refer to clauses 27 and 28 of the agreement.

I, personally, wonder just how far we can go in setting up borrowing powers under different authorities in the State. A sum of \$200,000 is not a huge amount to borrow, but when one has regard for the legislation which has been passed over, say, the last 10 years, and realises the number of Bills that have been passed in order to give power to different authorities to borrow money, it is not surprising that the last State Electricity Commission loan was not filled. These authorities have been set up and have the power to borrow money, subject, of course, to the Treasurer's approval.

The Hon. H. K. Watson: It was filled by the underwriters.

The Hon. N. E. BAXTER: Yes, I will admit that the State Electricity Commission loan was filled by the underwriters. At the same time, there must be a limit to the number of borrowing authorities which can be set up, and a limit to the amount which they can successfully borrow to cover projects of this nature.

The Hon. A. F. Griffith: The only other alternative is to supply this sort of money out of loan funds.

The Hon. N. E. BAXTER: I realise that but this method of setting up borrowing authorities can eventually break down. I repeat, there must be limits somewhere to the way we are proceeding in giving the power to borrow, etc., to so many authorities. I hasten to add that I am not condemning this particular provision; it

is just that I sometimes wonder how far we can proceed if we persist in setting up authorities with the power to borrow.

At the present time, I am on a committee which has been discussing finance and how to obtain finance for certain works in the State. Here again, one strikes the same feature—that is, the difficulty of raising sufficient money successfully to finance what the Government has to do in this respect. It does make one wonder just what the ultimate result will be.

I move now to the optional purchase price under this agreement. This is contained in clause 33 under the general heading of "Options of Purchase." According to the Minister's speech, a total of, at least, \$800,000 will be the amount of the optional purchase price, irrespective of the losses in the interim period. If one has regard for what the Minister told us in respect of capital account No. 1, one will remember that the Minister said this would commence at approximately \$1,300,000. There is a provision under the "Options of Purchase" clause which provides that the capital account No. 1 must be reduced to under \$100,000 before the company can exercise the option of purchase. This information is included also in clause 33.

It puzzles me how this amount is going to be reduced to that figure and yet we have the option price quoted at \$800,000. I cannot see at all how the figures work out. As I have admitted I am no accountant but I have studied the figures and it does appear very puzzling how this really works out. If the Minister would be kind enough to give us some explanation of what is meant by this, I am sure that we, on this side of the House, would be very appreciative.

Last night Mr. Wise remarked on this low figure of \$800,000, which is the optional purchase price, and he compared it with the original capital value of the industry, prior to writing down, which was \$2,800,000. Of course, there may be some return to the State in the interim period of 10 years before the option to purchase is exercised. I would like to think that, during this 10-year period, there could be a reasonably good return to the State and that the State could be reimbursed for some of the money that has been written off, which is approximately just over \$2,000,000. I would like to think that the State did receive a reasonably good return in order that, ultimately, it will not lose a great deal by entering into an agreement and giving an option to purchase at such a price. Of course, the price could exceed \$800,000. The Minister did say, at least \$800,000, but he did not pin it to that figure.

The Hon. A. R. Jones: Is there any provision for extra money to be paid as an accumulation occurs?

The Hon. N. E. BAXTER: There is a provision for some of the profits to be

paid to the State except where these are required for use in the industry, and to enable the industry to carry on and improve. In the agreement between the company and the Minister provision is made that, at one time or another, some of the profits may come to the State. I think that is the answer to the honourable member's question.

The Hon A. R. Jones: In fact, the asset could build up to \$3,000,000 in 10 years.

The Hon. N. E. BAXTER: There is a provision for the industry to reduce the loan account in that respect. Any such accumulation could be used to clear the loan account with the State.

After reading the Minister's second reading speech, I felt that he had been rather brief on this matter of option to purchase. I feel that he may be able to give us some further explanation in respect of this matter.

There is another provision which is contained in subclause (4) of clause 34, and this provides that the company will purchase 460 acres of land. This is also referred to on page 16 of the agreement.

I have been trying to puzzle out where these 460 acres were because no indication as to the lot or location number is given in the Bill. I assume it is the area on which the works are situated, and includes the section where the shops, as mentioned in the schedule, are built. Possibly it may include the swimming pool area, because one of the shops is adjacent to that, the stockpiling area for sawn block and surplus waste timber, the area extending to the north-west where is located what is termed "the tar pits" and, perhaps, west again for approximately three-quarters of a mile.

I do not anticipate that this includes the town area itself because the houses have been erected by the State Housing Commission. I do not think it is the intention of the agreement that these houses should be sold to the company. However, the Minister may be able to elucidate as to where this area of 460 acres actually is and so give me a little more information on this particular matter.

There seems to be a strange reference in the provision for the selling of these 460 acres. The price is to be determined by the Chief Valuer for the time being of the State Taxation Department. I do not know, offhand, who is the Chief Valuer of the State Taxation Department. I have always been under the impression that this was done by the Commonwealth for the State, and the Chief Valuer is, of course, Mr. Steffanoni. The Minister might be able to tell me whether we have a chief valuer.

The Hon. A. F. Griffith: Where are you on this matter?

The Hon. H. K. Watson: He is a dual official for both Federal and State purposes.

The Hon. N. E. BAXTER: I was not aware that there is in existence a department termed, "The State Taxation Department." I always thought it was the Commonwealth Taxation Department and that this body acted for the State under an arrangement which exists between the State and the Commonwealth. I cannot find a State Taxation Department listed anywhere in the telephone directory. I wondered, therefore, whether this has been inserted in the Bill purposely, or whether something has been missed by referring to "The State Taxation Department."

The Hon. A. F. Griffith: What page are you on, Mr. Baxter?

The Hon. H. K. Watson: The last line on page 26.

The Hon. N. E. BAXTER: The reference is "Chief Valuer for the time being of the State Taxation Department at Perth." Perhaps the Minister can answer this query when he replies to the second reading debate.

Now I come to the controversy which was raised by Mr. Wise last night, and this is on clause 41. This clause appears to give the parties to the agreement—and I understand these to be the Premier, who signed the agreement, and the three directors of the company, Messrs. Debenham, Allan, and Perkins—by mutual consent, the power to rewrite the whole of the agreement, or to vary it without reference to Parliament.

This is a very broad provision and it may mean that the terms of the option to purchase could be altered. As the clause reads, it most definitely gives the parties to the agreement the power to cancel all, or any, of the provisions of this agreement for the purpose of more efficiently or satisfactorily implementing or facilitating the carrying out of any of the objectives or the provisions of the agreement, or for the purpose of facilitating the carrying out of the operations of the industry or the company.

This would not be so bad because one would not visualise this would have any effect on financial arrangements, etc. However, when one reads the proposal fairly closely—and I have read it many times—it does appear that this is a dangerous clause—or could be dangerous. Of course we have confidence in our Premier, and know that he would not do anything that was not in the best interests of this State. However, this provision does seem to take away from Parliament certain of its rights. After having ratified the agreement, this matter will not be referred to Parliament again even though some alterations may be made to the agreement. I consider that any alteration should be referred to Parliament for approval.

This would not be impossible, because any major amendments that would be required at any time would not be those

that one would want to alter again in a hurry. The Government would be well advised, before the Bill passes, to have a further look at this clause to ascertain if it could be amended slightly so there is no danger of Parliament not being aware of any alterations that may be made in the future.

The Hon. A. F. Griffith: A clause in an agreement cannot be amended, Mr. Baxter.

The Hon. N. E. BAXTER: Well, possibly it could be done with the consent of the company. It would be reasonable to say that Parliament should be aware—

The Hon. A. F. Griffith: You want me to do this before the Bill is passed, and I am pointing out to you that this is not possible.

The Hon. N. E. BAXTER: Everything is possible. The Minister no doubt means that it is not probable; but nothing is impossible. Admittedly the agreement has been signed but it still has to be ratified by Parliament. It comes as a shock to read in a Bill a clause such as this which gives the Premier of the State power to alter, with the mutual consent of the directors of the company, an agreement which Parliament has ratified.

The Hon. F. R. H. Lavery: "In all ways or in any way" are the words used.

The Hon. N. E. BAXTER: I can only agree with Mr. Wise that a provision such as that is going a little too far. Last session Parliament agreed to give the Government the right to enter into certain negotiations and to make certain arrangements to enter what one might call a partnership in the Wundowie Charcoal Iron and Steel Industry with A.N.I. Australia Pty. Limited, and it was more or less mutually agreed, before any agreement was finalised, it was necessary—as the Minister stated in his speech—for the agreement to be brought to Parliament for ratification.

However, this clause in the agreement more or less states that, irrespective of the agreement being ratified by Parliament, it can be cancelled, varied, or altered by mutual consent of the partners to the agreement. In other words, despite the fact that Parliament ratifies this agreement it can be changed again. That is what the clause means. The only view I can take is that it is not fair to Parliament to insert such a clause in the Bill.

The Hon. A. F. Griffith: Do you think it would have been better, perhaps, to allow the 10-year period in which the option could have been exercised to pass before the Bill was brought before the House?

The Hon. N. E. BAXTER: No, I do not say that, but the clause does make it possible for a major alteration to be made to the agreement, and I think the clause should be amended to provide that such alteration should be referred to Parliament. Surely that is not impossible!

The Hon. A. F. Griffith: I am just pointing out to you there was no real necessity to bring the agreement to Parliament until the option was exercised, but we are taking this action in good faith.

The Hon. N. E. BAXTER: I am certain that at some stage in the Minister's speech he made some reference to the reason the agreement was brought before Parliament.

The Hon. A. F. Griffith: It was because we said last year we would bring it before Parliament.

The Hon. H. K. Watson: Parliament said so.

The Hon. A. F. Griffith: Yes, as a result of an amendment I moved at the request of the Leader of the Opposition.

The Hon. N. E. BAXTER: Surely the Minister is not trying to say, "We do not need to bring this agreement before Parliament, and therefore you have to take what is in it and be satisfied"?

The Hon. A. F. Griffith: Is this the place bet you are having?

The Hon. N. E. BAXTER: I am not having a place bet. The Minister is questioning my honesty on this issue! That is the implication when he makes that statement; I could not take it in any other way!

*Sitting suspended from 6.6 to 7.30 p.m.*

The Hon. N. E. BAXTER: I do not intend to continue speaking in the vein in which I was addressing the House before the tea suspension, when I was coerced into answering certain facetious remarks made by the Minister. For the edification of the Minister I think he should suggest to the Premier that he have a look at that aspect of the Bill which provides for the variation or cancellation of all or any of the terms of this particular agreement. This would probably simplify the problem, and make possible something which the Minister thought was impossible.

The Hon. A. F. Griffith: Are you in favour of the Bill?

The Hon. N. E. BAXTER: The Minister can use his own judgment in that matter. I have not at any stage condemned the proposal in the Bill. I have merely asked for information, so that members in the Chamber can be more informed of certain aspects, particularly in regard to the financial set-up; which even the Minister in his speech referred to as being very complex. Nobody could be fairer than that. I am sure none of my remarks have been against the Bill, nor have I indicated that I do not wish to support it.

The Hon. F. J. S. Wise: Did I make it clear how I would vote?

The Hon. A. F. Griffith: Quite clear.

The Hon. N. E. BAXTER: I represent the area of Wundowie, and know it very well. Nobody could have been more critical of the financial set-up at Wundowie than I was in the early years of my parlia-

mentary career. But, perhaps, one mellow with time; perhaps one gains more information, and realises that, in this State, Wundowie can have some value; that it can provide employment for a large number of people; and that it could be an asset to the State.

If we can give Wundowie the opportunity not only to exist, but also to proceed, and eventually be a profitable industry we should do everything possible to see that this is brought about, even if it is necessary for us to approve this agreement which, for many of us, is difficult to understand.

I did have quite a number of matters on which I intended to speak, but I will content myself with going back to the slight altercation the Minister and I had before the tea suspension in respect of the ratification of the Bill before Parliament. I agree with the Minister that it was not necessary to bring the Bill before Parliament for ratification; but as there is complementary legislation—the Wood Distillation and Charcoal Iron and Steel Industry Act Amendment Bill—which had to come to Parliament, I think the Government would have been remiss had it not presented the major Bill to us; so that members could study it, and after gaining some information about the agreement make a decision on the complementary Bill.

In that respect the Government has done the right thing; by presenting this measure for ratification. It has done no harm. It will help give members information as to the terms of the agreement between the Government and the company. So, irrespective of the fact that it need not have come to Parliament, the Bill will do more good than harm by being presented to Parliament. Seeing it has been brought to Parliament for ratification, we are entitled, if we wish, to criticise its provisions. We may not be able to alter them, but we can criticise them and indicate to the Government how we feel in this respect.

I have posed quite a number of questions to the Minister, and I hope he is able to let us have the necessary information, because I am sure it would be of great value to all of us.

**THE HON. F. D. WILLMOTT** (South-West) [7.36 p.m.]: I rise to support this Bill. When I say "support it" I do not mean half-heartedly support it, or support it with reservations. So far as I am concerned, I am in complete agreement with the Bill. I have spent many hours in examining the measure. Other members have said it is very complex and hard to understand, and with that I must agree. It is, indeed, all of that.

I feel, however, that the work I have put into the Bill has given me a reasonable working knowledge of it. I do not intend to deal with the measure in detail.

Other speakers have done that, and I do not feel it would serve any useful purpose by my doing so. I intend to deal more with the principle in it, and with the intentions of the Government in bringing the measure before us for ratification.

I know that my views will differ considerably from those expressed by many other members in this Chamber. They will differ from those expressed by Mr. Wise, for instance; for the reason, as stated by Mr. Wise, that my outlook in this matter is entirely different from his.

I do not in any way believe in State trading, if this can be avoided. By that I do not mean to be so dogmatic as to say that there should never be any State trading concerns, because I think it has been clearly demonstrated in this State that there are times when there must be such concerns. When speaking to this Bill Mr. Wise mentioned the State hotels, and their disposal.

The Hon. F. J. S. Wise: I did not.

The Hon. F. D. WILLMOTT: I beg the honourable member's pardon. He referred to the State Saw Mills. I will refer to the State hotels just briefly, because I believe that when the State hotels were first established in this State they were necessary. At that time nobody else was interested in starting such hotels; indeed nobody else could have done so, because they would not have been a paying proposition in the areas in which they were established.

I firmly believe, however, that the time arrived for them to be disposed of; indeed I feel they should have been disposed of a great deal earlier than they were, because Governments of both complexions failed to keep the hotels at the required standard. The Licensing Court would not have licensed these hotels at any time had they been private concerns. This, however, is getting away from the Bill. I merely instanced the case of the State hotels to illustrate that I am not completely opposed to State trading concerns. I feel, however, that when the time comes and it is necessary to dispose of a State trading concern that that step should be taken.

I think it has been clearly demonstrated that the industry with which we are dealing here has reached the stage where its operations must either be extended and diversified by some means or other, or it should be completely closed down. I think a decision had to be made by whichever Government was in power; a decision as to how we were to continue the operation of this industry. We could have decided to do it at the expense of the State; and some members of this Chamber would be in agreement with that. I am not; not if any other possible means can be found.

In fact I would go so far as to say that I would rather see it closed than have it continued as a State trading concern. But heaven knows, I would not like to see the

Wundowie township, or the industry shut down. I am not in favour of pouring State money into an industry to keep it going, particularly when another method could be found and, in this case, it was found. The best method that could have been found was the straightout sale of the industry, but that, quite obviously, was not possible.

The Hon. H. R. Robinson: There were no takers.

The Hon. F. D. WILLMOTT: That is so.

The Hon. F. R. H. Lavery: You are in favour of the Government giving the dairy people subsidies. You said so the other night.

The Hon. F. D. WILLMOTT: Did I? However, that is a different thing altogether.

The Hon. F. R. H. Lavery: I thought it would be.

The Hon. F. D. WILLMOTT: It is quite a different thing altogether. However, I will not pursue that argument, because I will be pulled up by the President if I do, as the dairy industry has very little to do with this Bill.

The Hon. R. F. Hutchison: It is just another sellout.

The Hon. F. D. WILLMOTT: So I think the scheme that was devised in this instance was a very good one. It may be complex, but it is a means of carrying on the industry. It offers the industry the chance to carry on and to enlarge itself, and eventually to help the State get off the hook.

The Hon. A. F. Griffith: In addition to diversifying it?

The Hon. F. D. WILLMOTT: Yes. In the long-term, however, it will help the State get off the hook; and I am all for that. As Mr. Robinson said by interjection, there were no takers for it.

When Mr. Wise was speaking yesterday I remember making a note of one of his observations. Mr. Wise said, "strangely enough the firm with which this agreement is being made was the firm which was under consideration a year ago." I do not think anyone denies that. I think it simply illustrates and highlights the fact that there were no takers.

The Hon. A. F. Griffith: There is nothing strange about that. We said we were going to continue negotiations with this company.

The Hon. F. D. WILLMOTT: Had any opportunity presented itself for an outright sale I am sure the Government would have snatched at it.

The Hon. R. F. Hutchison: That does not make it right; the fact that the Government would have snatched at it.

The Hon. F. D. WILLMOTT: I am aware that in the eyes of the honourable member it would not be right, because her

views in this matter are completely opposed to my own. I have stated my views as being completely against State trading concerns, when they can be disposed of.

The Hon. F. J. S. Wise: You would not include Robb Jetty?

The Hon. F. D. WILLMOTT: I do not consider Robb Jetty as a State trading concern.

The Hon. R. F. Hutchison: Your education is sadly neglected.

The Hon. F. D. WILLMOTT: It is in an entirely different category.

The Hon. F. J. S. Wise: I thought you would say that.

The Hon. F. D. WILLMOTT: It might not be a bad thing to sell it eventually, if the need arose.

The Hon. R. Thompson: When you are due for retirement.

The Hon. F. D. WILLMOTT: I am not due for retirement yet. Much has been said about the writing-down of the assets of this industry. I suppose it depends a good deal on what one calls an asset. I think that when one attempts to sell any sort of business or anything else, whether it is land or a cow, its value is what one can sell it for, not what one paid for it. Any farmer who has ever engaged in any dealing would be well aware of that.

The Hon. A. F. Griffith: I have heard it said it is difficult to sell a proverbial in the desert.

The Hon. F. D. WILLMOTT: That is right. Any person who has had the same experience as I have had in developing a farm in the heavy timber area of this State would know one could not sell a farm at the cost of its development. So one would have to write down one's so-called asset; and that is what has been done in this case. This is quite obvious by the fact that it was not possible to obtain a taker without negotiating the agreement that is before us.

The Hon. R. F. Hutchison interjected.

The PRESIDENT: Order!

The Hon. F. D. WILLMOTT: I cannot hear what the honourable member is saying or I would attempt to reply. As I inferred at the outset, I think the step that has been taken is far preferable to closing down the industry or allowing it simply to die. I firmly believe that would have been the position had we allowed the industry to continue as it is now, unless we were prepared—and I am not—to pour further State funds into a fading industry.

The Hon. R. F. Hutchison: You deliberately destroyed it.

The Hon. F. D. WILLMOTT: I am not in favour of doing that. I think I am right in saying that Mr. Wise expressed the hope that the town of Wundowie would not fade and die, or something to that

effect. I think every member would agree with that hope, and would express the same hope. However, if members read the Bill and the agreement, it is clearly demonstrated to them that the Government does not visualise this will occur. That is clearly demonstrated by the provision for extra housing in the area.

The Hon. A. F. Griffith: If the Government wanted the industry to die it would hardly have brought forward this Bill.

The Hon. F. D. WILLMOTT: Quite right. I do not intend to labour this question, but I believe this agreement will, in time, probably lead to a healthy industry not supported by State funds.

The Hon. R. F. Hutchison: That is what should have been done.

The Hon. F. D. WILLMOTT: I support the Bill.

**THE HON. H. K. WATSON** (Metropolitan) [7.48 p.m.]: With the exception of one point, namely the reciprocal options of purchase which are contained in clauses 33 and 35 of the agreement, the agreement annexed to the Bill was fully and finally authorised last year by Parliament by the Wundowie Charcoal Iron and Steel Industry Agreement Act, 1965.

If one refers to that Act, one finds it gave power to the Premier and Treasurer to make agreements for the sale or purchase of Wundowie; for the formation and registration of companies; for the leasing of the works; or the sale and purchase or leasing of any portion of the land, and so on, subject to one proviso—that where an agreement is for the sale and purchase of the Wundowie works, the agreement shall be subject to the approval of Parliament.

Even in respect of the exception, there is room for doubt as to whether the Government was legally or morally bound to bring this agreement to Parliament; because, after all, clauses 33 and 35 do not constitute a sale. The agreement, at the moment, is simply one for lease, with an option of purchase and, until that option is exercised, it is not an agreement for sale or purchase. The Government has seen fit for that reason, and for that reason only, to introduce the Bill and the agreement for ratification by Parliament. Therefore, for the reason which I have just stated I feel the Bill now before the House, and indeed the agreement, requires little consideration.

The problem of Wundowie and its industry was explained convincingly and in great detail, as well as in great depth by the Minister for Industrial Development in a speech lasting over an hour and reported in *Hansard* of the 19th November, 1965, pages 2674 to 2682.

The Hon. A. R. Jones: It might have been a good idea had he introduced this Bill.

The Hon. H. K. WATSON: No; one does not want to chew the cud. If the Bill has been fully explained and one approves of the proposition, that should be sufficient. It should not be necessary to go over it three or four times. If anyone has any doubts about the worth of this agreement, he should read that speech to which I have just referred, and re-read it. That will remove any doubts anyone could have as to the wisdom of this agreement.

In my view, the Government should be heartily congratulated on concluding the agreement which has pretty fair prospects, not only of preventing the extinction of the Wundowie industry, and the disappearance, or virtual disappearance of the town, but also of giving it a shot in the arm and, indeed, nearly doubling the output of this industry. On that score alone—the virtual doubling of the output of the industry, which is a remarkable thing—this agreement for the establishment by the company named A.N.I. of a foundry at a cost to the company of not less than \$600,000 is to be commended. As far as I can gather—

The Hon. A. F. Griffith: It is \$800,000.

The Hon. H. K. WATSON: No; the cost of the foundry to the company is \$600,000. There will be 80 additional jobs which will bring the total work force up to about 450, which will support a community expected to expand from its present level of 1,200 men, women and children to approximately 1,500.

The Hon. R. F. Hutchison: You would say they got a very good bargain.

The Hon. H. K. WATSON: These considerations, to my mind, are much more important than the quibbles raised by Mr. Wise in respect of the various conditions and provisions of this complicated agreement which creates, as it were, industrial Siamese twins. I understand the separation of Siamese twins is a delicate and complicated surgical operation. One has only to read this agreement to see that the creation of Siamese twins is a complicated and verbose legal operation.

More than one speaker has referred to the clause in the agreement which gives the parties power to vary its terms. I would remind the House of this: In any agreement between parties, and without any provision in the agreement, they have the right mutually to agree to vary the agreement at any time. Two parties who have made an agreement may, at any time, if they so desire, and if they both agree, vary the agreement; and that provision simply spells out an accepted right and the usual right of any contracting party.

There is just this one point: Inasmuch as the agreement, so far as an outright sale is concerned, requires ratification by Parliament, it probably would be an act of courtesy if, in the event of any substantial alteration being made to the agreement by the parties, the Minister of the day were

to advise Parliament accordingly. I think that would be helpful; but to suggest that if the parties want to make some trivial alteration to this complicated agreement it has to come to Parliament each time for the alteration to be approved is ridiculous. That proposition has only to be stated for one to realise it is an absurdity and an impracticability. I would leave the thought with the Minister that, if at any time the agreement is varied substantially, Parliament could at least be advised of the alteration.

In lighter vein, I join with Mr. Wise in his quibbles and draw attention to clause 16 of the agreement. In my opinion, the draftsman has not shown much imagination in this clause. For example, he says that the company shall have a lease of the premises for a term of years at the yearly rental of one peppercorn, if demanded. I would have thought he might have said, instead of one peppercorn, one ladle of hot metal or one ductile iron casting. I think either of these items would be more readily procurable at Wundowie than one peppercorn.

With those remarks I heartily support the Bill.

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

House adjourned at 7.59 p.m.

## Legislative Assembly

Wednesday, the 7th September, 1966

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