

To comply with this provision, and at the same time to have a simple annual reference, the Acts of this State have in many instances been given two numbers; that is, a number in Roman in accordance with the regnal year, and a number in Arabic as a calendar year reference.

For many years there was no firm system, and there are instances of numbering of the Acts in relation to particular sessions. This is wrong and has led to confusion.

With the regnal year commencing as it now does on the 6th February, it has been possible to give our Acts an annual reference and at the same time comply with the requirement of Standing Order 9. However, it is considered that it should be amended so that Acts can be numbered consecutively throughout the calendar year.

This is the practice in the Commonwealth Parliament and in the Parliaments of all States except Victoria, where numbering of Acts is continuous year after year.

The recommendation of the Standing Orders Committee is—

That Joint Standing Order 9 be amended by—

- (a) deleting the passage “, in the order of such assent or reservation”; and
- (b) deleting the words “with each year of His Majesty’s reign”, and substituting the words “in each calendar year”.

I move—

That the recommendation be agreed to.

The Hon. A. F. GRIFFITH: I think the proposition put forward by Mr. Baxter on behalf of the Standing Orders Committee has merit, and I support it.

The Hon. W. F. WILLESEE: There is no need for me to comment on the recommendation, but as a matter of interest I am wondering why the words “His Majesty” are to be retained.

The Hon. N. E. BAXTER: This Standing Order will apply to either His Majesty or to Her Majesty.

The Hon. A. F. Griffith: That is covered by the Interpretation Act.

Question put and passed; the recommendation agreed to.

Report

On motion by The Hon. N. E. Baxter, report adopted, and the recommendation transmitted to the Legislative Assembly for its concurrence.

House adjourned at 3.37 p.m.

Legislative Assembly

Tuesday, the 9th September, 1969

The SPEAKER (Mr. Guthrie) took the Chair at 4.30 p.m., and read prayers.

QUESTIONS (8): ON NOTICE

1.

BRIDGES

Swan River

Mr. GRAHAM asked the Minister for Works:

- (1) What are the situations of bridges planned to span the Swan River?
- (2) What is the estimated date of commencement and completion in each case?

Mr. ROSS HUTCHINSON replied:

- (1) New bridges planned over the Swan River are—
 - (a) at Burswood Island;
 - (b) and a further crossing at Fremantle.
- (2) No firm time has been approved. In the case of the Burswood crossing, it is possible that construction could commence in the latter half of 1972 with completion in 1974. With respect to the new bridge at Fremantle, it is possible that construction could commence in the latter half of 1971, with completion towards the end of 1973.

Mr. Tonkin: What has happened to the Premier's promise that this would be started in five years?

2.

NATIVES

Fitzroy Crossing

Mr. RIDGE asked the Minister for Native Welfare:

- (1) How many Aboriginal people are camped at the native settlement near Fitzroy Crossing?
- (2) Is it considered that the native population in the Fitzroy area has stabilised?
- (3) What steps have been taken towards the creation of a camping reserve in the area?
- (4) Will efforts be made to provide a permanent water supply, ablution facilities and adequate housing before the onset of the 1969-70 wet season?
- (5) Could arrangements be made to transport children from the existing settlement to and from school each day?

Mr. LEWIS replied:

- (1) Between 80 and 100. The numbers fluctuate as Aborigines proceed to or from employment.

- (2) In the main, yes, so far as the current cattle season is concerned.
- (3) A camping reserve for natives already exists at Fitzroy Crossing.
- (4) Yes, but progress will depend on proving the water supply and the letting of a contract to erect the buildings. The necessary finance has been included in the 1969-70 estimates.
- (5) The camp is about a mile from the school. This is less than the minimum distance for which school transport can be provided in accordance with Education regulations. It is practicable to walk from the camp to the school at all seasons.

3. TENANCY BONDS

Legislation

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

- (1) Does any legislation exist under which a tenant may appeal for assistance against unreasonable retention of a tenancy bond by a landlord?
- (2) If no protection exists, is any legislation contemplated for this purpose—
 - (a) this session;
 - (b) next session?

Mr. COURT replied:

- (1) There is no legislation, but a tenant may have a dispute as to retention of any portion of a bond determined by a court.
- (2) (a) and (b). No.

4.

ROADS

Harvest Terrace: Closure

Mr. GRAHAM asked the Minister for Works:

- (1) Has a final decision been made respecting the closure of portion of Harvest Terrace?
- (2) If so, which portion is to be closed?
- (3) When is it anticipated the closure will be effected?

Mr. ROSS HUTCHINSON replied:

- (1) No.
- (2) Answered by (1).
- (3) Answered by (1).

5.

EDUCATION

Hampton Park High School

Mr. CASH asked the Minister for Education:

- (1) When was the Hampton Park High School built and at what cost?

- (2) Since the opening of this high school, what additions have been made and at what cost?
- (3) What were the number of students enrolled on the opening of the school and at the 31st August, 1969?
- (4) How many classes are taught at the school and what are the respective class sizes?
- (5) How many teachers and staff are employed?

Mr. LEWIS replied:

- (1) Erected 1966 at a cost of \$540,634.
- (2) Stage 2, 1967—\$151,048.
Stage 3, 1968—\$317,850.
Stage 4, 1969—Work on the science block not completed.
Estimated total cost for additions and science block—\$240,778.
- (3) February, 1966—266.
1st August, 1969—1,048.
- (4) Instruction groups vary in size according to the subject and the year of study. In a school the size of Hampton Senior High there would be approximately 250 class groupings ranging through all sizes to a maximum of 40.
Departmental statistics are based on the size of English classes—
In 1st year these average—35.9.
In 2nd year these average—35.8.
In 3rd year these average—31.4.
In 4th year these average—28.3.
- (5) There are 47 full-time and three part-time teachers; one full-time and one part-time clerical assistant.

6.

RAILWAYS

Kwinana Loop Line

Mr. GAYFER asked the Minister for Railways:

- (1) Is he aware that the rail line to service the new Co-operative Bulk Handling Limited storage at Kwinana is not completed?
- (2) Does he recall that when introducing the Kwinana Loop Railway Bill in October last he stated the line was required by July of this year and that a single train with two locomotives would haul trains of up to 70 wagons over the central discharge point?
- (3) In view of the fact that Co-operative Bulk Handling Limited storage will be completed and ready for use by the 1st December (five months later than originally planned) can he assure the House that a sufficient service will be available at that time to fill the storage in a six weeks period with new season's grain?

- (4) If he cannot give this assurance, will he say why this cannot be achieved and whether the decrease in railway revenue through the reduced haulage of grain has any bearing on the case?

Mr. O'CONNOR replied:

- (1) The track to service Co-operative Bulk Handling Ltd. for which the Government is directly responsible has been provided but tracks within the Co-operative Bulk Handling Ltd. area have not yet been laid. Earthworks have commenced.
- (2) Yes. It was originally understood that the line would be required for July but Co-operative Bulk Handling Ltd. construction programme has varied this.
- (3) Adequate service consistent with the loading operations of Co-operative Bulk Handling Ltd. will be provided.
- (4) Answered by (3).

7. IRRIGATION SCHEMES

Losses, and Additional Revenue

Mr. TONKIN asked the Minister for Water Supplies:

- (1) What was the total loss resulting from the operation of irrigation schemes during the financial year 1968-69?
- (2) What is the additional amount of revenue estimated to result from the increased charges just announced?

Mr. ROSS HUTCHINSON replied:

- (1) The total loss resulting from the operation of irrigation schemes during the financial year 1968-69 was—

Scheme	Operating Loss	Capital Charges	Total Loss
	\$	\$	\$
Collie River	17,157	324,533	341,690
Harvey	53,815	283,291	337,106
Waroona	6,935	119,463	126,403
Total, South-West	77,907	727,287	805,199
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Caruvarvon	96,034	19,654	115,768
Camballin	48,095	114,136	162,531
Ord River	440,962	186,756	638,718
Total, North-West	591,141	320,876	912,017
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State Total	669,043	1,043,163	1,717,216

- (2) The additional amount of revenue estimated to result from the increased charges just announced is \$34,132 for the south-west districts. There has been no change in charges for north-west districts.

8. *This question was postponed.*

QUESTIONS (3): WITHOUT NOTICE

SUITORS' FUND ACT

Appeal Costs Board

1. Mr. T. D. EVANS asked the Minister representing the Minister for Justice:

Would the Minister name the members of the Appeal Costs Board created under the Suitors' Fund Act, 1964?

Mr. COURT replied:

In view of the fact that the honourable member was good enough to send on the request earlier I am able to supply him, on behalf of the Minister for Justice, with the answer. The members are—

Mr. G. J. Ruse—Chairman.

Mr. P. L. Sharp, Q.C.

Mr. H. V. Reilly.

WARNBRO SOUND

Todd Corporation Limited Prospectus

2. Mr. RUSHTON asked the Minister representing the Minister for Town Planning:

- (1) Has he seen the Todd Corporation Limited prospectus dated the 27th August, 1969, dealing with land in Warnbro Sound?
- (2) Has any application been made to have this land rezoned from urban deferred to urban?
- (3) If application is made, under what conditions would this land be rezoned?

Mr. LEWIS replied:

- (1) Yes.
- (2) No.
- (3) Consideration would be given based on the merits of a proposal if a submission was made covering the following:—
 - (a) The presentation of an overall plan of all that land in the brochure under the names of the Todd Corporation Ltd., Vista Land Corporation, Warnbro Sound Developments Pty. Ltd.
 - (b) Contributions for the following:—
 - (i) Open space (region and local).
 - (ii) School sites (high and primary).
 - (iii) Road reservations.
 - (iv) Water reticulation.
 - (v) Sewerage reticulation.
 - (vi) Contributions to extensions to water and sewerage mains to the area.
 - (c) Stage development plan.

- (d) Conditions relating to development; that is, the availability of serviced lots at any given period; the price of land to the community; the number of houses to be built within a period.

3.

DROUGHT*Transport Subsidy*

Sir DAVID BRAND (Premier):

You will recall, Mr. Speaker, last Thursday I said that during today's sitting I would reply to a question asked by the member for Mt. Marshall. The question does not appear on the notice paper today but I have the details with me. Am I permitted to answer the question now?

The SPEAKER: Yes, the Premier may proceed.

Sir DAVID BRAND:

The question asked by the member for Mt. Marshall was as follows:—

- (1) Will the Government give consideration to increasing the 5c per ton mile subsidy on the cartage of grain for stock feed purposes in drought affected areas to 8c per ton mile to offset the amount deducted for road maintenance tax where the tax is applicable?
- (2) Will the Government give further consideration to extending this subsidy for the cartage of sheep, water, and hay?

The answer is as follows:—

- (1) A cartage subsidy of 5c per ton mile was only to apply to wheat for stock feeding in the event of farmers having to pay \$1.71 per bushel less freight charges to port.

As the price of wheat under the re-delivery scheme now makes it comparable on a nutritive value basis with oats, for which there is no subsidy for cartage from sidings, it is not proposed to pay a cartage subsidy on wheat released under the scheme, except where it has to be carted over distances exceeding 25 miles.

The subsidy for re-delivery wheat will be at the rate of 5c per ton mile for all miles in excess of 25 and is also to apply on the same basis from the 4th September, 1969, to coarse grains used for stock feeding.

It is not proposed to grant a further concession to cover road maintenance charges.

- (2) A rebate of the cost of rail freight, or of road transport where rail is not available, will be made for sheep returning to home properties from agistment in other areas.

A subsidy on the cartage of water has not yet been considered.

To date, cartage of hay has not been of any consequence, but the question of freight subsidy will be considered.

WESTERN AUSTRALIAN INSTITUTE OF TECHNOLOGY ACT AMENDMENT BILL

Third Reading

Bill read a third time, on motion by Mr. Lewis (Minister for Education), and transmitted to the Council.

LAND ACT AMENDMENT BILL (No. 2)

Report

Report of Committee adopted.

WOOD CHIPPING INDUSTRY AGREEMENT BILL

Second Reading

Debate resumed from the 21st August.

MR. H. D. EVANS (Warren) [4.42 p.m.]: The Bill which is currently before us, the Wood Chipping Industry Agreement Bill, is concerned with the setting up of another industry in Western Australia which is involved, basically, in the provision of raw material for further processing overseas.

We have seen a number of such industries set up in this State in recent years in connection with the production of salt, and mining, generally. The Bill now being considered will bring lasting benefits to the State. The wood chip industry, in addition to the immediate economic advantages which readily appear, may provide other advantages for the immediate benefit of the State and for posterity. From the wood chip industry there may eventuate a paper pulp industry, and also a reorientation and extension of forest management. The latter has long been desired but has never been practicable in Western Australia.

The Opposition supports this Bill and I might add that there is not one single individual in this House more pleased than myself to see this present move initiated. The measure brings with it the realisation of the dreams, or the visions, of many professional foresters, because, ultimately, proper husbanding of the State's forest reserves will result, which is so desirable.

The importance of the wood chip industry cannot be overstressed. Coming, as it does, to the south-west at this time it could provide the economic breakthrough that has long been awaited. A number of speakers during the past 12 months have drawn attention to the rather static conditions which exist in the south-west. Indeed, the figures published by the Bureau of Census and Statistics demonstrate this fact.

In the 10 years from 1957 until 1967—this period takes in two census years—the population of the South-West Statistical Division dropped by 784. The population reached its peak of 79,500 in 1960. Of the 18 shires in the area, five showed an increase and 13 showed a decrease, with a total deficit of 784 over the whole period. Furthermore, in answer to a question I asked on the 23rd April, the Minister for Forests indicated that seven general purpose mills had closed in the south-west during the previous 12 months.

It is apparent that this new industry could provide some impetus at a very appropriate time. The commercial exploitation of the hitherto largely uneconomic species of indigenous timber, marri, together with the development of the deep-water port at Bunbury, could bring with it benefits which, even at this stage, cannot be fully realised.

It is anticipated that 210 persons will be employed at Manjimup, and another 30 at Bunbury. This employment, together with the ancillary employment which the industry will bring with it, could well be the start of the long-awaited development in the area.

As I have said, we are very pleased, indeed, to see the commencement of the wood chip industry. As a matter of fact, we are delighted. However, while we applaud the advent of the proposed industry, there are certain aspects about which we are not so sanguine. It may be possible that an amendment could be moved at the appropriate time.

At this stage I feel I should point out that the siting of the plant has been the subject of considerable wisdom and thought. It appears that in the Manjimup-Pemberton area, and as far north as Bridgetown, there are three or four times the timber reserves which are found in the northern areas. Although there is a considerable amount of timber in the areas further to the north, it is from the Manjimup-Pemberton district that the main supply of timber will come.

The company concerned in the venture, the W.A. Chip & Pulp Co. Pty. Ltd., will cut from the delineated area—as shown on the map which was tabled by the Minister—marri and other hardwoods, and will utilise a certain amount of sawmill waste. In year one the production will be 300,000 tons of chips, and the production will increase to 500,000 tons of chips in year three.

With regard to the use of sawmill waste, it should not be considered out of proportion. Something like 50,000 tons to 80,000 tons of sawmill waste could be available. There are still some problems to be overcome, among them the debarking and handling of flitches.

It is from the standing forest that the large percentage of marri and other hardwoods will be found. Roughly 2,000,000 acres are available in the Manjimup-Pemberton area from which the company may draw. It is estimated that approximately 10 tons of marri to the acre is available. This represents, in total, something like 20,000,000 tons. That is probably conservative because the yield in some areas would be very much higher. So it can be seen that the cutting life of the chip mill, without considering reforested areas, or second cutting, will be somewhere in the vicinity of 40 years. It could possibly be nearer 60 years.

Of course, a reforestation programme will be an integral part of the whole proceedings. Although there has not been a great deal of research into marri, it would appear that the growth would be something of the order of half a load per annum. The load referred to is the timber measurement of 50 cubic feet. So it will be seen that, with due regard to the growth rate and the harvest rate, there will be a balance in favour of conservation.

The ultimate establishment of a paper pulp industry, as required by clause 21 of the agreement, will call for 100,000 tons of unbleached pulp per annum, and to meet this requirement an additional amount of approximately 150,000 tons of chips will be taken from the Manjimup-Pemberton area, and something like 225,000 tons from the Collie-Bunbury area. This will mean something in the nature of 875,000 tons per annum when full production commences.

In total, the Collie-Bunbury area will yield something of the order of 6,000,000 tons of available timber material, but it must not be forgotten that in addition to marri—to which these figures refer—there are also prospects of using jarrah and karri. Of course, the class of timber envisaged here is below saw mill standard. The more valuable sawmill logs will be directed into that channel.

There is a further area in the Busselton sunkland region which the industry could draw upon if required, and there is also an area in the Denmark-Albany region; but at this stage those areas could be regarded as useful reserves. So it will be seen that the cutting life of the chip mill will be very considerable to say the least; but to ensure perpetuity of the project, a considerable programme of silviculture, research, and reforestation will be required. This, of course, calls for extended planting, and also for research into the marri species which, being hitherto unproductive,

has not received the full attention of the department associated with our timber industry. However, all this means greater expenditure.

Projects of this sort cannot be undertaken without additional finance. The Forests Department will receive increased revenue of something of the order of \$300,000 per annum in the initial stages. That is to say the logs should provide 500,000 tons of chips per annum at a royalty of \$1.77 per 100 cubic feet—which, by the discount method, can be reduced to \$1.50. So that gives, in the accepted timber measurement, 75c per timber load of 50 cubic feet.

The royalty is calculated in the round—that is, on the fallen log itself—and no provision is made for waste. However, waste will be occasioned by drying out and by the destruction of a certain amount of the chips during the processing. Sub-standard chips will be refused. So more than 500,000 tons in the round will be required to produce the 500,000 tons of chips, and this must be borne in mind. If my assumption is correct that the Forests Department's method of financing will not be altered—and there is no indication that it is going to be—then nine-tenths of the royalty will be channelled to the Forests Department for its use. It is desirable that this percentage, at least, be maintained.

I think it is also obvious that attention and consideration will have to be given to softwood plantings as well as eucalypt plantings. At present pine planting is financed from funds made available under the Commonwealth Softwood Forestry Agreements Act, and the current rate is something of the order of 6,000 acres a year. I think 1967-68 saw 5,227 acres planted. A step-up in this rate could be necessary for full-scale pulp production.

There is no obligation on the part of the company to enter into research, silviculture, and reforestation, although there is provision for the proper harvesting of logs in the forest. The felling must be done with a minimum amount of damage to the standing trees, and with proper regard for fire control when a cut is made. So, as this responsibility is basically the province of the Forests Department, it is important that funds to that department should be maintained at least at their present level.

There is provision in the Bill for a review of royalties; but the existing period after which royalties are to be reviewed, is five years. The royalties can be reviewed on the grounds of the f.o.b. price and also with respect to the current hardwood royalties at the time of review. It is to this matter I wish to draw the attention of the House for a moment.

The volume of the license is for sufficient trees to permit the export of 500,000 tons of wood chips per annum, and the

royalty is fixed at \$1.50 in the round. However, the company could extract up to 600,000 tons of marri or other logs per annum to meet this requirement, because the amount drawn from the forest must necessarily be greater than the finished product, due to losses in travelling, in drying, and in mill wastage. Having regard to all this, there would be something of the order of \$300,000 royalty for the 500,000 tons of chips exported.

I would like to point out that the calculation of the royalty has now been existent for some 18 months. It will be two years before we can expect the first load of chips to be exported; and at that stage—at the time of export—the royalty provision will be three and a half years behind. Remembering that the 75c was set three and a half years previously, there will be an additional five years before a review can be undertaken. The provision of the agreement is that a review may be undertaken every five years after the first shipment, so it will be something like eight and a half or nine years before the first review must be made. By contrast, wharfage, which is to be 15c a ton, is subject to review every three years, and at the same time subject to increase according to a specific formula having regard to the prevailing mineral charges at the time. It should be noted, too, that the port authority is supreme in this matter, and any change will not be subject to arbitration.

A further contrast is provided by reference to the provision for altered rail freights. These are to be adjusted up or down according to a well specified formula which is set out in the agreement. This will operate from the 1st July, 1970, and, thereafter, there is provision for a review and the freights will be adjusted proportionately to wages and costs. This matter is clearly set out and, according to the terms of the agreement, the review will take place at six-monthly intervals.

As regards the timber royalty, there is an obvious disadvantage to the State. The failure to adjust the royalty will, to say the least, be detrimental to the Forests Department. The escalation of the economy of this State is considerable at present and, in five years' time, the value of a monetary unit will be considerably less than it is now. It is impossible to forecast accurately, however, what the decline in the true value of money will be over any specified period. No economist would be foolhardy enough to make dogmatic statements in this regard; but, at the same time, most economists are agreed that the present trend will probably continue. My information from the Bureau of Census and Statistics, and from other sources, indicates that approximately 4 per cent. would be a reasonable figure upon which to base the decline in the value of a monetary unit.

What does this mean in monetary terms in nine years' time? It means that an annual royalty of \$300,000, which the Forests Department would have at its disposal, would be worth in actual fact considerably less—probably something in the order of \$200,000 in that final year. It is also noticed that the agreement provides that a review of royalties is dependent, for one thing, upon the f.o.b. price. If all the components of the f.o.b. price have been subject to a rise, then it is most likely that timber royalties will be among the last considered in regard to any increase. Wharfage, freight costs, and so on, could rise, but it is most likely that timber royalties would be among the last to receive favourable consideration.

When this point is considered in terms of forest management it is to the disadvantage of the State. Also, I think it will be seen that a project of this magnitude will impose considerable expenditure on the Forests Department for fire control alone, and this excludes the initial capital cost that will be required immediately for the provision of housing, vehicles, and equipment generally. As a result, research, reforestation, and items such as those, for which the company has no responsibility, are liable to suffer. From this it can be seen that the company stands to gain fairly considerably by this rather static approach to timber royalties. I suppose it could be said that to some extent this offsets the contribution of \$2,900,000 that the company is called upon to provide for extensions to the Bunbury Harbour.

I would point out that an integral part of the agreement is the provision for the establishment of a pulp mill, and this is most commendable. It shows foresight of the kind that is highly desirable because it is in the eventual pulping industry that we will find the full realisation of the potential of our timber resources.

The commitment of the company in this regard is quite clearly established. In the first instance, the company has to investigate—and the term used is "with all due diligence"—the feasibility and the economic viability of the establishment of a pulp mill. The company is also called upon to inform the Minister of its progress, at half-yearly intervals, commencing three months after the date of the first export of wood chips. Because of this, close consultation will be maintained and it will be possible to evaluate, fairly regularly, the company's progress in this regard.

Attendant problems requiring the attention of the company are well specified, and these include water, effluent, and smell. Even at this stage I would have liked to see some consideration given as regards effluent. I would like to see something written into the agreement to the effect that natural water courses were protected from effluent disposal. However, when ultimate proposals are submitted by the

company these matters will be given careful consideration. The final results regarding the viability or otherwise of a pulping industry must be submitted within two years. However, the Minister, in his discretion, can call for further studies if, in his opinion, the company's investigations have not gone far enough.

The final requirement, and probably the most important one, calls upon the company to establish a pulp plant if it is shown to be economically possible. In addition, there is a penalty if the company fails, to the satisfaction of the Minister, to comply with the terms of the agreement. In that case it can be held in default.

The pulp mill is to be established and is to operate within 130 miles of Manjimup, and its capacity is stated as being 100,000 tons of unbleached pulp per annum. As I mentioned, of the raw material required 225,000 tons of chips are to come from the Collie-Bunbury area and 150,000 tons from the Pemberton-Manjimup area, in addition to the chip export that would concurrently be still in progress.

There is explicit provision for a third party to purchase in the event of company default. The third party can negotiate an agreement and the terms are to be no more favourable than those given to the present company. The third party, of course, would have to honour any existing commitments, and the purchase conditions are stated with all clarity. The final details of any such pulping venture would have to be left until after the establishment of feasibility.

The agreement contains adequate provision for water both at the chip site and at the Bunbury wharf site. At this stage it is fair enough not to stipulate any precise quantity or detail; this can only be ascertained accurately after a full realisation of the company's requirements.

As regards the railways, the present Bunbury-Northcliffe line is run at a loss. This has been the experience over a considerable period and, if the figures of the member for Northam are correct, this loss is somewhere in the region of \$300,000 annually. The obligations placed on the company in this regard are again explicit and are considerable. They involve rolling stock, extension of lines where these are required either at the chip site or the port site and, ultimately, the provision of locomotives.

I did make reference to freight figures and the provision for a review. This is admirably done and in this regard the accountability of the Railways Department leaves very little to be desired. Upgrading of the line has already commenced and, according to the reply to a question asked in another place some short time ago, the upgrading of the Bunbury-Northcliffe line is to run into a cost of \$2,300,000, although the company has no obligations in that matter.

It is on the f.o.b. price that the whole project hinges at the moment. No project at all can come into existence unless a satisfactory price for the product is obtained and it is axiomatic, I think, that the viability of the company is involved. Furthermore, it has to meet the requirements of the Commonwealth Government before an export license will be issued. As defined in the agreement, it would appear that the f.o.b. price has to take cognisance of all factors and every contingency that the manufacture of wood chips would encounter from the place of manufacture at the chips site to their ultimate destination.

The reason for the delay in the establishment of the industry at present is the difficulty of obtaining a satisfactory f.o.b. price. The Minister stated in his second reading speech that in Tasmania a price of \$27 per unit had been obtained, to the satisfaction of the Commonwealth Government; whereas a price of only \$22 had been offered in Western Australia. He went on to make it clear that the price of chips depended to a large extent on their paper manufacturing qualities as compared with other Eastern States eucalypt species, and also the Japanese market in view of world trends.

The Commonwealth Government would act only if it were assured that any submitted proposal would be successful. The intervention of the Commonwealth Government, to which the Minister referred, in imposing controls on wood chip exports, without prior consultation with the States, has been soundly criticised in the New South Wales Parliament in recent times, as a reference to the New South Wales *Hansard* will show. Speakers in that House expressed regret and concern at this intervention by the Commonwealth; but as we do not have the full facts in regard to the Commonwealth's action I feel we are not in a position really to offer an opinion or to censure the Commonwealth for what is has done. However, it is expected that an agreement will be brought before the New South Wales Parliament in the not-too-distant future and we may yet receive some further light on this subject.

Certainly the effect of the Commonwealth action in this State has been to create a degree of delay and also a certain amount of confusion and uncertainty. I would be happy if the Minister could, in his reply, clarify one or two points which have puzzled not only me but also other members. I refer particularly to the delay in the establishment of the industry.

Editorials in *The West Australian* of the 27th and 28th September, 1968, carried articles which dealt with the entry of the Commonwealth into the issue of wood chip licenses for export. The decision referred to was made on the 26th September of that year. Prior to this date, negotiations had been progressing

in Western Australia and at that stage the State Government was involved in arriving at a decision between two firms. The announcement in regard to the successful firm was made on the 2nd October.

When introducing the Bill the Minister made reference to the fact that both companies had submitted satisfactory proposals and both companies had obtained prices which were disclosed both to us and to the Commonwealth, and the prices indicated by both companies were acceptable to the Commonwealth for the purpose of an export license.

Even though both companies had a satisfactory proposal and a satisfactory price, we find that 11 months later negotiations were still being conducted by Bunnings. *The West Australian* of the 19th July, 1969, indicates that the firm involved was still engaged in obtaining a satisfactory price and in further research, not only in debarking but also in establishing the paper manufacturing qualities of marri and, to this end, it had sent a consignment to South Australia.

Furthermore, on that point the Minister indicates that the company receiving the concession at that stage—Bunning Timber Holdings—had despatched for tests to Japan some 460 cubic feet of logs, while the unsuccessful firm had despatched for testing 14,891 cubic feet over the same 12-month period.

I am given to understand the unsuccessful firm had achieved a satisfactory price—and the Minister confirmed this—of the order of \$27 and it also contained an escalation provision by which the price would increase anyway. I am also given to understand that the export of chips would have commenced in 1969 or in February, 1970.

At the present moment the firm involved does not seem able to meet anything like this time factor. The harbour works would have proceeded apace, the initial deposit would have been paid, but smaller ships would have been used.

I am further given to understand that within three weeks of receiving the green light the agreement would have been signed. The entry of the Commonwealth Government into the wood chip field did not deter negotiations in Japan which proceeded after October last year, because we find in these negotiations the wood chip agreement of the 20th December, 1968. This must have been signed before the special license could have been granted and perhaps the company's claim that it could have commenced action three weeks after receiving the concession can be substantiated.

So, having regard to the almost 12 months' delay and also to the circumstances of both companies, I would appreciate it very much if the Minister could make some reference to this point when he replies to the debate.

I turn now to some provisions of the agreement about which we cannot register approval from this side of the House. We recognise that this particular timber industry is not a bonanza industry—and I think those were the Minister's words—and we also recognise that it is a competitive industry which is dependent on a number of variables, and that the company will need every assistance before it can become really operative. We agree with this to a very large extent. The provisions in regard to arbitration are reasonable and proper as they relate to no discrimination in rating or tax, no resump-tions, and a *force majeure* clause.

I would first like to say that it is the variation clause which disturbs our peace of mind. This clause states in effect that the parties 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, and so on.

Does this suggest that the powers of the existing departments are superseded? We must also bear in mind that in the south-western area any company operating must work in conjunction with a considerable number of Government departments among which are the Forests Department, the Public Works Department, and the State Electricity Commission, to say nothing of the shire councils. I also wondered whether this clause over-rode the arbitration provision.

I can only take it that the reason for this variation clause is to facilitate the production of wood chips for pulp. I think this is the operative phrase; the one on which the whole clause hinges and, to this end, provisions can even be discarded by agreement of parties.

Accordingly I take it to mean that if there is some point of conflict which might arise between the Conservator of Forests and the company, the matter can be resolved by a variation of the agreement. Such a situation can be envisaged when we think in terms of the provision for royalty reviews, which perhaps can be used as an illustration.

To my mind such a situation involves a certain potential danger. I do not suggest for one moment that this Government or the company in question would operate the variation clause deliberately to the detriment of the State. It is not my idea or intention to suggest that at all, but when we look to future years, we know that Governments come and go and that companies change hands, and it is for such a future situation that we should make provision and have due regard.

A situation might arise through ignorance or error which could result in an overriding decision of the type to which I have referred and it might not be within the province of this Parliament to take the necessary action. There is an essen-

tial point of principle involved on two counts—the variation clause is one, and I would like to refer to the other when we examine the Bill in Committee.

I conclude in the hope that when the Minister replies he will make some reference to the points which have caused a certain amount of consternation, and will lay particular stress on the matter of royalties.

MR. JONES (Collie) [5.28 p.m.]: The member for Warren has covered very extensively the provisions of this Bill. It is, however, my intention to make some remarks on certain of the matters contained in the measure and on the policy that has been adopted by the Government in considering this agreement. I would also like to refer to other matters which have not received the attention of the Government in respect of other industries which have been established where financial assistance was necessary.

As has already been mentioned, the Bill seeks to ratify an agreement between the State, the W.A. Chip & Pulp Co. Pty. Ltd., and Bunning Timber Holdings Ltd. for the establishment of a wood chip industry at Diamond, in the Manjimup district. The Bill provides for wood chips to be transported by rail to Bunbury from where they will be exported when a permit is granted.

It is also hoped that as a result of this agreement the company will be able to enter into another agreement which will be to the best advantage of the State.

The agreement provides initially that marri timber—which has previously been a waste timber so far as this State is concerned—will be used, and also that at a later stage karri and jarrah will be used. The Bill further provides for the additional employment of some 210 workers in the Manjimup area, and it is anticipated that as a result of the venture some 30 additional workers will be found employment in Bunbury or at the port itself.

The Bill prescribes that Western Australian Government locomotives will be used to transport up to 300,000 tons of chips for export, but the company will be required to purchase 2,000-h.p. locomotives for the transport of any additional tonnages.

It is further intended that the company shall provide rolling stock. It will also assist in the port facilities at Bunbury. Provision is included in the Bill for an amount of \$2,900,000 to be made available by the pulp company as a contribution towards the establishment or alteration of the port facilities at Bunbury.

The point I would like to make now has been made on a number of occasions in this Chamber. The Bill is, in fact, an agreement which has already been made between the Government on the one hand, and W.A. Chip & Pulp Co. Pty. Ltd., and

Bunning Timber Holdings Ltd. on the other, and Parliament is now being asked to ratify that agreement.

A royalty of \$1.50 per cubic foot in the round is payable to the State, and I am wondering whether this is sufficient, in view of what the company itself could derive from this undertaking. The Bill clearly indicates what the royalty will be initially, and it also provides that the royalty will be reviewed from time to time; but members on this side are at a loss to understand the situation. What will this royalty mean to the State in terms of dollars?

It has already been clearly indicated that the iron ore companies concerned with the discovery of iron ore in this State have been making record profits, and this particularly applies to Hamersley Iron. While the establishment of this wood chip industry is in its infancy, it would not be unreasonable to suggest that the companies concerned will reap a real benefit from it. However, I suggest that the State will not reap the benefit it should from this raw material. Of what benefit to the State will the royalties be, especially when the profit the companies will make is taken into consideration?

Mr. Rushton: What figure would you suggest?

Mr. JONES: The member for Dale can have his say in a moment. Plenty of time is available and I would like to hear his comments. I look forward with interest to them.

Mr. Rushton: You were querying the intentions of the Government.

Mr. JONES: This is one of those Bills the intention of which is not very clear. I can appreciate the difficulty in this respect, nevertheless it is impossible even from a close examination of the Bill, to ascertain what the benefit, in terms of dollars, will be to the State. This may be a profitable venture, and I sincerely hope it will be. I do not say it will not assist employment, because it undoubtedly will. However, the final result in terms of dollars cannot be ascertained from the Bill as it has been presented to the House.

When introducing the measure, the Minister said it contained a different type of agreement. For the first time on record waste timber will be exported from this State. However, as I just mentioned, this agreement differs somewhat from agreements concerning the export of other raw materials, including minerals, which have previously been passed in this House.

With regard to the royalty of \$1.50 per 100 cubic feet which is to be paid initially, this company, in my opinion, has been dealt with very fairly by this Government. In the south-west there are numbers of operators of small spot mills, and my investigations reveal that for every 100 cubic feet they are required to pay \$7; so, in

comparison, the agreement at present under discussion is very favourable to the company concerned. I am not suggesting that the timber could be used for any other purpose, but when we consider the position of the small spot mills, we must realise that the Government has treated this company very fairly in relation to the royalty provisions.

I was pleased to hear the Minister for Industrial Development refer to decentralisation. How often have we heard, and read in the Press, about this State being on the move? It may be on the move in the north-west, but certainly there has been no movement for some years in the south-west. Therefore, I was pleased to hear the Minister's reference to decentralisation on this occasion. This is a subject causing grave concern, and a study of the population figures in the south-west portion of the State reveals that this concern is justified. Therefore, members will realise how much the member for Warren and I, being two members who represent electorates in the south-west, appreciate the establishment of this industry in Manjimup. Together with organisations in the south-west, we are concerned about the general decrease in population.

I hope that the establishment of this industry will be only the first part of the Government's plan to attract industries to the south-west, because the figures I will shortly quote clearly indicate that the population in the south-west shires is rapidly deteriorating, with some minor exceptions. I have obtained the population figures for the last 11 years from the Commonwealth Bureau of Census and Statistics and, for the sake of the record, I intend to quote them. They indicate a big decline in population in some of the shires. The following are the population figures—revealing an increase or decrease—from the 30th June, 1957, to the 30th June 1968:—

Shire	Increase	Decrease
Augusta-Margaret River	786	
Balingup	169	
Bridgetown	751	
Bunbury (Municipal)	5,274	
Busselton	1,382	
Capel	308	
Collie		2,256
Dardanup	386	
Warcoona		259
Greenbushes		236
Harvey		704
Mandurah	1,534	
Manjimup		1,528
Boddington		580
Murray		727
Nannup		398
Donnybrook		376
Boypup Brook		454

Mr. Williams: What is the overall increase?

Mr. JONES: From those figures it is obvious that although the Minister touched on the subject of decentralisation, an urgent need exists for the Government to pay more attention to it if the whole of the State is to benefit from the boom about which we hear so much from time to time.

Mr. Rushton: What is the net gain in population to the region?

Mr. JONES: I would now like to deal with the transport of the material from the Manjimup area to the Port of Bunbury. The Bill provides initially that until the amount to be transported exceeds 300,000 tons the railways "M"-class freight rate, less 10 per cent., will apply. I understand that Diamond, where the chipping mill is to be erected, is, by rail, some 100 miles from the Port of Bunbury.

As far as I can ascertain, the rate, up to 300,000 tons, will be \$3.87 per ton; for 350,000 tons, it will be \$2.75; for 400,000 tons, \$2.65; for 450,000 tons, \$2.55; for 500,000 tons, \$2.45; and in excess of 500,000 tons, it will be \$2.33 per ton. At a later stage the company will be required to supply some rolling stock and engines.

The usual haulage rate for timber for a distance of 100 miles would be \$5.81 for logs and poles, and logs used for pulping would normally cost \$4.84 for a distance of 100 miles. Therefore, it is obvious that the haulage rates set out in the agreement are rather attractive when they are compared with the general haulage rates for timber on the railway system in Western Australia.

Perhaps when he is replying to the debate, the Minister might care to tell us why the rail concessions in agreements negotiated by this Government differ so much from time to time. For instance, in the agreement concerning the alumina refinery, provision is made for the company to supply all rolling stock and locomotives for the transport of bauxite from the Jarrahdale area to the refinery in Kwinana. The company will advance the capital, but it will be repayable to the company with interest over a period of 10 years. That agreement is preferable to the agreement under discussion at the moment. I want to know why the agreements differ so much.

Mr. Court: Each one is a negotiated industry. This is an integral part of its industrial operation.

Mr. JONES: Was not the agreement concerning the alumina refinery dealing with a negotiated industry?

Mr. Court: I said that each one is a negotiated industry.

Mr. JONES: Would the Minister mind telling us why the agreements differ so much? Under the bauxite agreement the Government was prepared to repay all capital invested over a period of 10 years,

plus interest. Why did the Government not offer this company the same opportunity?

Mr. Court: Because each of the freight rates is negotiated on a commercial or profitable basis to the railways, and it so happens it suits the Government and the companies sometimes to have different arrangements. I will explain in more detail when I am replying to the debate.

Mr. JONES: Would the Minister deny that the bauxite agreement was much better?

Mr. Court: I would deny it. They were both worked out on a highly commercial basis, but I will explain in more detail later.

Mr. JONES: It may be merely a matter of opinion, but mine is that the bauxite agreement is much more attractive than the one now under discussion.

Mr. Court: They are two different propositions. One is dealing with millions of tons; this one deals with hundreds of thousands.

Mr. JONES: It did not initially. It was 500,000 tons initially.

Mr. Court: Yes.

Mr. JONES: It was a certain rate for 500,000 tons.

Mr. Rushton: Then it escalates.

Mr. McIver: There goes the second Minister again!

Mr. Court: There is provision for escalation.

Mr. Williams: The freight rate payable under this agreement is not much different from that payable by Alcoa.

Mr. JONES: The member for Bunbury will no doubt make a big contribution to this debate and I will be awaiting with interest to hear what he has to say.

Mr. Court: I hope he has more knowledge of the south-west than you have.

Mr. JONES: We hear that the Government is attracting new industries to the State. It goes out of its way to provide rail concessions for industries, but it will do little for industry which is battling for survival.

Mr. Court: That is not correct.

Mr. JONES: I am referring to the coal-mining industry, because this shows the attitude of this Government in the past towards coal and the attitude it adopts through this legislation.

Mr. Williams: I do not think coal is mentioned in the Bill.

Mr. JONES: The Minister knows that in 1965 when 469,000 tons of coal were being transported from Collie to Bunbury at a cost of \$3 per ton, the mining industry and the south-west conference asked the Government to institute a special freight rate and the Government turned the proposition down. By this agreement, we see

that 300,000 tons are to be transported initially and the Government is prepared to bring in a concessional freight rate.

The point I make is that if it is good enough to assist industry which the Government can attract to this State—and I applaud the Government for this move—why is it not good enough to assist industry that is struggling for survival?

Mr. Court: But the Government is prepared to help the coal industry with freight rates if the industry wants to negotiate special arrangements.

Mr. JONES: The Government was not prepared to help in 1965, because it is on record. I have correspondence to prove that the Government refused the approach. Even the New South Wales mining engineers who recently presented the report said the high freight rate of \$3 per ton for 42 miles was excessive.

I will leave it at this: as I see the situation, here is another example of where the coalmining industry has been battling for survival against oil and if it is good enough to give a concessional freight rate for the transport of 300,000 tons of wood chips initially from Diamond to Bunbury, why was it not good enough to give the coal mining industry a similar concession when 469,000 tons of coal were being transported from Collie to Bunbury in 1965?

One further point I wish to make in support of this argument is that the Bunbury-Collie section of the railway line was one of the most profitable sections in the West Australian Government Railways system. The Minister will know that, for the period 1964-65, the Collie-Bunbury section was showing a profit of \$1,230,000, whereas the same position could not be found in the Bridgetown-Northcliffe section. It has been clearly shown that, at no time, has the Bridgetown-Northcliffe line been a payable section. All this agreement will do is to recoup some of the losses that have already been occasioned.

The point I am making is that if the Government can see fit to give a concession over a losing section of line, why can it not give a concession to the coalmining industry, which transports coal over one of the most profitable sections of line in the West Australian Government Railways system?

Mr. Court: You are out of touch.

Mr. O'Connor: There are different circumstances.

Mr. JONES: What are the different circumstances? A quantity of 400,000-odd tons of coal was involved and a quantity of 300,000 tons of wood chips is initially involved.

Mr. O'Connor: Who is supplying the equipment?

Mr. JONES: The coalmining industry would supply some of the equipment, and the Minister is aware of that fact.

Mr. Court: You are out of touch with the offers made by the Minister for Railways to the coalmining industry.

Mr. O'Connor: Completely.

Mr. JONES: I am coming to that.

Mr. O'Connor: The honourable member is completely out of touch. The coalmining industry was offered concessions for the cartage of coal.

Mr. JONES: I challenge the Minister to look up his file.

THE SPEAKER: Order! The honourable member will address the Chair.

Mr. JONES: Through you, Mr. Speaker, I challenge the Minister to place on record in this House correspondence from the Coal Miners' Union and the south-west conference in Western Australia whereby this Government was asked, in 1965, to grant some concessions for the transport of coal from Collie to Bunbury and the application was rejected. Those are the facts of the situation.

Mr. Court: Was that for export?

Mr. JONES: It was in 1965.

Mr. Court: Was that for export?

Mr. JONES: No, it was in connection with coal for use within the State.

Mr. Court: We are not talking about the same thing.

Mr. JONES: If some thought had been given at the time to that proposition we would not be using foreign oil, in preference to coal, in our power houses today. This is a fact that cannot be disputed in anyone's language.

The Government has seen fit to subsidise a losing section of line. I have a copy of the Wayne report in my hand which gives the figures in this regard. It shows that the section of the line from Bridgetown to Northcliffe over which wood chips will be transported has never been a paying section. I repeat: If it is good enough for the Government to assist an industry which it can bring into Western Australia, the Government should have been prepared to do something for an industry that has made a big impact on industrial expansion in this State. I will leave the question of freight rates at that level.

As the Minister for Industrial Development mentioned, it is true the coalmining industry has been offered some concession on 500,000 tons of coal; namely, \$2 per ton over 42 miles. However, so far as marriage are concerned, the Government is prepared to enter into an agreement which contains much better terms than those offered to the coalmining industry. These are the facts. The quotation I made was contained in *The West Australian* of the 11th September, 1968. This cannot be denied. Here again, if it is good enough to grant all sorts of concessions to this industry, why could not the same concessions be applied to the coalmining industry

in order to assist an industry which, as I said before, has helped this State during its period of industrial expansion?

I would like to hear the Minister's comments on the question of the deepening of the Bunbury Harbour. The Bill provides that initially the Port of Bunbury will be deepened to a certain level and, at a later date, it will be taken to a depth of 36 feet.

The member for Warren mentioned that, although the agreement is before the House, an export license has not yet been obtained from the Commonwealth. I wonder whether the Minister for Industrial Development has considered the possible export of coal in conjunction with the export of wood chips. As the Minister is aware, a delegation has just returned from Japan and, I understand, another delegation leaves tomorrow.

If the coalmining industry is going to be able to compete, it will be necessary to have a harbour with a depth in the vicinity of 60 feet; otherwise, it will not be able to compete with coal exported through the Port of Gladstone in Queensland, and through Port Kembla and other ports in New South Wales.

In view of the position which is developing in the coalmining industry in connection with the possible export of coal, could not the whole matter be given consideration at the one point of time? In view of the situation, is there a need for a decision to be made? Could not the question of coal exports be considered at the same time? I do not know if the position has changed, but on the 3rd September, 1968, the Minister for Industrial Development said, in answer to my question concerning the use of coal at the agglomerate plant at Dampier, that the production of metallised agglomerates was a long way off. Further, he said that the question of economics would be a major consideration.

I wonder what the position is now in view of the statement made by Dr. Frank Roberts of the C.S.I.R.O. which appeared in the *Daily News* of Monday, the 25th August. On the question of the production of metallised agglomerates at Dampier, Dr. Roberts said it is well ahead of schedule. As a matter of fact, his words were—

Hamersley Iron is well on the way to producing agglomerates—ahead of the scheduled 1972 production date.

I wonder whether this is reliable information. I would like to hear the Minister's comment's on this point; because, if it is reliable and if our coal is to compete with coal from Gladstone, it will be necessary for the question of port development to be given early consideration.

Mr. O'Connor: Is the honourable member talking about coal or wood chips?

Mr. JONES: I am talking about the use of coal at the agglomerate plant.

Mr. Court: Where did you get a depth of 60 feet? I can tell you that there is very little prospect of Bunbury being deepened to 60 feet and, in any event, a depth of 60 feet is not necessary for many of the big ships.

Mr. JONES: I understand that this is so, following upon investigations I have made of the position in the Eastern States. I understand the depth of Gladstone Harbour is 60 feet. At Balmain and Port Kembla the Joint Coal Board is considering deepening the harbours, in conjunction with the Government, to a depth of 60 feet in order to provide the berth facilities necessary to compete with the coal which is being shipped from Gladstone. This is only common sense, and I think the Minister would agree with me, because of the answer he gave previously.

If our coalmining industry is to compete with coal from Queensland and New South Wales, it must be possible to bring the same size ships into the Bunbury Harbour as those which go into other harbours in Australia. This information was supplied only as late as last week and I understand this is the situation.

Mr. Ross Hutchinson: The honourable member will appreciate that it would cost a tremendous amount of money to go down to a depth of 60 feet at Bunbury.

Mr. JONES: Has the question of an alternative port ever been considered? I do not know whether this possibility has been investigated. I am aware of the problems which surround the existing harbour of Bunbury. However, has the question of any other alternative area been considered by the Government? I think this is a must. The depth of 60 feet which I have mentioned was contained in information I received following an investigation which I made of the position in the Eastern States. It is quite clear to me—

The SPEAKER: Order! The honourable member is getting too far away from the subject now. It was fair enough when he was drawing comparisons earlier, but what he is saying now has nothing to do with the Bill before the House.

Mr. JONES: I was merely trying to answer the Minister for Works.

The SPEAKER: The honourable member raised the subject.

Mr. JONES: I think those remarks sum up what I wanted to say. I am not happy with some passages of the legislation; but I share the thoughts expressed by the member for Warren that this represents a great advance for the south-west of the State. I only hope this will not be the last industry which the Government attracts, especially in view of the words of the Minister for Industrial Development; namely, he is greatly concerned with decentralisation in Western Australia.

MR. WILLIAMS (Bunbury) [5.56 p.m.]: The Bill which is now before the House is in the form of an agreement. In the words which the Minister for Industrial Development used in his second reading speech, it is really based upon; satisfactory contracts being negotiated for the sale of wood chips by the company; the company having to obtain an export license from the Commonwealth Government; and the company having to make arrangements for financing all its own works.

When the member for Warren spoke on this measure he said that no-one in the House was more pleased than he. I would like to add to that by saying there are many members here who are as pleased as he that the agreement has reached this stage. I am quite sure we all wish the company success in its further negotiations and I hope that very shortly we will see the conclusion of the negotiations and that the industry will go into operation.

The member for Collie mentioned the big profits made by other companies which have had ratifying agreements passed by this House. I think he qualified his remarks later by referring to royalties. In this case, I am quite sure that there are no big profits to be made by the company out of this type of venture. However, if such profits are to be made over a period of time this would be largely due to the company's initiative and efforts through its own technological advances to make the industry far more profitable than it would appear to be at the present moment.

As a matter of fact, in looking through the agreement, I would say the State has done very well by the agreement which has been signed with the company. The company is bound to do numerous things and to part out, as it were, with a great deal of cash to make this a viable proposition.

The member for Collie—

Mr. Jones: The poor old member for Collie!

Mr. WILLIAMS: —opens his mouth and often puts his foot in it. He was referring to the need for decentralisation. I venture to say that if members representing other parts of this State adopted the same attitude as the member for Collie in assuming what has not been done, or what other people have not done, we would soon all be down the drain. Indeed, we would have no say in anything, and nobody would want to come down to view or invest in our part of the State.

It is open to ourselves, as members of Parliament, to instil some confidence in the people residing in the area, and when the member for Collie was reading out some figures on population, I interjected by asking him what was the total increase in the south-west region. However, there

was no reply, because I believe this increase would be somewhere of the order of 3,000 people for the whole of the region. Admittedly the bulk of these people would be in the three main centres, but these are the facts of life.

Mr. Jones: You deny what I said in regard to Collie?

Mr. WILLIAMS: I am not speaking of Collie; I will say something on that point in a minute. In regard to the figures quoted by the member for Collie I suggest that his source of information as to the decline of population in the south-west would be the same source as that of which I am aware and of which the Minister is aware. I am certain that many other people would be aware of the position, too. When one begins to quote figures, particularly in relation to population, one has to be extremely careful. If one takes the estimated figure as the base year and compares it with the census figure, one finds there is a great difference between the two. I do not intend to carry out an exercise on this, but if the member for Collie wishes to do so he will find a great difference between the estimated figure and the actual census figure. The estimated figure is usually higher than the census figure.

In my opinion the member for Collie was also getting coal mixed up with wood chips. Anyone who has had anything to do with wood chips and paper manufacture will have nothing to do with coal being stored with or near wood chips which are to be used for the manufacture of paper, because it has been discovered that coal and wood chips are not compatible; if the carbon from coal gets into the paper it does not make for a very good product.

The member for Collie also mentioned the deepening of the Bunbury Harbour. If he had looked at the tenders for that project he would have noticed that they close, I think, next Friday, the 12th September. The tenders were called to deepen the harbour to several depths. In referring to depths I am actually speaking of the number of cubic yards of material to be removed to represent a depth of between 36 feet and 45 feet. With the basalt in the area—there have been patches of basalt at depths up to 45 feet—there is the possibility that the successful contractor may be able to go through the basalt below this depth and so overcome the problem. However, that is getting away from the subject and I would hate to bring your wrath on my head, Mr. Speaker, for not speaking strictly to the Bill before the House.

In this particular instance comparisons have been made in regard to the freight rates to be charged to the company. Some little time ago, I asked the representatives of the company for their

opinion. I believe they have been very fair in assessing the freight rates to be charged. The member for Collie did mention bauxite, and I agree the tonnages are far higher now than they were when the agreement was agreed to initially. However, the escalation was allowed for in that original agreement, as it is in this one.

Apparently, when one takes into consideration the mileages involved, the rolling stock, the locomotives, and the short distance over which the material has to be carried, one finds that, on comparison, the freight rates for bauxite and for wood chips are roughly the same; that is, about 2.35c a ton on a 500,000-ton estimate.

Mr. Jones: I will see you later on that.

Mr. WILLIAMS: Very well. On many occasions it has been said that when the wood chip industry becomes operative it will use a timber in our forests which has not been used to any great degree in the past—definitely not to any great degree for a millable operation—and that is the marri timber. I believe that in the area for which a license will be granted to the company there is growing over 1,000,000 acres of marri which would represent about 30,000,000 tons of timber. In addition, as time goes by, the company will be allowed to take the karri and jarrah thinnings, the waste wood from the forest itself, and the waste from the mills, to increase its total tonnages.

I believe the increment in the marri forest, over 1,000,000 acres, would be in the vicinity of about 1.5 tons per acre per annum. If one works that out as a mathematical calculation one will find it indicates that the forests will be growing at a rate considerably greater than the timber will be harvested. I think this is good to know, because once the industry commences one can visualise its continuing for an indefinite period, as the trees will be growing at a greater rate than the rate at which the timber will be taken from the forest.

In this case the company is asked to spend no less than approximately \$11,000,000 on the establishment of this industry, which figure includes the contribution of \$2,900,000 to the development of the port, its chip mill, its rolling stock, its port facilities, and its housing. I believe the company's actual commitment for equipment in the forest itself will be something of the order of \$4,500,000. This involves logging, construction of roads, and all the associated works which will go towards bringing the timber into the wood chip mills themselves. This expenditure, in total, would be something of the order of \$15,000,000, which the company will be spending in the Bunbury area itself, on the stockpile area at the port, and also in and around the Manjimup area.

The wharfage charge on these commodities to be shipped through the Port of Bunbury is very reasonable, especially for products which I think are defined as earthy products in the Bill. At the present time the wharfage rate is about 30c a ton. The company has been given the right to export its product through the Port of Bunbury at 15c a ton, with a clause in the Bill allowing for a revision of the wharfage rates on the 1st January, 1975, and every three years thereafter.

At the three-yearly interval any increase over the normal 30c wharfage rate will also be added to the company's wharfage rate of 15c. For instance, if, in three years' time, the wharfage rate for these materials is 35c a ton, the escalation charge would be 5c a ton, thus bringing the charge for wood chips to the company up to 20c a ton.

What I would like to mention to the Minister is that, because the project itself is not a particularly highly profitable one at this point—as the Minister himself said—should the company reach the stage of negotiation where there is an impasse, then the Ministers concerned should give some consideration, for a time, perhaps, to making it a little easier for the company—especially in regard to freight rates—particularly in its early stages of development, if this is at all possible. I make this appeal, because I believe it would be a pity to let an industry such as this, which could be established in the south-west—or even some other industry which has been established in another part of the State—to languish just for the sake of a few cents a ton on the freight rate for the transport of the materials.

I conclude my remarks by again wishing the company every success. I am sure the people in the south-west are looking forward to the success of the company in its negotiations, and I am certain they will welcome the other benefits that will flow mainly from the instigation of this industry and the deepening of the port at Bunbury which will, no doubt, lead to the establishment of many other industries. I have heard of one other such industry of recent times; namely, Alcoa. Indeed, if one could gaze into a crystal ball I am sure that one would be quite surprised to see the difference the deepening of the port at Bunbury will make to the general impetus of the south-west as a whole.

MR. COURT (Nedlands—Minister for Industrial Development) [6.10 p.m.]: In replying to the debate on the second reading I thank members for their study of the legislation and the agreement to be ratified, and I also appreciate the observations they have made, even though I do not agree with all of them. This is a very important piece of legislation. I want to repeat what I have said on a number of occasions; namely, that the industry has to be approached with a note of caution. At no

stage has the Government ever considered, nor has it ever given any indication to the public, that this industry is a "lay down misery."

The Government has never hesitated to highlight the difficulties of the industry, and it is only because we regard it as one of vital significance to the future economic health of the forestry industry in this State that we have persevered so long and so hard with it. Nevertheless, we do regard it as a key industry because of the technical work and effort we have had to put into it to try to achieve success, firstly, with the wood chipping phase and, secondly, with the paper pulping phase.

However, I return to the point that I do not want any honourable member to underestimate the difficulties that still confront the company and the Government in making this undertaking a viable and economic proposition. I mention that with some emphasis, because I think some members on the opposite side of the House have underestimated the economic difficulties with which we are faced in getting this industry off the ground, and they have been inclined to confuse it with the orthodox sawmilling industry on the one hand, and the mining industry on the other. One has to allow for the fact that the timber has to be felled, transported to the wood chip mill, then chipped, transported to the port, and loaded into the ship. Further, all this has to be done within the B.D.U. price. It does not take a great deal of accounting, or much business acumen, to appreciate that there is not a lot of space between the cost factor and the f.o.b. price.

The member for Warren, who led the debate for the Opposition, supported the Bill and has obviously studied it in considerable detail, for which I thank him. We need more of this kind of study given to Bills and agreements of this kind when they are brought before the House. It is of value to the Government and the Minister if members make a study in detail of the provisions, even if only to restate them with a different emphasis from that given to them by the Minister concerned.

Most of these agreements are long term and we will have to live with them for a long time. The honourable member referred to the value of the industry from the point of view of silviculture; the reforestation programme, a study of the timbers, and the like, all of which he would appreciate being the member for the district most directly concerned, and all of which is consistent with what the Government set out to achieve when it undertook the original negotiations.

I was pleased, too, that the honourable member referred to the question of sawmill waste. There is a tendency, on the part of some members of the public who are uninformed as to the practicalities of

the industry, to think there are limitless quantities of sawmill waste that can be chipped, and the member for Warren, very rightly, made reference to the fact that this is not quite as obvious as it would at first appear when one becomes involved in the industry, because when one comes up against the question of handling on the one hand and debarking on the other it is much easier to deal with the logs in the ground.

This brings me to a point that is related; that is, to the amount of waste that will be left in the forests. When these trees are felled the branches are fractured and, to the layman, there appears to be a tremendous amount of timber left in the forests. From the best information I can obtain there will continue to be a fair amount of this timber left in the forests until someone can devise an economic means of stripping and debarking it. I have no doubt that the successful firm, when established, will apply itself to finding a method of handling not only sawmill waste to obtain the maximum recovery from it, but also to the technical and economic advances of handling the timber which might otherwise be left in the forests once the main log has been taken. I would point out that this is the objective of not only the company, but also the Forests Department.

The member for Warren further referred to the potential life of the industry. I would not quarrel with his estimates, but they are open to a certain amount of conjecture. The policy to be followed, of course, will be one of clearing the forests and planting other species. To a substantial extent I think they will be pines, because they could give the best and quickest return in the years that lie ahead.

One of the dividends we will receive along the road is that these huge areas of forest land will be available very quickly and on an economic basis. The reforestation with other species would have proved impracticable if this industry had not been established, because we are desperately short of the type of land and the quantity of land we need if we are to have a major reforestation programme of a worthy standard. The Forests Department has done an excellent job in going as far as it has. We want to go faster, and the value of reforestation with pines rather than eucalypts, when we are talking of a product such as chipboard, is that they will provide greater and more economic use within the industry generally.

Sitting suspended from 6.15 to 7.30 p.m.

Mr. COURT: I was referring to the value of reforestation with pines as distinct from eucalypts. This particular species has a tremendous economic value to the State, quite apart from the sawmilling value in maturity. The thinnings, on the way up, are of tremendous value,

as evidenced by the chipboard operations, for instance, that are carried on by Cullity in this State.

Therefore, if as a result of the wood chip proposition we are able to clear forest country, which the Minister for Forests and his conservator can then use for pines, no-one will be more delighted than the Department of Industrial Development and I, in view of the quicker return and the economic value to the State, as distinct from the little economic value of the marri species, which has been in existence there for so long.

The member for Warren was critical of the method for adjusting the royalties from time to time. Let me hasten to say that in considering the royalty income from this timber one has to be realistic and acknowledge that at the present we are getting nothing from this natural resource; we would not be getting anything from it without this industry, and the forests would become older and older, and would be of no economic value at all except for firewood—and firewood in that quantity is not required. Therefore this industry will convert what is at present an uneconomic resource to economic use.

Whatever royalty the State gets—and we endeavoured to get the maximum—is something the State would not have got without this industry. This follows the pattern of argument that is used in respect of so many of our natural resources. Once we do something about these resources, some people say we are selling our birth-right. This particular resource has remained unused in the history of this State, and it did not earn any revenue. Once we put any resource such as this to use, some people seem to get edgy about it.

A strong argument was used by the company for not adjusting the royalty at all during the life of the agreement on the ground that it would be selling the product on fairly long-term contracts and they may not include an escalation clause in these contracts. The company pointed out all we are doing is to close the profit gap every time there is a rise in costs, in wages, or anything else. However, the company agreed to periodical reviews, and I think the provision in the agreement is satisfactory.

I can say this: Neither of the two final contenders would have been happy had we pushed the issue harder than we did. Acting on the advice of the conservator we insisted on review periods during the term of the agreement. I am quite sure there is not a full appreciation of the marginal nature of this industry, particularly in its formative years when we are trying to get a paper industry of another country to accept the fact that marri and eucalypts of this State, which have characteristics different from those found in the other States and in other countries, can be used for chipping and pulping purposes. When we are thinking of royalties, we should

remind ourselves that the company has to make a substantial contribution to the provision of locomotives and rolling stock, and also to port development.

The member for Warren made reference to the debate in the New South Wales Parliament, regarding the intervention by the Commonwealth in respect of export licenses. I do not want to hammer this point too much, but my views on Commonwealth intervention are pretty well known, publicly and otherwise. I can only say that I think the intervention adversely affected the company and its understanding at the time in respect of prices. These were prices which the Commonwealth would be prepared to approve for export license purposes.

I am rather surprised that this criticism should have been so strong in the New South Wales Parliament, because the project in that State is the only one—outside the Tasmanian venture—that has been approved. In fact, the project in New South Wales was one of those which caused a lot of trouble, because the joint venturers—Japanese and Australian—negotiated prices not based on a declared f.o.b. basis per B.D.U., as we were negotiating; they were working on what was virtually a cost-of-production price. This method I do not support; but the Commonwealth felt the matter had gone so far that it could not intervene and stop the project from proceeding. Needless to say this caused some resentment amongst the others who, at that stage, had reached an advanced point in their own negotiations for price.

The member for Warren referred to what he considered was delay in the establishment of the industry. It is as well that I recall the background of the procedures that were followed by the Government leading up to the allocation of this license to one company. We realised that this was a natural resource which although it had remained latent for so long and had been of so little interest to the industry was nevertheless in a State forest; and so my colleague (the Minister for Forests) and I recommended to the Government that the best and fairest way was to call applications for proposals, once there was interest shown in wood chipping.

I recall that when we first mooted the export—I am talking about the Government—of wood chips as a possibility to Japan for pulping purposes there was no reaction from the industry, either in this State or in the Eastern States. In fact, the suggestion that I came back with from Japan was somewhat rubbished by the industry. It was rather ironical that the industry had to come back later on and say it would like to look at this wood chip proposition; because the Japanese are now perfecting methods of handling eucalypts and, for that matter, many of our hardwoods. So in fairness to all concerned we called for applications, and we received a large number of them. They were

quickly reduced to a short list, and eventually the short list was reduced to two. We all know the history of this matter; the two were Hawker Siddeley and Bunnings.

Hawker Siddeley had no joint ventures; it was on its own, and it had its own finance. This company had a commercial arrangement with Sumitomo, a trading company, and Sanyo Pulp Company, a pulp and paper company. On the other hand, Bunnings had a joint venture with Toyomenka, a trading company, and Kokasuka, a pulp and paper making company.

I do not think I need to dwell too much on the subsequent discussions that took place in the south-west, which seemed to take for granted that the Government would turn over backwards to give the license to Hawker Siddeley. We heard the usual stuff about how we were supposed to have favoured overseas companies to local companies, and so it went on. However, the Government deliberated long and hard on this question, because it wanted to make sure that the local company was given every opportunity to put up a proposition which was as close as practicable to that of the other company.

If the Government did take a while to make a final decision it was only because it wanted to be assured there was a thorough understanding on the part of all concerned of what they were letting themselves into, and that the applicants in turn understood what they were putting forward. We had no sooner declared this situation than we ran head on into this price problem. I can say in fairness to all concerned that either company would have run into the same problem, because the Japanese reacted very sharply when they found that the ordinary commercial negotiations—which had been amicable up to that point—were not allowed to be continued, and that there was a degree of Commonwealth Government direction as to the f.o.b. price. It was at this point that Bunnings ran into trouble, and now have the job of finding a satisfactory answer to it.

The member for Warren said—I think he used these words—he was “given to understand” certain things: that exports would have been commenced earlier, and that an agreement would have been signed in three weeks had we given the venture to the other company. It might be that we would have reached agreement in the fine print which has to go into these agreements and which is also reflected in the complex and lengthy document before us; but that is a matter of opinion, because when we get down to the finer details of these agreements the lawyers and others have their own ideas. I can assure the honourable member the matter proceeded with all despatch, and with a desire on the part of the Government to

turn over backwards to give a local company the chance to participate in this venture.

It is rather ironical that when I go to the south-west I hear the reverse being said. Some people have asked me, “Why did you give the venture to the local company?” One person said to me, “You are sending a boy on a man’s errand.” I did not agree with that statement. All of us have been long enough in public life to realise that we cannot seem to win. One may think that one is doing a fair thing for a local company, but then finds that the very people who are advocating this—if things do not go the way they want—are prepared to kick one to death for having done what one did.

On the question of the variation clause, to which the member for Warren took exception, I want to tell him quite categorically that there is no agreement written of any value, of any magnitude, of any complexity, or of any great moment, in which there is no provision for variations. I want to remind him that the point he has made is not valid in this particular case, if he was thinking that variations could be made without the knowledge of the department or the Minister concerned. If I understood him aright, he was concerned that we would have a situation whereby a variation would be made—agreed to by the company and by the Minister for Industrial Development—which affected forestry. This cannot be done, because the parties to the agreement are the only ones that can make a variation.

If the honourable member studies the agreement he will see that the State is one of the parties; and therefore the only person who could agree to the variation of the agreement would be the Premier acting on behalf of the State, and it is his duty as Premier to make sure that all the departments concerned, whether they be the railways, transport, works, water supplies, or forestry, are fully informed and given ample opportunity to express their points of view. This explains why in respect of certain matters in this agreement the provisions state that things will have to be agreed to, or done, by the State. However, the Minister can put the more mundane and administrative types of things into effect.

The reason for this is that where a multiplicity of portfolios is concerned it is desirable to have the State as a party to any arrangements in respect of variations, and it is the responsibility of the Premier, acting on behalf of the State, to make sure that all appropriate portfolios are consulted. In this particular case it was very necessary to have a variation clause because, to a large extent, we are going into the unknown, so far as this State is concerned and also so far as the rest of Australia is concerned in developing wood chips for export purposes.

If the honourable member studies the variation clause he will find it does not give us power to vary the agreement willy-nilly, or do anything we feel in the mood to do. First of all, there has to be an agreement between the parties and, secondly, it can only be varied for the purposes set out in the variation clause. When reduced to practicalities, this means that the agreement can only be varied to make it work. Hence, the number of amendments brought to Parliament in respect of variation and the need that exists at the present time in connection with the proposed amendments to the Robe River agreement and the Deep Dale agreement. We believe that the variation clauses were never intended to be of an all-embracing nature.

The member for Collie adopted his usual attitude and I could have almost written his speech for him before he started. He adopted a rather miserable attitude towards royalties with no thought for the practicalities of the situation. We are trying to get an industry into the south-west which will eventually reach to Collie. If anyone read the speech made by the member for Collie they would swear blind the whole of the south-west was doomed.

Mr. Jones: It has not been treated too well over the years.

Mr. COURT: The honourable member, of course, plucks statistics out of the air and does not relate them to the realities or the regional concept; quite the reverse to what was done by the member for Bunbury. The south-west has something to boast of. If an examination is made of housing and population growth, and the improved and more efficient economy in the south-west, it will be realised that the area is growing at a rate which is approximately 50 per cent. faster than the national average. That is not a bad performance. In fact, if it were not for other development in the previously neglected areas, such as the north, the performance in the south-west, since 1959, would be most spectacular.

I counsel members who represent the region at least to speak well of it and highlight the good points because it will assist them, the State, and the Minister concerned in trying to get people to the area.

We are now in the process of negotiating what I believe will be the first step in a great programme of regional development in the south-west, and it is not easy. If members knew the number of hours, weeks, week-ends, and months which have gone into the negotiations—which will eventually reflect to the benefit of Collie and the whole of the south-west region—they would probably have a better understanding and show a little more tolerance.

Mr. Jones: Come down to Collie and hear what some of the people are saying.

Mr. Williams: With the noise made by the member for Collie, no wonder they are complaining.

Mr. COURT: I do counsel the member for Collie, in view of the negotiations that are going on between the Government and the companies in the south-west generally—which are of particular value to Collie—that he would do well to join in the chorus and say something good about the south-west instead of degrading the south-west and pointing out its problems. The problems are pointed out often enough without their having to be emphasised.

On the question of transport, the honourable member criticised the lower rates being charged for this timber, through wood chips, than that charged for ordinary timber. He also criticised the lower rates being charged for this industry and compared them to the rates being charged to the coal industry. I say again—although I know it will not get me very far with the honourable member—all these agreements are negotiated on their merits. The transport costs are dealt with as a business proposition. The Minister for Railways gets his experts together and they make an evaluation of what they consider to be a profitable operation. They consider the method of operation necessary for a particular industry, and relate that to what is required in respect of rolling stock, locomotives, and rail upgrading, and out of the wash comes the freight rate.

The Treasury will not allow the Minister for Railways, or myself, to negotiate any agreement where there is not a profit for the railways so far as freight rates are concerned. Neither will the Treasury allow us to enter into an agreement without an adequate escalation clause.

It is true no two agreements are alike. The cartage of Western Mining ore into Geraldton is different from the cartage of B.H.P. ore from Koolyanobbing to Kwinana. The type of commodities and the density of the commodities have to be considered. Also the type of rolling stock required is different with the different agreements. All these things are equated. There is further haggling and finally we come up with something mutually satisfactory which can be shown to be an economic proposition to the Government. By the Government, I mean the railways.

I want to assure the honourable member, as did my colleague, the Minister for Railways, that the Minister for Railways is ready and willing to look at any proposition that will assist Collie to get into the export business.

On the same note the honourable member referred to the Bunbury Harbour. As far as I can ascertain, on the best advice possible, it will be impossible to deepen Bunbury Harbour—either the old harbour or the new inner harbour—to 60 feet. I do not think we need that depth.

Bunbury Harbour can be deepened to 36 feet because of the ingenuity of the engineers who found a route which bypassed the old basalt problem. However, below 36 feet the basalt problem is encountered again. Going down to a depth of 40 feet would not be so bad, but from 40 feet to 43 feet would cost millions of dollars. While the extra three feet will cost millions of dollars, it will cost even more to go another 2 feet to 45 feet. The channel would have to be made wider in order to go deeper, and then the engineers would run into the basalt problem again.

The member for Collie realises that the channel goes within a few hundred yards of the power station and the engineers have said that if the basalt in the channel is blasted to any great extent we will have no power station. Then, of course, the member for Collie would really be on my back and accuse me of wrecking the power station which burns Collie coal!

Mr. Jones: According to the Minister for Electricity it is only ticking over now.

Mr. COURT: I do not want to leave any doubts in the minds of members about the harbour, because 60 feet is a mighty deep harbour. I think one loading basin in the north is 58 feet and, with a 22-foot tide, that gives about 80 feet of water. However, for all practical purposes, we have to work on the low tide level. That basin will take 100,000-ton ships. We understand that a 45-foot depth will take a 70,000-ton carrier of modern design with ample water under the keel. As the ships will be in the inner harbour, not a lot of water is required beneath the keel. If we can go to 43 feet because of Alcoa, and to 45 feet because of some other negotiation, then I think we will be thoroughly happy that Bunbury is destined to be a great port for the south-west region.

I was interested in the honourable member's other point referring to an alternative port site. We have looked at a number of alternative port sites but up to date I know of none between Bunbury and Fremantle which would be appropriate. However, we have not abandoned the idea that we may be able to take Collie coal to Kwinana and use the deep water which is available there. The member for Collie can be assured that alternatives will be canvassed and if there is a way of getting Collie coal exported more cheaply, in bigger ships, it will be done.

I prefer to think we could use the depth of water which is available at Bunbury, because Government programming is not to encourage too many big new industries to Kwinana, so that the industries already there can be allowed to grow in a sensible way. At the same time, of course, we achieve our objective of regional development. I shudder to think of the cost of deepening Bunbury Harbour to 60 feet. Even

if we could protect the town and the power house from the blasting, I guess it would cost up to \$25,000,000 or \$30,000,000.

Mr. Jones: Can the Minister make any further comment on the question I raised with respect to the C.R.A. experiment at Dampier?

Mr. COURT: Yes, we are working on this with Hamersley. The company has made it quite public, as we have, that there are some advantages in using Collie coal for metallurgical purposes when compared with using Queensland coal. The research people of both B.H.P. and C.R.A. are not insensible to this and are still working on it.

In the final analysis, we have to try to find a way of getting Collie coal out of Bunbury sufficiently cheaply for it to be able to compete, even allowing some margin in favour of the local product.

Mr. Jones: The project has advanced further than originally planned.

The SPEAKER: Order! I think this has gone far enough.

Mr. COURT: I can assure the honourable member that we are keeping up the timetable for metallised agglomerates.

I thank the member for Bunbury for his support. He did raise a pertinent query of what would happen if there was an impasse between the company and the potential buyers of the chips. He asked if the Government would come to the aid of the company. At the moment I am going to leave it on the basis that we will jump that hurdle when we come to it. If I said we would come to the aid of the company with lower freights and royalties, that would not do the Premier's health any good in his capacity as Treasurer. Secondly, it certainly would not assist the company with its negotiations in another country.

We would prefer to see it operate on a truly economic basis, which I have indicated to the company, and we will all work hard to see it is achieved.

Question put and passed.

Bill read a second time.

In Committee

The Chairman of Committees (Mr. W. A. Manning) in the Chair; Mr. Court (Minister for Industrial Development) in charge of the Bill.

Clauses 1 and 2 put and passed.

Clause 3: Approval of the Agreement—

Mr. H. D. EVANS: Once clause 3 has been passed the agreement is approved and, I think, becomes binding. Before that happens I would like to draw the attention of the Committee to three aspects which I would like recorded. Had the opportunity been available the Opposition may have moved an amendment in this regard. The first aspect is the variation clause. I am

aware that both parties—that is, the company and the Government—would have to be in agreement before any of the provisions of the agreement could be waived. I referred to this principle initially but the Minister did not mention it in his reply. Here we have an agreement being ratified by this Parliament and in a very short time the deletion or rewriting of a clause of the agreement can be undertaken without further reference to this Chamber.

My second point deals with special condition No. 4 of the schedule to the Bill, and concerns timber royalties. The Minister showed that he is fully cognisant of the costs that the Forests Department will meet in undertaking research or silviculture programmes of a size which will establish them in world class. As I pointed out, the devaluation of our monetary unit at the rate of 4 per cent. per annum will handicap the Forests Department.

If marri logs are worth 75c a load at this stage, their true worth—all things being equal—should be the equivalent of 75c in five years' time unless there is some other factor to be weighed in the economic situation.

My final point deals with clause 4 (b) of the agreement, and this brings us to the Interpretation Act and the fact that section 2 of that Act will not apply to this agreement. The Interpretation Act gives the Governor the right to determine regulations. After being published in the *Government Gazette* the regulations must be brought to Parliament within the first six days of the next sitting, and must remain on the Table of both Houses of Parliament for 14 days. During that time any member can move that the regulations be disallowed.

If this clause in the agreement is passed, the Interpretation Act will no longer apply. The right to make by-laws is to be retained, but Parliament will no longer have the right to disallow them. I realise the agreement has been signed and I am aware of the legal implications that brings with it. However, it means that a certain amount of the prerogative of this Chamber has been undermined. I repeat: Were circumstances different, the Opposition may have sought an amendment regarding the points I have mentioned.

Mr. FLETCHER: I have some queries to ask the Minister. I wonder whether thought was given to the establishment of facilities in the vicinity of Busselton. The Minister for Lands will recall that our party was in his locality some time ago, and I am considerably concerned that the Busselton jetty—which, I understand, is 100 chains long—

Mr. Williams: If it is extended any further ships will not be able to pass between the end of the jetty and South Africa!

Mr. FLETCHER: If the honourable member does not mind I would prefer the Minister to reply. I am concerned because

the Busselton people are worried about the future of the jetty. Although the jetty is in perfect condition all the timber from the locality is taken to other ports, including Fremantle and Bunbury, for export. The Busselton Shire is concerned because greater use is not made of its port.

I wonder if the Minister can inform me whether or not the depth at that port is adequate to handle the ships which will be transporting the wood chips and timber byproducts? If it is not deep enough, then I ask the Minister—or the Treasurer, who has to find the requisite capital—why could not the finance which is being spent on the deepening of the Port of Bunbury be spent to equal advantage in the vicinity of the Busselton jetty so that wood chips may be exported from that port? Does this timber have to go through Bunbury?

Mr. Ross Hutchinson: What clause are you speaking to?

Mr. FLETCHER: This can be found on page 9, clause 6 of the agreement. I hope consideration can be given to exporting these products through the medium of the port facilities provided at Busselton rather than through the port represented by the member for Bunbury.

Mr. COURT: In view of the fact that members have raised these points, Mr. Chairman, I presume I am allowed to answer them?

The CHAIRMAN: The subject is the agreement.

Mr. COURT: That suits me. I can assure the member for Fremantle that the Minister for Lands is right on the ball when it comes to anything dealing with Busselton, and if there was a possibility of using the Busselton jetty, of which he is so justifiably proud, believe me it would be used. However, the fact is that it has only 23 feet of water and it is in an exposed position which is unfavourable in certain winds.

The other alternative port sites we studied were Flinders and Bird Rock, and there were points for and against both of these. Eventually the decision had to be made to concentrate on the regional Port of Bunbury because if we were not careful we could finish up having a number of small ports that would not serve the real purpose of the region. We did not simply make a decision to concentrate the major development on the Port of Bunbury. The decision was made as a matter of policy because the Port of Bunbury has the best prospect of producing 36 feet of water, and this is in a sheltered harbour.

I want to refer briefly to the points made by the member for Warren in regard to the variation clause, the royalties clause, and clause 4 of the Bill. I think I dealt with the variation clause in considerable detail in my reply to the second reading debate, and I cannot add more to it.

We just cannot have agreements of this importance without variation clauses. If the honourable member looks at the agreements which have been made by Governments of our political colour, or of any other political colour, he will find variation clauses. If he really wants to get a fright I suggest that he look at the agreement made by the Reece Labor Government in Tasmania. That Government did not mess about with restrictions; it just said that anything the parties put in writing was it. I do not suggest we follow that example. The Reece Government seemed to feel that the only way to handle important agreements was to put complete powers in the hands of the Minister.

Mr. Bickerton: It is not the matter of the variation clause; it is what is in the variation clause.

Mr. COURT: To my mind this is a practical variation clause. It permits of variations which are necessary for the day-to-day administration of an agreement such as this in order to get the best effect from it; but it does not give the Government of the day limitless powers to alter the agreement willy-nilly. There have been no major amendments made—that is, to agreements—which this Government has not brought before the Parliament. We will be bringing forward further amendments because they are of a major character.

On the question of royalties, the member for Warren related the review periods to inflation. I think it is impracticable for us to write this into an agreement. The fact is that the royalty will be reviewed and it is tied to certain guidelines when it is reviewed at these regular periods. I think it is fair enough to say that the Government of the day—whatever its political colour—would be sensitive to this particular industry and aware of its role in the community, and would arrive at something by negotiation which would be fair and equitable to both parties, having regard to royalties which may be paid by the timber industry generally, and other costs which may be incurred and inflation which may be experienced.

The Government of the day will have to pay some regard to the selling price. It could be that wood chips are in plentiful supply in other countries, and I hope the Government of the day would have enough sense to bear this in mind in fixing the royalty.

There is only one other reference I want to make and that is to the question of by-laws. I invite the attention of members to clause 7 of the agreement, at page 11, where they will find set out very clearly the reasons why by-laws can be made. They can refer only to facilities that have been provided by the company. In this particular case the usual point of conten-

tion does not apply because the Port of Bunbury is a proclaimed port run by the Bunbury Port Authority. Therefore the question of port and berth operation is something that cannot be the subject of these by-laws. By-laws can refer only to facilities that have actually been provided by the company such as, for instance, the conveyor belt system. That will be provided by the company; it will be in the company's leased area and will go over the wharf. That would be one operation for which by-laws would need to be made.

If members reflected on the position that would exist if these by-laws could be disallowed in the ordinary way I think they would appreciate that it would be an intolerable situation. The fact is the Government of the day can request amendments to the by-laws and can obtain them by arbitration if, for some extraordinary reason, a fair and equitable decision could not be arrived at and the company did not go along with the Government's ideas in the matter.

Mr. BICKERTON: In view of the fact that you, Mr. Chairman, permitted the Minister to answer three points I have no doubt you will allow me to comment on one of them—I refer to the final point regarding the question of by-laws. Under this agreement, and similar agreements which have been presented to this Parliament, section 36 of the Interpretation Act is waived. I have spoken against this on all previous occasions when agreements have been presented to Parliament and where this provision has been included and I know the Minister for Industrial Development would be disappointed if on this occasion I did not say a few words in regard to the matter.

The Minister always says that the reason for waiving section 36 of the Interpretation Act is because the by-laws apply only to facilities supplied by the company concerned. The point is that there should be no necessity whatever to waive section 36 of the Interpretation Act. That section gives to members the right to move to disallow any by-law which is tabled in this Parliament. That applies to all legislation in this State, and some of it is most important legislation. If it is good enough in those instances for members of Parliament to be considered responsible enough to act in a manner becoming of a member of Parliament then surely there should be no exception in agreements of this nature.

I have never seen a good reason, nor do I think I will so long as I am a member, for adopting what I consider to be the very unusual procedure which is creeping into many agreements. It started when the iron ore agreements were first introduced. We were informed by the Minister that owing to the huge sums of money these companies had to find for the iron ore projects—perhaps in the vicinity of \$200,000,000—it was necessary

to have adequate safeguards so that those agreements could not be interfered with. However, now we find that the same condition is being included in other agreements where the capital expended is in the vicinity of \$3,000,000 to \$5,000,000. What I want to know is where this procedure will cease. What agreements will be brought before Parliament which do not have this provision in them?

I can see other companies signing contracts with the Government and they will want the provision in their contracts to provide that by-laws cannot be disallowed by this Parliament. I think it is fair and reasonable to say that where by-laws, regulations, and rules are made by a company under the provisions of a certain Act there should be a further provision in that Act to enable Parliament to disallow those rules, etc., if Parliament thinks fit. After all, a majority of Parliament is required to disallow a by-law; it cannot be an irresponsible act on the part of one member. He must be capable of convincing a majority that his argument is valid. If he is capable of doing that, obviously the by-law should be disallowed because the majority can hardly be considered wrong.

My views in this case are the same as those I have expressed when discussing previous agreements which have involved the same procedure. I am opposed to the principle.

Clause put and passed.

Clause 4 put and passed.

Schedule put and passed.

Title put and passed.

Report

Bill reported, without amendment, and the report adopted.

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

Second Reading

Debate resumed from the 4th September.

MR. BICKERTON (Pilbara) [8.23 p.m.]: This Bill amends the parent Act which was brought down in 1967 to create a reserve in the Ord River catchment area on which stock could not be grazed. The object of that was to prevent erosion and siltation, and also to enable a scheme for the regeneration of the vegetation there to operate.

From what I know of the area, and from what I hear of it, the experiment of 1967 has proved very valuable, and what the Minister seeks to do by this measure is to increase that reserve area and take in from further south another 480,000 acres. It is proposed to add to the original Ord River Station area and the Turner Station area portion of the Ruby Plains property and the Flora Valley lease.

I think the Bill is a commendable one because, as members who some little time ago went on a trip to this area are aware, considerable concern was expressed—and this is felt by people in the area, too—regarding the erosion that was taking place. I know from the plan the Minister supplied when he introduced the Bill, this additional section takes in a certain area of land and most of the headwaters of the river systems in that locality. As members will appreciate, this is where most of the erosion commences, because just prior to the wet—and that is when the ground is very dry—the ground breaks up and with the heavy rainfall in the wet season a considerable amount of erosion results. An equally serious problem is that of siltation, which has always been the concern of those who have had anything to do with the Ord River irrigation scheme.

The Bill, in effect, simply extends the area over which the Minister has the right to prevent grazing and, indeed, has the right to confiscate and dispose of cattle after a certain period, which is set out. As I support the measure and commend it to the House I do not intend to waste members' time except to say that when this country is regenerated and is considered safe for limited grazing, I sincerely hope it will not be returned to those who, to a large extent, were responsible for putting it in its present condition. Also, when it is regenerated at the taxpayers' expense, I would not like to see the land fall into the hands of some foreign company if it is to be used for grazing purposes. We have many individuals and companies who would be quite capable and I am sure quite willing to do something with it. I support the Bill.

MR. RIDGE (Kimberley) [8.27 p.m.]: As the member for Pilbara said, this is a most commendable measure and there is little I can add in support of it except to comment on certain aspects of the amending legislation.

Since the introduction of the parent Act the Kimberley region has been favoured with some very good seasons and I think this will ensure the success of the regeneration programme. It has been most successful so far and I think at this stage we must give credit where credit is due; in this regard I refer to the work done by the officers of the Department of Agriculture. As the member for Pilbara said, those who saw this area not many years ago would find it difficult to imagine the great improvements that have taken place. Because of what has been done I think we should commend the officers of the department and the contractors who worked there for their efforts.

However, at the same time, I feel that the need for us to have to undertake this regeneration project should act as a warning both to this Government and to future Governments and I hope that pastoral

land inspectors will try to ensure that in the future other areas of land will be protected to the extent that there will not be a need to have further regeneration schemes. The fact that the land was stripped bare and turned into potential water courses was probably due to the fact that it was overstocked and poor management techniques were used. This further emphasises my contention that pastoralists should be given the right to cultivate land and grow fodder for their own use; because this is a prime requirement if we wish to ensure better management and closer settlement so that we can eventually be rid of the open-range system of breeding which is currently used.

In that area we have first-class roads that have cost us millions of dollars; we have modern meatworks; and we have wonderful natural resources. If we can put all these things to use then the country has a very good future.

With your permission, Mr. Acting Speaker (Mr. Mitchell) I would like to make a brief comment on a newspaper article which appeared in *The West Australian* yesterday morning. One section of it reads as follows:—

A senior member of a major holder of Kimberley cattle country once admitted that he felt the area had no future, that it should be used as hard as possible and then left. Today, the company is investing huge sums in long-term improvements like fences and water points.

For no-one doubts now that the Kimberleys has a future and that it warrants heavy expenditure to allow it to realise its potential.

I think there is a message in that little extract. At one stage, apparently, people did consider this was the best way to utilise the country—to flog it until it was not worth a cracker.

Now, however, ideas have changed, but the only thing that is changing these ideas is money. It does not matter whether the money is coming from overseas or not, as long as the people have these ideas we will gain a lot by letting them into the country to show us how best to use our land.

It is obvious that the prices being paid currently for cattle provide sufficient incentive for the pastoralists to remove the cattle from the properties in question. At some time or another it is probable that the Government will be faced with having to move cattle that stray into the areas concerned, and I would like the Minister for Agriculture to consider making these cattle available to the cotton farmers in the Ord area.

I think these farmers are having some difficulty in getting cattle from stations, because it is quite obvious that while the prices and the seasons are so good the

pastoralists will stick with the cattle. There could, however, be some merit in making available to the cotton farmers in that area the stragglers that are picked up.

There is only one other matter to which I wish to refer. I know some of the country there fairly well; it is very hilly and an ideal breeding ground for vermin. The particular vermin to which I refer are donkeys. I have attended a donkey shoot where 500 of these animals have been destroyed in three hours by six people.

This was only a drop in the ocean, because I know that at least 10,000 donkeys were being destroyed each year in the Kimberleys. It is all very well for people to say that donkeys are pretty little animals, and so on, but I have not yet seen a donkey in poor condition. When the seasons are bad and there is insufficient rainfall we see cattle dying, but we never see a donkey in poor condition! It is possible that we could, in the years to come, have a build-up of vermin in this area and I hope the Agriculture Protection Board will make sure that the work being done there is not jeopardised in this way. I support the Bill.

MR. GAYFER (Avon) [8.33 p.m.]: I did not intend to add to this debate but, having listened to the two previous speakers, I want to further emphasise the importance of protecting this regeneration area of the Ord River.

It is some years since I visited that part of the country, but the regeneration at that time was practically in its second stage of existence. I did, however, journey to the setup of the Department of Agriculture and I must admit that I was impressed with the drive and enthusiasm I saw being put into the reclamation work by the officers of the Department of Agriculture. It had to be seen to be believed.

I recall that I was so taken by what was being done at the time that I sat down and wrote a lengthy document on the work being undertaken. The particular boss of the camp, as it were, at the time was one Alan Payne. He was a University graduate and was very devoted to his job. I remember his telling me that he had been on the job for 18 months and that his first break would come the next night when he was flying out for a six or eight weeks' holiday.

In the department's reclamation headquarters there is a garage and a workshop and there are four Massey-Fergusons—two 65's and two 35's with 3-point linkage. There are three point linkage ploughs with opposed discs in a V-shape—there are four in number—which throw-up a bank. The discs are scalloped on one side so that they can bite into the particular terrain over which they pass.

An International utility precedes the tractor and the implement behind it with a hose level on the front of the utility and the other end of the hose level on the trailer behind the utility. In this manner it is possible to work out the contours of the land. This is operated on by the tractor towing the equipment.

The implement throws up a bank into which are planted grasses like buffel grass, birdwood, and kapok. There are also evident stands of roly poly and mulla mulla grasses, and these are all indicative of the success of the methods being used.

The most serious type of erosion experienced is deep gullying, such as we would never find in the agricultural areas. The other types of erosion are shallow gullying and bare sheet, where the cattle have denuded the country of all trees. We also find what we might call the ordinary sheet erosion, where there are some dead trees and where little grass has been left.

It was estimated that it would be necessary for reclaimed areas to be unused for 10 years if any sort of coverage were to be regained by reclamation. It was considered that if this were not done it would not take much longer than 30 years for the dam to be filled with eroded material from the areas in question.

At the time, I worked out that the 750,000 acres of land being regenerated had something like 400 miles of fencing around it; though I daresay the member for Kimberley would be able to give us a more precise figure. But 400 miles of fencing had been completed and even at that time there was a serious worry in the minds of the boys from the Department of Agriculture, and others who were witnessing the operations, that the scheme might fall down and that the land might suddenly revert to cattle-grazing areas. This was a possibility because of what some people thought was a loose provision in the agreement which permitted the return of cattle to the areas where there was insufficient evidence of regeneration.

There is no doubt that the boys from the Department of Agriculture should be complimented on the wonderful work they have done. None of this would have been possible had it not been for their drive and devotion to duty. If this Bill in any way continues the work that is being done by these men from the department, then I heartily endorse it.

MR. NALDER (Katanning—Minister for Agriculture) [8.39 p.m.]: I am very pleased with the enthusiastic manner in which members who have spoken have received this legislation. I greatly appreciate the expressions of commendation which have been made in connection with the work of the officers of the Department of Agriculture, and I will certainly see that these sentiments are passed on to those responsible for the great work that is being done.

One must really see what is being done before one can fully appreciate all that is taking place in the areas referred to. I recall having visited this part of the country in July, 1959, and I have already related to the House what I saw on that occasion. I propose to do so again, however, for the benefit of those members who have not been very long in this Chamber.

At that time it occurred to me that there were huge areas of land with which it seemed it was almost impossible to do anything. I recollect having seen on the Turner River Station one area of several thousand acres on which there was not a skerrick of feed, vegetation, or trees of any kind: it was a great bare expanse of land with nothing but a few stark headstones upon it.

It was quite evident that approximately 18 inches of topsoil had been washed away: the roots of the trees were quite bare and visible. This was an indication of just how much erosion had taken place and how much topsoil had been washed away—millions of tons of rich, red soil must have been lost as a result of this erosion.

Mr. Graham: What is your attitude to the people responsible for this state of affairs?

Sir David Brand: This has been happening during the terms of office of all Governments.

Mr. Graham: I am aware of that, but I think we too easily gloss over the fact that such land is despoiled. There is nothing party political about my question.

Mr. NALDER: Numbers of reasons have been advanced as to just how this has come about. It is possible that in the earlier years the economics of cattle-raising were not quite so attractive; and it is certainly known by those who have any idea of stock husbandry that it is not possible to control stock unless they are fenced.

One could travel for hundreds of miles through the area to which I have referred without seeing any fencing whatever. One can also appreciate the fact that when the cattle came in to water they would pasture on the areas adjoining the rivers and the waterholes. Of course this is just what happened; and they ate every living thing and left the ground as bare as the Table of this House. Although members may criticise those who did this, there may have been reasons for the action. However, it was done and that is the situation.

Mr. Graham: My point is that certain individuals were responsible for it and now the taxpayer has to remedy the damage.

Mr. NALDER: This is the situation over and over again in many fields, not only in the north; and I am not talking about land.

Mr. Graham: I wonder whether there should not be some financial obligation on those responsible for the desecration.

Mr. NALDER: I do not think too many people expected such a miracle to happen as occurred in those 10 years. As the member for Kimberley and the member for Pilbara stated, it has to be seen to be believed. Any description of what has happened over the 10 years could not adequately cover the situation.

Mr. Graham: Unfortunately I have not seen it, but I nearly cried when I saw it before that period.

Mr. NALDER: What has occurred has been as a result of the work of those very few officers who felt they could achieve something, and they deserve a great deal of commendation because of this.

Three years after the commencement of the scheme, two or three dry years were experienced and it appeared as if all the work being done would be wasted and the programme of regeneration that had been embarked upon would not achieve very much. However, the effort has been amply rewarded. The fact that this land has been fenced and stock kept off it is a wonderful credit to the enthusiasm and imagination of those few people of the Department of Agriculture who were dedicated to the job. They believed the plan would succeed and it is heartening to me, as Minister, to know that members in this House and other people who have seen the results are very happy with them.

Therefore it is with confidence that we now approach this situation, knowing that the effort made in the past will be rewarded by the results achieved. I am sure that the story that has been told, and proved to be correct, has been accepted by other people in the industry.

In the past, many suggested there was no hope for the future and that we just had to accept the situation as it arose. If we had good seasons we would carry more stock, and, if not, the stock numbers would be depleted. This was the story over and over again. However, today—and this seems to be the case everywhere in the field of experiments and technical research—people must be educated to accept things. We can talk until we are blue in the face and our advice will not be accepted, but if we demonstrate and show exactly what happens, people will gradually accept what we say.

Mr. Brady: Is the area likely to be extended?

Mr. NALDER: I am doubtful whether it will be necessary to extend it in the Ord River area; but what has occurred, and the success which has been achieved in this area, will be the means of persuading those in other areas to adopt the same

methods. Pastoralists are already beginning to realise the value of controlled grazing and, with the assistance and advice of departmental officers, we hope others in the north will follow suit. As a result of this a greater number of stock will be produced in those areas.

The member for Kimberley suggested that stragglers—that is, the cattle which may be still remaining on these areas—could be used to advantage by the farmers in the Ord River area. On my last visit north a few weeks ago I was given to understand that the pastoralists are co-operating with the farmers in the area to a greater extent, perhaps, than I had thought possible. They welcomed the programme being carried out in the Kununurra area, and I am sure that when store stock are needed, they will be made available by the adjoining pastoral station owners.

Mr. Bickerton: Will this area be reused for grazing in the future?

Mr. NALDER: It is quite possible, but arrangements have been made—

Mr. Bickerton: Will arrangements be made, if it is reused, to ensure that erosion will not occur?

Mr. NALDER: Yes. There is no doubt about this. The situation will be watched very closely, and I am sure that no effort will be spared to ensure that the situation does not deteriorate again.

Sir David Brand: With a great margin of safety, too!

Mr. NALDER: Yes, that is so. There is no doubt that every effort will be made to ensure we do not find ourselves back where we were previously.

We are happy to report the great progress made and, as I have said, it is most heartening to note the enthusiasm with which the members who have spoken to this debate have expressed their views in support of the few people who have done a remarkably good job. We tried to make the situation as acceptable as possible to the officers concerned. Some married couples lived in the area and all the officers carried out their tasks in a workmanlike manner; and all those who have had anything to do with them and have seen what they have achieved have been loud in their praise of those officers. I thank the House for its acceptance of the measure.

Question put and passed.

Bill read a second time.

In Committee, etc.

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

JOINT STANDING ORDERS*Council's Amendments*

Message from the Council received and read requesting the Assembly's concurrence in the following resolution:—

That Joint Standing Order No. 9 be amended by—

- (a) deleting the passage “, in the order of such assent or reservation”; and
- (b) deleting the words “with each year of His Majesty's reign”, and substituting the words “in each calendar year”.

House adjourned at 8.52 p.m.

Legislative Council

Wednesday, the 10th September, 1969

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

QUESTIONS (11): ON NOTICE**1. DUST NUISANCE***Gosnells Shire Area*

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

- (1) Was the Minister correctly reported in *The West Australian* of the 5th September, 1969, as saying that he was taking immediate action to combat the dust nuisance caused by the Swan Portland Cement Co. in Belmont?
- (2) If so, will he also give immediate attention to the mitigation of the long-standing dust problem arising from the operations of quarrying companies in the Gosnells Shire area?

The Hon. G. C. MacKINNON replied:

- (1) I stated that I would take immediate action to do whatever was possible to reduce or remove the nuisance.
- (2) This problem is constantly being given attention by officers of the Air Pollution Control Council and I expect improvements to be effected in the near future.

2. MAIN ROADS*Jardee to Pemberton*

The Hon. V. J. FERRY asked the Minister for Mines:

- (1) Is the Main Roads Department aware of the deteriorated condition of the Jardee to Pemberton section of the Manjimup-Pemberton road?

- (2) Is the department aware of the apparently increased traffic flow of heavy haulage vehicles over this road, particularly timber haulage vehicles?
- (3) Has this road been listed in high priority by the Manjimup Shire Council for maintenance and/or reconstruction?
- (4) (a) Has the Manjimup Shire Council made any recent request to the Main Roads Department for a re-assessment of the priorities of work to improve this road; and
(b) if so, what are the recommendations?
- (5) In view of the importance of this road in servicing the needs of local primary industries and the tourist trade, will the Main Roads Department confer with the Manjimup Shire Council with a view to more adequately providing for—
(a) maintenance; and
(b) reconstruction to include widening and straightening where practicable without unnecessarily lessening the unique natural vistas of the forest attractions?

The Hon. A. F. GRIFFITH replied:

- (1) Funds have been provided in the 1969-70 programme to enable reconstruction of the main road between Manjimup and the Pemberton turnoff. Work will commence in February, 1970.

The remaining section from the turnoff into Pemberton, although formerly a declared main road, is now classified an important secondary road, and maintenance is the responsibility of the local authority. Recently there has been some deterioration of this section, principally on the gravel shoulders, due to increased log hauling activities.

- (2) Yes.
- (3) Over the past two years, since the Pemberton section has reverted to an important secondary road, there have been approaches from the shire to increase maintenance moneys, and for consideration to be given to widening or reconstruction.
- (4) (a) Yes.
(b) Currently trial surveys are in hand to assess the possibility of upgrading the alignment into Pemberton with the view to possibly including this work in future programmes.