This amending Bill proposes to dispense with the necessity of affixing a memorial to each document and to require in lieu a statutory declaration from the persons affixing the seal that they were authorised at that time to do so.

The new provisions proposed by this measure follow procedures adopted by the Registrar of Titles when companies are engaged in similar undertakings. I commend the Bill to the House.

Debate adjourned, on motion by Mr. Bertram.

House adjourned at 6.2 p.m.

Legislative Council

Tuesday, the 14th October, 1969

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

QUESTIONS (3): ON NOTICE

1. SUPERPHOSPHATE

Weight of Bulk Loads

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

In view of the numerous reports of short weight in the delivery of bulk superphosphate, in a recent case as much as 13 cwt in a 10 ton load, will the Minister ascertain whether a more satisfactory system of loading can be instituted at points from which bulk superphosphate is loaded on trucks?

The Hon. A. F. GRIFFITH replied:

It is considered that the present arrangements are satisfactory.

Superphosphate is bought ex works, loaded free into the transport vehicle, which is provided by the buyer. At all works, weighing machines are verified and certified by the Weights and Measures Branch to ensure exact weight is loaded in each case.

Subsequent care of superphosphate in transit is between the buyer and his carrier. However, when the buyer is taking delivery by rail, special care is given to ensuring that any cracks in rail wagons are sealed as far as practicable to prevent loss occurring in transit due to movement and shunting.

2. YOUTH SERVICE ACT

Age Limits for Junior Football

The Hon. CLIVE GRIFFITHS asked the Minister for Mines:

Would he request the Minister for Education, in accordance with the Youth Service Act, 1964, to ask the Youth Council of Western Australia to investigate the news item which appeared in *The West Australian* on Thursday, the 2nd October, 1969, relating to the alteration of age limits for junior football in the districts comprising the metropolitan area of the Western Australian National Football League, to ascertain the following—

(a) does the reduction in the age limits by one year assist junior football authorities in the training of young persons in good citizenship and the intelligent use of leisure;

(b) will the Youth Council urgently request the League Council of the W.A.N.F.L. to reconsider its decision and urge that either the resolution be rescinded, or alternatively that the lads be permitted to participate in the sport for the whole of the year in which they attain the ages of 17, 15, 13, and 11 respectively; and

(c) is the Youth Council aware of the great number of lads, who, under the new rule, will be deprived of competitive football and, as such, could deteriorate from good citizens to the level where they could be classed as delinquents?

The Hon. A. F. GRIFFITH replied:

The Youth Council will examine the news item referred to and will make such approaches as it deems appropriate.

3. *This question was postponed.*

TRANSFER OF LAND ACT AMENDMENT BILL (No. 3)

Introduction and First Reading

Bill introduced, on motion by The Hon. A. F. Griffith (Minister for Justice), and read a first time.

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Justice) [4.39 p.m.]: I move—

That the Bill be now read a second time.

This Bill proposes to extend the class of persons entitled to attest documents executed under the provisions of the Transfer of Land Act.

Increased volume of business being handled in the Land Titles Office has required consideration of a new system of receiving documents to ensure that the work will be dealt with expeditiously and economically. A new system which has been

designed is programmed to come into operation on the 1st March, 1970. The improved method will operate more effectively if some reduction can be made in the number of documents, submitted for registration, which become subject to requisitions for amendment. A number of rejections are due to the restrictions placed on the classes of persons who, under the provisions of section 145 of the Act, are competent witnesses to persons signing documents.

Whilst the majority of documents lodged in the Titles Office are executed within the limits of the Commonwealth and its territories, there are a number of documents executed outside those limits. Recently attention was drawn to problems experienced in overseas countries by the restrictive classes of witnesses. It was suggested that section 145 be amended to bring them into line with the provisions of the Supreme Court Act, section 177, dealing with affidavits sworn outside Australia.

The amendments proposed in the Bill have been considered by the Commissioner of Titles, who feels the benefits to the public and the Titles Office warrant their approval by Parliament. There is no need for me to outline these simple amendments, which are clearly set out in the Bill.

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

COMPANIES ACT AMENDMENT BILL

Introduction and First Reading

Bill introduced, on motion by The Hon. A. F. Griffith (Minister for Justice), and read a first time.

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Justice) [4.42 p.m.]: I move—

That the Bill be now read a second time.

The Bill proposes to extend the provisions of the Act dealing with reckless trading by officers of companies and to increase the scale of fees to be paid to the Registrar of Companies.

The Royal Commissioner's report on the activities of Wool Exporters Pty. Ltd. and associated companies referred to the matter of reckless trading. It was found that, whilst the business of the company was not carried on with intent to defraud creditors, the company traded recklessly. Obligations were incurred and debts contracted at a time when there was no reasonable or probable expectation of the company being in a position to meet its liabilities.

However, under the existing provisions of the Companies Act, reckless trading is not an offence unless it occurs when a company has been or is in course of being wound up. Such a position did not exist in the case of Wool Exporters Pty. Ltd. Reckless trading could occur in respect of companies which have ceased to carry on business or are unable to meet their debts.

It is undesirable that, because of the limited scope of the provisions of the Act, company officers who trade recklessly can escape penal action as a result. The State of Victoria has seen fit to remedy this deficiency in the Companies Act by enacting the Companies (Defaulting Officers) Act, 1966, which deals with situations similar to those referred to previously. I have no doubt the other States will enact similar legislation in due course.

Whilst uniformity between the States in all legislation is not desirable, the control of companies, as far as possible, should be the same in all States because of the increasing number of companies which trade interstate. For this reason the additional powers now proposed follow the provisions of the Victorian Act.

The second part of the Bill proposes to increase the fees payable to the registrar up to those which have been agreed by the Standing Committee of Attorneys-General as fair and reasonable. The decision to increase these fees is a budgetary one. Companies operating in Western Australia will pay the same fees as those operating in New South Wales, Victoria, South Australia and the Australian Capital Territory. This will not involve them in any extra burden by comparison.

The additional amount expected to be received is $83,000 per annum. As the new scale will operate from the 1st January next, the additional revenue for 1969-70 will be $41,500.

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

IRON ORE (DAMPIER MINING COMPANY LIMITED) AGREEMENT BILL

Receipt and First Reading

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

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [4.45 p.m.]: I move—

That the Bill be now read a second time.

This Bill is brought to Parliament in order that it might ratify an agreement between the State and the Dampier Mining Company. This agreement gives effect to arrangements sanctioned by the Government between that company and Cliffs International Inc. In outlining the broad principles involved, I wish to state

that the Dampier Mining Co. Ltd., which is obliged to develop the Deepdale deposits covered by the Iron Ore (The Broken Hill Proprietary Company Limited) Agreement Act of 1964, will make available to Cliffs International from the Deepdale area, 150,000,000 tons of iron ore. It has also been agreed between the parties that Dampier may purchase from Cliffs up to 2,000,000 tons of iron ore per annum, or such greater amount per annum as agreed. If it does purchase under this arrangement, then the tonnage purchased is to be added to the 150,000,000 tons which Cliffs can take from the Deepdale deposits.

Dampier Mining is to have the right to purchase half of the railway facilities and up to the whole of the port facilities, which Cliffs will provide. This option calls for notice of intention by the 31st December, 1975, and is exercisable to the 31st December, 1980.

Dampier and Cliffs are to consult on the technical and commercial feasibility of increasing the capacity of the pelletising facilities to produce iron ore pellets for Dampier's own use. Dampier could, of course, undertake its own production if it should desire.

This agreement is of great importance because it is a major step to enable Cliffs to go ahead with its Robe River project.

One of the reasons advanced by D. K. Ludwig to justify his withdrawal from the proposed Robe River project was that there were insufficient proved reserves, though in fact there were proved reserves of ore in excess of the Robe River sales contract—175,000,000 tons proved as against a sales commitment of about 125,000,000 tons.

It is customary in such cases for the developing company to prove its additional reserves as the project goes into production and continues to supply its initial orders. However, Mr. Ludwig was not satisfied on that point and his statement has influenced interested parties.

To undertake a comprehensive drilling programme, to actually prove the ore reserves over the entire area, would have occupied a period of 15 months. This delay would have retarded the project to a point where the contracts with Japanese buyers would have lapsed, thereby putting an end to our desire to see these limonitic deposits brought to economic use.

With Dampier's support, there can be no doubt in the minds of potential participants that Cliffs will have sufficient ore to satisfy the current contract for pellets and prepared sinterfines requiring approximately 125,000,000 tons of ore and allow for major expansion and long life.

From the State's point of view—and this is very important—the agreement has added advantages. It clears the way for desirable and logical rationalisation of facilities which should be common to the Robe and Deepdale projects. This approach has been encouraged actively by the State Government for some time and, in fact, it was almost achieved in 1965.

Looking back in retrospect, it was perhaps an act of Providence that we did not succeed in 1965 because had we proceeded with the original arrangement made at that time between Cliffs and B.H.P., the latter company would have been denied the opportunity to participate in the Mount Newman project, which it has done with such tremendous results from the Australian point of view. Because of this company's participation, as members know, the Mount Newman project is now in operation well ahead of time and also has a 60 per cent. Australian component. It is very gratifying now for the Government to know that it is able to achieve its rationalisation programme through the co-operation of these two companies to develop adjoining deposits.

Furthermore, it is expected that the agreement will be instrumental in bringing forward the date by which Dampier begins to draw on its Deepdale deposits as a logical consequence of the rationalisation of facilities.

Had we continued under the existing arrangement, those concerned would have had to give notice, by 1978, of a firm proposal for going on with that project. Now, it is possible for them to join in this project through the co-operation with Cliffs and we can visualise some of the Deepdale ore being mined well ahead of the orginal schedule. By enabling Cliffs to get off the ground, we will see the utilisation on a large commercial scale of limonitic iron ore deposits, which might otherwise have remained undeveloped for a very long time whilst our reserves of high grade hematite were being exploited.

It is barely necessary for me to explain that whilst we have huge reserves of hematite, this, like all other mined minerals, when taken out of the ground is gone forever. On the other hand, if, whilst developing big markets for ore, generally, we can feed in some of these limonitic ores, it naturally extends the life of the hematites to our national advantage. As far as can be ascertained, this will be the first time that large-scale limonitic ores have been exploited on a commercial basis.

They are, as members would appreciate, ores of a lower grade ranging in iron content from 54 per cent. to 58 per cent. with approximately 10 per cent. of moisture content. In treatment, one of the advantages is that when the moisture is driven off, the ore disintegrates, making it a suitable material for sinterfeed or pellet making. The intrinsic disadvantage, on the other hand, is that the heat and energy required to drive off the moisture has to be supplied. Nevertheless, in spite of this

disadvantage, it seems as though we will now get large-scale limonitic deposits into production on a commercial basis.

The benefits will be not only the establishment of a pellet plant industry at Dampier but also, more particularly, the feeding of this ore into world markets will take some of the pressure off the high-grade hematites.

Oil will be used initially in the treatment already referred to. Gas from Barrow Island would, of course, be much more advantageous, because pellets are an ideal medium for the use of natural gas and this project forms a part of the study which will be undertaken. Had we metallised agglomerates in mind, that would be an entirely different project, where metallurgical coal and some form of Collie coal, we hope, could be used. However, metallised agglomerates are a different type of process for which a metallurgical type of coal, such as some of the coals Collie has, is appropriate.

Passing now to the Bill, I would think that the majority of the clauses in the agreement are self-explanatory, but I shall elaborate on one or two, for reasons which I trust will become apparent. For instance, clause 4 provides for Dampier to be granted a lease of the Deepdale deposits to enable the arrangements with Cliffs to be implemented. This lease will be conditional in that the quantity of iron ore which may be expected shall not exceed 150,000,000 tons or such larger amount as the company may be obliged to make available to Cliffs under the arrangement which I explained earlier. Without these restrictions Dampier would, in effect, be granted a lease which would enable it to mine the Deepdale deposits without limitation while not performing under its 1964 agreement.

Members will appreciate, I believe, that we have had to introduce a different lease condition to enable us to release 150,000,000 tons of ore ahead of the lease originally foreshadowed when the original agreement with Deepdale was drawn up and approved. Subclause (2) of the clause permits the mineral lease, which we granted to Dampier, to be sublet.

Clause 5 obliges Cliffs to confer with Dampier on the proposed construction of the spur line into the Deepdale deposits. Members will readily understand the reason for this as being part of our objective to achieve co-ordination and integration of the two projects.

Clause 6 provides that the lease of the area to Cliffs at Cape Lambert shall be sufficient not only for Cliffs' own purpose but also to enable the handling and treatment of Dampier's Deepdale ore.

Clause 7 provides a reservation over the balance of the land in the Cape Lambert area until the end of 1975. Until this time arrives, Dampier—that is, the B.H.P. subsidiary—retains the right to submit to the State proposals for utilisation of the reserved land.

Clause 8 provides for the Cleveland-Cliffs' proposals, in respect of Cape Lambert development, to be made available to Dampier so that that company can make representations in regard to the layout, adequacy, and so forth of the area. The reasons for this will also become apparent as it could well be that, at a later date, Dampier may exercise its option. It is important for the company to have an understanding, before approval is given to the proposals, as to what the development will look like when it is implemented.

Clauses 9 and 10 deal with the proposals I referred to in respect of clause 7.

Clause 11 provides the various conditions under which Dampier can be regarded as having performed its 1964 agreement obligations as part of the rationalised development concept. It can do various things, such as exercising either of the options to purchase the railway facilities or port facilities. It may also be considered to have met its developmental obligations under the 1964 agreement if it has caused the permanent ore-producing capacity of Cliffs to be increased to an amount of at least 2,000,000 tons per annum.

This aspect is mentioned with some emphasis, because it is important for members to appreciate, in giving consideration to this measure, that it may be necessary and desirable for the Dampier part of this exercise to undertake its commitment under the original agreement in a different form from that which would apply if it were done as a separate and independent project. That is why we have provided alternative means for meeting the original commitment.

However, I would stress that the company must still meet its obligations under the 1964 agreement to spend $50,000,000 under the provisions of clause 13 (1) of the principal agreement.

Subclauses (3) and (4) of clause 14 deal with the payment of royalty. There is a slight difference in the incidence of royalty which each company has to make under its respective agreements. In order to preserve the State's position, provision has been made that each company, when it obtains ore, will be treated as though that ore was obtained from its own deposits and that the royalty will be payable as under the respective original agreements.

If this were not done, the two agreements would get out of phase and this could be to the ultimate detriment of the State. The extent of the dislocation would not be great. Nevertheless, it is felt that there is no need for us to be out of phase in any way at all.

Members will find, I think, that the remainder of the clauses are mostly of an administrative nature. There is attached, as a schedule to the Bill, a *pro forma* of the mineral lease which will be issued. This is an additional *pro forma* to the original lease.

In conclusion, Mr. President, I would just like to reiterate that the development of our limonitic ores is a matter of tremendous importance, not only to the State of Western Australia, but also to the nation as a whole. The pellet plant industry that will be developed at Cape Lambert as a result of this agreement will be a big industry in its own right. It will have a capacity of over 4,200,000 tons per annum to start with and will, in fact, be the biggest single pellet plant outside North America.

I commend the Bill to members.

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

IRON ORE (CLEVELAND-CLIFFS) AGREEMENT ACT AMENDMENT BILL

Receipt and First Reading

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

Second Reading

THE HON. A. F. GRIFFITH (North Metropolitan—Minister for Mines) [5 p.m.]: I move—

That the Bill be now read a second time.

In explaining the provisions of the measure to members, Mr. President, I desire to state that this is the second of the twin amending iron ore agreements. This Bill ratifies an agreement between the State and Cliffs International Inc. and reflects, as it were, the provisions contained in the current Dampier Bill.

Bearing this in mind, members may be disposed to query why it appears to be in a different form. The explanation lies in the fact that the amendments to the Cliffs agreement were prepared as an amendment to the existing agreement rather than as a new agreement as is the case with Dampier. This is merely a matter of legal techniques, one lawyer wanting it set out one way and another lawyer preferring another method. Indifferent to techniques, we were able to accommodate them both.

There have, however, been one or two new particulars brought in and I refer to paragraph (d) of subclause (3) of clause 4. As the Cliffs company will need to borrow funds to assist with the project, this amendment is to ensure that there will be no difficulty with the registration of security documents. It is a principle which we have accepted in other cases. When one is dealing with international finance, some of the complexities of our procedures become rather bewildering and we have already accepted this principle of giving a more simple and direct approach in a number of agreements.

Clause 4 (3) (f) (ii) deals with the subletting by Dampier of the lease to be granted by the State to that company and also provides that if the lease be terminated for any reason, then the State will grant a lease to Cliffs direct for the unexpired term of the sublease to protect Cliffs' interest in the 150,000,000 tons of iron ore. Members will readily appreciate the significance of this. Quite obviously, if the Cliffs company were committed to contracts based on this additional ore, and a breach of the head lease was committed by the other party—that is, Dampier—an anomalous situation could result in respect of the sublease. Therefore, we have had to provide that the lease can continue up to, but not exceeding, these prescribed tonnages.

Proposed new paragraph (g) of subclause 4 has provisions which are required to prevent partition by the joint venturers. It is a principle accepted in other cases and without which large scale finance is impracticable. If we did not eliminate the practicability of partition, we just would not be able to finance a venture of this kind and, as I have mentioned, we have accepted this in other agreements.

Subclause (4) of clause 4 deals with the position in regard to royalties and confirms the position which I explained to members when introducing the Dampier Bill. In other words, the object here is to keep the two agreements in phase with the original agreement and the ore directly related to those agreements. It introduces one new aspect of royalties and that is that which will apply to prepared sinter fines, a produce for which no previous provision was made but which has become an integral part of the company's large scale pellet sales contract. These specially prepared fines call for the installation of additional equipment by the company and will, in effect, be secondary processed for the purposes of a sales contract and this agreement.

The remaining clauses call, I think, for no particular explanation by me at this point.

As a result of the D. K. Ludwig withdrawal, the partners can be revised and a 50 per cent. Australian component is confidently expected. The negotiations in respect of the final details of this 50 per cent. are well advanced. The company has to advise the Japanese steel mills not later than the 30th November of the line up of the partners within the consortium and the sources of finance.

The Cliffs project will be one of the most important in Western Australia. It will give us a pellet plant with a capacity of at least 4,000,000 tons per annum, and I think it bears repetition for me to say that it will be the biggest of its kind outside North America.

Members will find, I suggest, that this is a fairly simple amending agreement to give effect to the arrangement which the Government has negotiated for the two companies to co-operate to ensure that time will not be lost and for the Robe River project to arrange its finance within the time of the sales contract.

The Hon. F. J. S. Wise: Before the Minister resumes his seat, has he any information of the development that is necessary for Cape Lambert?

The Hon. A. F. GRIFFITH: When the honourable member refers to development—

The Hon. F. J. S. Wise: I meant the establishment.

The Hon. A. F. GRIFFITH: —does he refer to dredging and the like? No, I am not in a position to give any exact information upon that aspect at the present time; but to the extent that I am able, between now and when I reply to the second reading debate, I will ascertain what finality has been reached on those expectations. I commend the Bill to the House.

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

ARCHITECTS ACT AMENDMENT BILL

Third Reading

Bill read a third time, on motion by The Hon. A. F. Griffith (Minister for Mines), and returned to the Assembly with amendments.

FORESTS ACT AMENDMENT BILL

In Committee

Resumed from the 8th October. The Deputy Chairman of Committees (The Hon. F. R. H. Lavery) in the Chair; The Hon. G. C. MacKinnon (Minister for Health) in charge of the Bill.

Clause 2: Amendment to section 41—

The DEPUTY CHAIRMAN: Progress was reported after clause 2 had been partly considered.

The Hon. G. C. MacKINNON: Progress was reported to enable me to ascertain whether the wording in the penultimate and ultimate lines of new paragraph (b) set out in clause 2 (b) should read "shall not be taken into account" and whether or not it was desired that the Treasury should pay the interest and sinking fund charges for the Forests Department.

I have been in touch with the Conservator of Forests and he assured me that the wording should remain as it is, because the Treasury in fact pays those charges. The reason given was as outlined by Mr. Ferry in his contribution, in that the returns from the pine plantations are on a fairly long-term basis. It will take many years before those plantations are mature; and in order to ensure that the Forests Department has the necessary funds, this method has been devised so that the department is kept in a solvent position. The situation is that this is the desired form of wording. It is believed that in the fulness of time as these plantations mature some change will be made.

It is interesting to note that the one-tenth of the revenue, paid to the Treasury, is getting very close to the amount that is currently being paid for sinking fund and interest charges. I trust that this information will satisfy the Committee.

The Hon. F. J. S. WISE: It is quite understandable that the Conservator of Forests would wish for the wording of the Bill to remain as it is, because by the retention of the word "not" it means there will be no charge raised against his department for interest and sinking fund contributions payable on loan moneys for which he is responsible to the Treasury, and which through the years have been advanced by the Treasury.

The main question I raised was this: Is the Solicitor-General satisfied that the desires which have been expressed through the years by Solicitors-General are being given effect to in the wording of the clause? We are not so concerned with the opinion of the Conservator of Forests, because no doubt he would wish to have paid, for his department, any charges which might otherwise be raised against it.

Is not what the Minister has suggested entirely in conflict with what he said in the second reading debate, when dealing with section 41—

> The section I have mentioned does not prescribe precisely how that revenue is to be determined. Expenses that have been taken into account for this purpose have excluded interest and sinking fund on loan funds used for forestry purposes.

I emphasise this part of the Minister's speech—

> This method is contrary to an opinion of the Solicitor-General, and the Auditor-General has drawn attention to the need for an amendment to the Forests Act.

That is, for the purpose that those moneys shall be taken into account—not that they shall not be taken into account—and that they shall be raised as a charge against the Forests Department.

Going back through the years for almost 50 years, all the reports of the Auditors-General have included this passage—

> An amendment to the Act defining the term "net revenue" should be sought from Parliament to place the matter in order.

Another passage that has been included is—

> . . . that in arriving at the net revenue of the Forests Department interest and sinking fund contributions on the loan expenditure of the department should, in his opinion, be taken into account.

What we are seeking to do by the Bill before us is exactly the opposite.

The Minister has not clarified the position at all in giving the opinion of the Conservator of Forests. Does the Solicitor-General at this moment say that in his opinion the charges to be raised against the Forests Department shall be taken into account? That is what he has been saying for 50 years. Or does he now say they shall not be taken into account?

Unless the Government intends something of which it has not advised us, and if the wording of the Bill remains as it is then the intention is that the Forests Department shall not have raised against it charges for interest and sinking fund on loan moneys. Has the Government changed its mind, or does the Government desire to take no notice at all of the recommendation of the Solicitor-General that these charges shall be taken into account in arriving at the net revenue?

The Hon. G. C. MacKINNON: The answer to the question posed by Mr. Wise is, "Yes." The Solicitor-General believes that the situation as it will be, with the amendment in the Bill, is the desirable way of overcoming the problem. My understanding of the situation is that under the Act as it now stands it was considered that either the charges should be taken into account or the Act should be amended, and this amending Bill specifically states that the charges shall not be taken into account. As this is to become the law it satisfies the Auditor-General; and the Solicitor-General has expressed himself as being perfectly content that this is a proper method to accomplish the end which is desired.

It is not just a matter of the Conservator of Forests, but all these gentlemen are content that the amendment in the Bill will provide a proper method to validate what has been done for so long and what will be done in the future. It is perfectly satisfactory to everybody.

The Hon. N. E. BAXTER: I cannot understand the attitude of the Solicitor-General or the Auditor-General when we take into account the statement which appeared in the Auditor-General's report for this year. I could understand the Conservator of Forests being perfectly satisfied because, if the interest and sinking fund charges on loans were taken into account, it would mean that he would get a lesser amount for the reforestation fund. To illustrate the position I have taken the figures for the year 1969.

The total revenue is $4,580,904. The expenditure of the department for the year totalled $1,512,929 leaving a balance of $3,067,975. If we take from that the interest and sinking fund charges of $355,689, we find the net revenue is $2,712,286. Then nine-tenths of that net revenue, $2,441,058, would go to the reforestation fund. Without taking away the interest and sinking fund charges we find that the amount paid into the reforestation fund would be $2,761,178, which is approximately $300,000 more than if the interest and sinking fund charges were deducted before the nine-tenths was allocated. Therefore, instead of there being a deficiency of $77,593 in the accounts of the Forests Department there would be a credit to the department in the Treasury funds of $271,228.

Is it the Treasury's intention that the Forests Department should be self-supporting? Or is the Treasury prepared to give to the Forests Department an additional amount of money for reforestation, irrespective of whether the final accounts show a deficiency?

The Government is always saying that it has to find money for this, that, and the other thing. The Government budgets for a deficit every year and yet, in this instance, it clearly intends to create a deficit in the Forests Department and the money to cover it must come from Consolidated Revenue, thus increasing the State's annual deficit. I do not think that is a business proposition and I believe that whether the amount paid into the reforestation programme was $2,761,000-odd or $2,400,000-odd the Forests Department would get through its programme quite comfortably.

The department could say, "We have this sum of money and therefore we will spend it all and still leave a deficit in the Treasury." In my opinion this is not the right thing to do. When the principal Act was first introduced the idea was to provide money for reforestation, but since 1966 there has been agreement with the Commonwealth Government to provide loan money under the softwood forestry agreement. This is additional money that the department spends on reforestation—in other words, in establishing a softwood industry. I take it the money paid under this agreement is purely for reforestation of softwoods and not hardwoods.

In view of the reports of the Auditors-General over the years, and the statements of the Solicitors-General, I cannot see that it was ever the intention, despite what the Conservator of Forests says, to do what is proposed. It does not really matter to the

conservator whether there is a deficit in the Treasury or not. Therefore, as far as I am concerned, I am prepared to go on with the amendments I have on the notice paper; because I think it is proper to include interest and sinking fund charges.

The Hon. G. C. MacKINNON: All I can say is that it seems obvious that the desire of the Treasury is that the Forest Department should have this extra money for its purposes.

The Hon. F. J. S. Wise: It is a pity it was not said earlier, is it not?

The Hon. G. C. MacKINNON: This has been the practice and, apparently, it is the method desired. Whether or not it is the right way of doing things, I would not know. Mr. Baxter put forward a series of suppositions and I suppose we could follow that argument through and say that if the department required extra money the Treasury could give it a grant, which last year would have been $365,964, to offset the interest and sinking fund charges.

I can only repeat that the Auditor-General, the Solicitor-General, the Conservator of Forests, and the Under-Treasurer have all expressed themselves as being content with the amendment in the Bill to allow for efficient operation of the Forests Department. The Conservator of Forests has a particular job to do and if it is in the interests of the State, as I believe it to be, that that job should be carried out in the way it is being carried out, then I suppose if he could not get the money one way he would ask to have it provided in another way. As the Treasury is prepared to give it to him in this way it would seem logical that the Treasury would give it to him in any other way if he so desired it.

The Hon. F. J. S. Wise: Do you know when the Auditor-General made that decision?

The Hon. G. C. MacKINNON: I think I read it out the other day when I was speaking.

The Hon. F. J. S. Wise: Not on that point you did not.

The Hon. G. C. MacKINNON: All these gentlemen have expressed themselves in that way; they are perfectly content with the position as it is.

The Hon. F. J. S. WISE: No-one could quarrel with the desire of the Government to oppose the recommendation of the Solicitor-General if that is the wish and desire of the Government. However, that has not been made clear to us. The Auditor-General's report, which I have in my hand, is for the year ended the 30th June, 1969, and I have another one with me which is 25 years old. Both those reports contain exactly the same wording—that the Solicitor-General considers that in arriving at the net revenue of the Forests Department interest and sinking fund contributions on loan expenditure should be taken into account. That statement appears in the report of the Auditor-General for this year, and we have no documentary proof that that opinion has changed. All we are told—and this belatedly—is that it is the Government's intention that the Forests Department should not be charged with interest and sinking fund contributions.

Members who have studied the Public Accounts will know that what is proposed is quite opposite to customary practice in connection with State trading concerns where departments, including the Railways, have been responsible for having raised against their gross revenues payments due to the Treasury for interest and sinking fund contributions. If there is to be this departure, this Chamber, which I suggest does revue legislation, should be told that there has been a change in attitude in regard to this matter.

All we are doing is to endeavour to draw attention to things which are opposed to the recommendations of both Auditors-General and Solictors-General. As long as we are doing that, with a full acceptance that it is the Government's desire to do it in this manner, any objection is of no avail; but it is strange that one has to draw attention to such important things as this. It is a most important departure from what has been intended for 50 years and we were not told about it. I do not think we would have known anything about it had not someone drawn attention to it. However, if it is the Government's decision that these charges shall not be raised against the Forests Department, the Treasury must suffer.

I wonder whether the Minister has given any thought to something which I now pose: Is this, therefore, to be a charge on the Treasury? Is it to be considered a charge against revenue? If it is, should this Bill be accompanied by a Message? There are all sorts of angles on which no information has been given. Of course, some of us know the answer to that situation. What happens in regard to interest and sinking fund collections? If one examines the Public Accounts and the budgetary tables, and the Loan Estimates, one will find that interest and sinking funds are paid as a lump sum; they are not particularly designated or earmarked for specific undertakings.

That is the situation in this case. The interest and sinking fund charges, which the Forests Department should pay if the Solicitor-General's requests and recommendation are given effect to, would be paid into that fund. If they are not paid into that fund, the Treasury simply agrees to meet the payment, and not to have it withdrawn from the Forests Department account which is associated with interest and sinking fund charges. I wonder

whether the Minister can dilate on that and give us some idea of the proposal in this regard?

If we accept—and I think we must—the assurance of the Minister, that this is what the Government intends, I would point out that once this Bill is passed it will be far too late for the Solicitor-General to say, next year, that interest and sinking fund contributions are still not being paid by the Forests Department. The interest and sinking fund payments will not be a charge against the Forests Department. Was that the intention? As far as I am concerned, if that was the intention, then that is all right. It will mean that the Treasury will be so much short in the Consolidated Revenue Fund when the nine-tenths of net revenue is paid to the reforestation fund.

As long as that is the clear intention then, of course, the proposed amendments fall to the ground. They will be of no effect. In the future the revenue of the Forests Department will have deducted from it only the administration costs set out in the annual report.

The Hon. G. C. MacKINNON: This matter has been sent back to the authorities so frequently, and has been examined so frequently, and I have been assured just as frequently that this amendment, as written, sets out the purpose of the Government and the purpose of the department exactly as is required. The Auditor-General makes his statement in accordance with the Act as it exists. I can find no reference in section 41 of the Act to "as has been the practice."

The Hon. F. J. S. Wise: Section 41 of the Act refers to net revenue.

The Hon. G. C. MacKINNON: That is right, and interest and sinking fund should not be taken into account. This is not stated in section 41 of the Act. The Auditor-General, commenting on the account in regard to the law as it exists under section 41, made the statement in 1968 and 1969, and it was a perfectly proper statement to make. However, I am assured that the method of financing, as outlined, is wanted. When the Auditor-General examines these accounts in the future, and the Act states that sinking fund charges shall not be taken into account, then he will not make the comment which he has made in the two reports which are in front of the honourable member.

As I have said, because of the inquiries made and the queries which have been raised, this Bill has been sent back on more than one occasion to the various authorities which I have mentioned. It has been examined with great care—as it should be when queries are raised by this Committee—and we have the assurance of the authorities that this is as desired.

The Hon. F. J. S. Wise: But not as recommended by the Solicitor-General.

The Hon. G. C. MacKINNON: All I can say to that interjection is that the Solicitor-General has stated that he agrees with the amendment, and that it is desired. I can only take his written word for that.

The Hon. F. J. S. Wise: Is the Minister satisfied this is exactly what the Government wants?

The Hon. G. C. MacKINNON: In view of all the evidence I have mentioned, which has been supplied by the officers of the department, I say, "Yes, I am satisfied."

The Hon. N. E. BAXTER: It strikes me as being rather strange that the Government should pay this amount towards the reforestation programme each year. When I examine the principal Act I find reference to this money being placed to the credit of a special account at the Treasury for reforestation. There is provision for a scheme to be submitted and approved by Parliament. I wonder why that provision was put in the Act? Was it so that Parliament could decide whether money being spent on reforestation was being spent wisely? It is rather strange in the light of what we have heard in regard to the generous provision by the Government. I raise the query with the Minister: Why were those provisions placed in the Forests Act originally?

The Hon. F. J. S. WISE: I want to make it clear that since the Minister is confident that this is the desire of the Government—to give this amount annually to the Forests Department—I intend to raise no objection, and I do not intend to move any amendment. I simply say that I hope the Government, through the Minister, knows exactly what it is doing. I also hope the Minister is quite confident that the Bill does not require a Message.

I conclude by saying it is a great shame that the information—that this was the Government's intention—was not conveyed to us when the Bill was introduced. The Minister's speech explains the Bill in an entirely different manner. Since the funds are to come out of special accounts kept for reimbursement purposes, and will not be a charge on revenue, it would be my view that the Bill does not require a Message.

The Hon. G. C. MacKINNON: It is necessary to move an amendment to page 2, line 24. I do not wish to cut short the debate on any other issue. Before I move the amendment I would ask members to signify, in some way, whether or not they have concluded their debate on the other matters.

The Hon. F. J. S. Wise: That could be decided by moving the amendment.

The Hon. G. C. MacKINNON: I move an amendment—

Page 2, line 24—Delete the word "forty-five" and substitute the word "forty-six."

The Hon. F. J. S. WISE: There is some satisfaction, I suppose, in realising that when I drew attention to this matter—and felt that attention was necessary—in some place somewhere it was decided that it was a necessity.

The Hon. N. E. BAXTER: I think I have signified my intention of not going on with the other proposed amendments by agreeing to let the Minister proceed with this amendment.

Amendment put and passed.

Clause, as amended, put and passed.

Title put and passed.

Report

Bill reported, with an amendment, and the report adopted.

PRISONS ACT AMENDMENT BILL

In Committee

Resumed from the 8th October. The Chairman of Committees (The Hon. N. E. Baxter) in the Chair; The Hon. A. F. Griffith (Minister for Mines) in charge of the Bill.

Clause 3: Addition of Part VIC—

The CHAIRMAN: Progress was reported on the clause after Mr. Willesee had moved the following amendment:—

Page 3—Delete paragraph (h).

The Hon. W. F. WILLESEE: In view of the fact that the Leader of the House has placed amendments on the notice paper which are in many respects similar to my amendment, I think it might be preferable if I withdrew mine in order to let the Minister move his. I would inform the Committee that I propose to move other amendments in due course.

Amendment, by leave, withdrawn.

The Hon. A. F. GRIFFITH: I think I should explain briefly that progress was reported as a result of uncertainty in my mind regarding a discussion I had with the Minister for Police. I sought the opportunity to speak to him again about the matter because I did not want to have any suggestion made that I was opposing an amendment in spite of the fact that my colleague had said he would accept it. I would be the first to correct a situation of that nature.

In this case Mr. Craig indicated to me that he would be prepared to accept the amendment which is standing in my name on the notice paper. An amendment which was before the Committee has now been withdrawn, and, to put things in order, I move an amendment—

Page 2—Insert after proposed new section 64R the following new section to stand as section 64S:—

64S. Where a prisoner is in any employment during his leave of absence the terms and conditions, including the amount payable, in respect of the employment shall be the terms and conditions, including the amount payable, provided pursuant to any award or agreement in force under the Industrial Arbitration Act, 1912 that applies to the employment or, where there is not such an award or agreement, shall be such terms and conditions, including the amount payable, as are fixed in accordance with the regulations.

Amendment put and passed.

The Hon. A. F. GRIFFITH: I move an amendment—

Page 3—Delete paragraph (h) and substitute the following—

(h) the terms and conditions, including the amount payable, in respect of any employment of a prisoner during his leave of absence, subject to any award or agreement in force under the Industrial Arbitration Act, 1912 that applies to the employment; .

I suppose this amendment may be regarded as a compromise. I take it that Mr. Willesee has one or two amendments he wishes to proceed with, and others he does not wish to proceed with. However, he can do so at the appropriate time.

Amendment put and passed.

The Hon. W. F. WILLESEE: I move an amendment—

Page 3—Insert after paragraph (m) the following new paragraph to stand as paragraph (n)—

(n) the Comptroller General to have discussions with representatives of employers, industrial unions and trade unions for the purpose of effectively implementing the provisions of this Act.

If this amendment is passed the Comptroller-General will be given more elasticity and, without any red tape whatever, he will be able to contact an employer or an employee organisation for the purpose of effectively implementing the provisions of the Bill. I think it is a compliment to the Comptroller-General and his staff that this proposed new paragraph is being sought. It will lend elasticity to the working of the Bill in that the Comptroller-General will not be bound up with board

meetings and red tape. I offer the amendment in that spirit and I ask the Committee to accept it.

The Hon. A. F. GRIFFITH: I am sure the honourable member means well by this amendment. However, it is quite impracticable to write administrative provisions into Acts of Parliament. I am advised that what the Leader of the Opposition seeks to achieve is already being done, and the Comptroller-General does have consultations from time to time.

Just imagine the lack of clarity there would be regarding what the Comptroller-General would have to do if this amendment were to be included in the Bill. Does it mean that he would have discussions every day, every week, or every month? It is cloaked in uncertainty. At the moment the Comptroller-General does have discussions with these people at appropriate times.

I could not conceive what interpretation would be placed on the amendment if it were written into the Act. I suggest that the Bill should not be amended in this manner and that we should allow the Comptroller-General to get on with his job.

The Hon. W. F. WILLESEE: I think the assurance the Minister has given to a certain extent covers what I am trying to write into the Bill; but, on the other hand, if the Comptroller-General does telephone the heads of the different departments and organisations each day, then we must agree to differ. I think if we gave him the right under the Bill as against the implied right in the Bill the situation would be clearer.

However, the assurance of the Minister goes a long way towards clarifying what I wish to do and I will leave it to the Committee to adjudicate.

The Hon. A. F. GRIFFITH: I did not intend to convey the impression that the Comptroller-General telephones every day. I put it in the form of a question. If we amend the Bill to provide that the Comptroller-General shall have discussions with representatives of the unions, etc., then it would be mandatory for him to do so. However, even then the position would be cloaked in uncertainty as to when he should do so. The fact remains that at present he does have discussions from time to time.

The Hon. W. F. WILLESEE: I think the quantum of work would depend on the situation. Naturally, the Comptroller-General would not be phoning people every day if he did not have the need to do so.

The Hon. A. F. Griffith: Do you want him to phone these people every time he gets a man he wishes to place in employment?

The Hon. W. F. WILLESEE: Not necessarily; but should he remain silent until he can put the question to a board meeting to adjudicate? If he wishes to find employment for a person who has been investigated and approved by the appropriate people, surely he should phone the organisations concerned in an effort to find employment for that person. It is as simple as that. I do not wish to prolong this debate, but it seems to me that the proposed new paragraph could quite easily fit into the Bill, and would do no harm whatever.

Amendment put and a division taken with the following result:—

Ayes—8

Hon. R. F. Claughton	Hon. R. H. C. Stubbs
Hon. J. Dolan	Hon. W. F. Willesee
Hon. J. J. Garrigan	Hon. F. J. S. Wise
Hon. R. F. Hutchison	Hon. F. R. H. Lavery *(Teller)*

Noes—16

Hon. C. R. Abbey	Hon. G. C. MacKinnon
Hon. G. W. Berry	Hon. N. McNeill
Hon. G. E. D. Brand	Hon. I. G. Medcalf
Hon. A. F. Griffith	Hon. S. T. J. Thompson
Hon. Clive Griffiths	Hon. J. M. Thomson
Hon. J. G. Hislop	Hon. F. R. White
Hon. E. C. House	Hon. F. D. Willmott
Hon. L. A. Logan	Hon. J. Heitman *(Teller)*

Pairs

Ayes	Noes
Hon. H. C. Strickland	Hon. T. O. Perry
Hon. R. Thompson	Hon. V. J. Ferry

Amendment thus negatived.

The Hon. W. F. WILLESEE: I move an amendment—

> Page 3—Insert after proposed new section 64S the following new section to stand as section 64T—
>
> 64T. Where two or more persons apply for employment and one or more than one of such persons is a prisoner, the employer may prefer and employ that person or those persons who are not prisoners.

I feel bound to listen to the advice which is given to me from time to time, and last week, whilst I was endeavouring to explain it, both the Minister and Mr. Abbey suggested that the proposed new section was too restrictive.

Therefore, I have deleted the word "shall" from the amendment I had on the notice paper and substituted the word "may." This will mean that any employer who desires to employ a prisoner can do so, and where an employer prefers to use accredited labour and not give preference to a prisoner, he may also do so. That seems eminently fair. It does not bind anybody to anything. It would give the employer the right, in the course of time, to change his mind one way or another.

The Hon. A. F. GRIFFITH: If we use the word "shall" in this sense it means the employer shall prefer and shall employ a person who is not a prisoner. If we ask whether the employer is obligated to do this and add that there is no mention of it in the Act, the conclusion we must reach is that the Act being silent on this point the employer may employ

a prisoner or he may employ a trade unionist. The whole objective of work release is to get the man in question employment. Why put something into the Act which does not mean anything anyway? I objected to Mr. Willesee's original intention of preference because discrimination is not the objective of this legislation. I see no force in this amendment.

The Hon. W. F. WILLESEE: The words "may" and "shall" are so different in application that they must be clearly written.

The Hon. A. F. Griffith: Not always does the word "shall" imply an obligation, but it does in this case.

The Hon. W. F. WILLESEE: I had hoped the Minister would say that sooner, but he did not do so and I substituted the word "may." I see no harm in this.

The Hon. I. G. Medcalf: What if the prisoner were a unionist and the other person was not?

The Hon. W. F. WILLESEE: I say that an employer may employ a prisoner. We could have the case of a professional man who has served a term in prison and who has qualifications equal to those of any other professional man. In such a case it would be for the employer to say whether or not he will employ him, or whether he would prefer to employ an accredited person.

The Hon. F. J. S. WISE: I disagree with the point of view expressed by the Minister. The word "may" in substitution for the word "shall" has a distinct place in this context. In the chapter dealing with rules as to powers and duties, section 32 of the Interpretation Act says—

> Where, in any Act passed after the commencement of this Act the word "may" is used in conferring a power, such word shall be interpreted to imply that the power so conferred may be exercised or not, at discretion; and where in any such Act the word "shall" is used in conferring a power, such word shall be interpreted to mean that the power so conferred must be exercised.

The Minister may argue that this does not confer a power but an authority.

The Hon. A. F. Griffith: It does not confer an authority either.

The Hon. F. J. S. WISE: It does. It says to the employer, "You have two or more people from whom to select your requirements and you may at your discretion say the prisoner is not the type of person you want in this position." Accordingly the employer does not employ him. I think the alternative has a place in this legislation and Mr. Willesee's objective is a very worthy one. It is one which would give an employer, or a prospective employer, the right of choice which should be his.

The Hon. A. F. GRIFFITH: I do not think the use of the word "may" in the Interpretation Act has any bearing on this amendment. The practical application will be simple. Let us say we have a man who it is thought will go out on work release if the Comptroller-General of Prisons is able to find him a job. There is always the employer who feels that he is not prepared to employ a prisoner in any circumstances. On the other hand there are others who are likely to be co-operative. If we have a man who is not co-operative and who does not want to employ a prisoner, the word "may" will not mean a thing. At the same time, in the case of the man who is co-operative and wants to employ a prisoner, the word "may" will still mean nothing, because he will be asked by the authorities, "Will you give this man a job?" That is the source at which the arrangement will be made.

It will not be for the employer to initiate. He may say to the comptroller-general, "I am short of a particular type of tradesman and if you have someone who fills the bill, I am prepared to give him a go." The use of the word "may" in the Interpretation Act has no bearing on this.

The Hon. W. F. WILLESEE: I am disappointed at the Minister's attitude. I would prefer to write into this legislation a specific choice and a right to bring the matter within the law.

The Hon. A. F. Griffith: An employer may employ a prisoner now.

The Hon. W. F. WILLESEE: If, as the Minister says, it is meaningless, what harm is there in trying it?

The Hon. I. G. Medcalf: You cut down on preferences for unionists if the prisoner is a unionist.

The Hon. W. F. WILLESEE: But he has forfeited his right to belong to a union.

The Hon. I. G. Medcalf: Is he disbarred from joining a union if he is a prisoner?

The Hon. W. F. WILLESEE: I am not an authority on this, but I think he does forfeit his right, though ultimately he may join a union. I want the issue in connection with the employer clarified and I would like the Minister to accept my amendment and see how it works.

The Hon. F. R. H. LAVERY: A unionist is usually financial from month to month, from quarter to quarter, from half year to half year, or yearly. According to the rules of the particular union, he is usually financial for the half-year period. If he gets 12 months' gaol he would be unfinancial and must reapply to join the union.

Amendment put and a division taken with the following result:—

Ayes—8

Hon. R. F. Claughton	Hon. F. R. H. Lavery
Hon. J. Dolan	Hon. W. F. Willesee
Hon. J. J. Garrigan	Hon. F. J. S. Wise
Hon. R. F. Hutchison	Hon. R. H. C. Stubbs
	(Teller.)

Noes—16

Hon. C. R. Abbey	Hon. L. A. Logan
Hon. G. W. Berry	Hon. G. C. MacKinnon
Hon. G. E. D. Brand	Hon. N. McNeill
Hon. A. F. Griffith	Hon. S. T. J. Thompson
Hon. Clive Griffiths	Hon. J. M. Thomson
Hon. J. Heitman	Hon. F. R. White
Hon. J. G. Hislop	Hon. F. D. Willmott
Hon. E. C. House	Hon. I. G. Medcalf
	(Teller.)

Pairs

Ayes	Noes
Hon. H. C. Strickland	Hon. T. O. Perry
Hon. R. Thompson	Hon. V. J. Ferry

Amendment thus negatived.

Clause, as amended, put and passed.

Title put and passed.

Bill reported with amendments.

House adjourned at 6.17 p.m.

Legislative Assembly

Tuesday, the 14th October, 1969

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

SWAN RIVER CONSERVATION ACT

Tabling of Plans, and Submission of Model

MR. ROSS HUTCHINSON (Cottesloe—Minister for Works) [4.33 p.m.]: In giving notice of two resolutions in connection with the Swan River Conservation Act I request that the plans be tabled.

In addition, I have a model for the benefit of members and I request that as it cannot be tabled it be displayed.

The SPEAKER: The model will be placed in a corner of the Chamber.

The plans were tabled, and the model was submitted.

QUESTIONS (11): ON NOTICE

1. WAR SERVICE LAND SETTLERS

Wool Loss: Rural and Industries Bank Action

Mr. MITCHELL asked the Minister for Lands:

(1) Has the Rural and Industries Bank taken any action against the Commercial Banking Company of Sydney to recover wool belonging to war service land settlers?

(2) Is he aware that this wool was under bill of sale to the Government (through the bank) when it was seized by the Commercial Banking Company of Sydney to satisfy a subsequent bill of sale in the name of Wool Exporters?

(3) Is it not a fact that the first bill of sale registered takes precedence over later registrations?

(4) If no action has yet been taken by the bank will he insist that action be taken to recover this money which belongs to the bank under its bill of sale?

(5) In the event of no action being taken by the bank for some unexplained reason, will he, as Minister in charge of war service land settlement, see that the settlers who suffered loss because of the failure of the bank to take action to recover are given a credit for the amount involved?

Mr. BOVELL replied:

(1) No action has been taken against the Commercial Banking Company of Sydney Limited to recover wool.

However, in each case, where the grower was a war service settler and the Rural and Industries Bank held a current bill of sale over stock, claims have been lodged against the receiver for Wool Exporters Pty. Ltd.

It is necessary for the receiver to consult the records of the company and this he is now doing following the return of these records by the Royal Commissioner.

(2) Yes. Such bills of sale are the basis of claims referred to in (1).

(3) If this question refers to the relationship of bills of sale given to the Rural and Industries Bank by settlers to the debenture given by Wool Exporters Pty. Ltd. to the Commercial Banking Company of Sydney Limited, precedence would depend upon circumstances.

It will be noted from (1) that the Rural and Industries Bank has made claims on the receiver in all cases.

(4) and (5) Answered by (1).

2. *This question was postponed.*

3. MINING

Temporary Reserves

Mr. NORTON asked the Minister representing the Minister for Mines:

(1) Are the holders of temporary reserves permitted to remove from such reserves any minerals, in either solid or liquid form, for sale?

(2) If so, under what section of the Mining Act or mine regulations?