

# Legislative Assembly.

Thursday, 18th October, 1945.

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

## QUESTIONS.

### PRIVATE HOSPITALS.

*As to Providing Auxiliary Power Plants.*

Mr. OWEN asked the Minister for Health:

1, Is he aware that during the recent coal shortage a number of private hospitals normally supplied with electricity from the East Perth power station were without electricity for lighting and other purposes, and that the position might easily have had serious consequences?

2, Is he aware that the Commonwealth Disposals Commission have available electric generating sets which would be suitable for supplying electricity to those hospitals so situated?

3, Will he investigate the possibility of the Government purchasing some of these sets with the view of having them installed at the hospitals and so overcoming the difficulty should a future occasion arise?

The MINISTER replied:

1, The suggestion is probably correct.

2, This suggestion also is probably correct.

3, Private hospitals are private enterprises, and the Government would not be justified, nor has it any authority, to expend public moneys in the manner suggested.

### WATER SUPPLIES.

*As to Shortage of Pipes.*

Mr. WATTS asked the Minister for Water Supplies:

1, Is it correct that there is a shortage of pipes suitable for extending water mains and connecting dwellings to same?

2, If so, have any steps been taken to ensure that a supply of pipes will be available in the near future?

3, Is the shortage affecting the laying-on of water to homes being built under the housing scheme, or is it only affecting homes that are being built by private owners on their own land, and if only the latter, can an assurance be given that the shortage will be remedied?

4, Are all types of pipes for such services in short supply or are there supplies of certain types of pipe, and if the latter, are these types manufactured in Western Australia and can the output be rapidly increased?

The MINISTER replied:

1, Yes.

2, Yes.

3, No distinction is made between houses being built under the Commonwealth Housing Scheme and privately.

4, Steel, cast iron, and cement asbestos pipes, are manufactured in Western Australia. Endeavours are being made to obtain increased supplies of pipes. Output depends on availability of steel plate, cement, and pig iron.

## BILL—ADMINISTRATION ACT AMENDMENT (No. 2).

Read a third time and transmitted to the Council.

## BILL—STATE ELECTRICITY COMMISSION.

*Message.*

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

*Second Reading.*

THE MINISTER FOR WORKS (Hon. A. R. G. Hawke—Northam) [4.37] in moving the second reading said: As the Title of this Bill states, it is one to establish a State electricity commission and to furnish that commission with considerable administrative powers and responsibilities. The Bill arises out of the belief of the Government that the development of electric power in Western Australia has now reached a stage where the administration of all the important activities associated with it should be

co-ordinated and placed in the hands of a body calculated to be able to handle the administration in a capable, prompt and effective manner. Prior to the introduction of the Electricity Act of 1937, the administration of electrical matters in this State was carried out under the Electric Lighting Act of 1892 and the amendments subsequently made thereto.

#### *Powers in Original Act.*

The 1892 Act was originally administered by the Minister for Works. Later on the administration was transferred to the Minister for Railways, but subsequently it was transferred back again to the Minister for Works. That Act and its amendments did not enable the fairly rapid development of electrical power generation and distribution in this State to be effectively administered. The result was that the system, or systems, of generating and distributing electrical power in this State did not prove by any means satisfactory. There was a system in the metropolitan area which became, owing to substantial additions to it from time to time, reasonably satisfactory both in the generation of electrical power and its distribution. That scheme has been well managed throughout the years and has proved reasonably efficient, especially in later years, except that it could not adequately cope with the fast-growing demand for electrical current. In 1937, a Bill was introduced into Parliament for the purpose of placing the existing Act upon a much better and more progressive basis.

The main additions to the Act were in the direction of establishing an Electricity Advisory Committee, the main purpose of which was to co-ordinate the system as far as possible within the limited jurisdiction of the committee. Another purpose was to inquire into the disabilities of the generation and distribution of electrical power within the State, especially in country districts. The members of that committee, as is very well known, were Mr. Dumas, the Chairman, and Messrs. Taylor and Edmondson. The latter gentlemen are electrical engineers of high standing, with many years of practical and distinguished service in this State in electrical undertakings. This committee has functioned since 1937 and has done some very important work. This applies not only to Government-owned electrical undertakings, but also to many other similar under-

takings in the State operated both in a direct way by local authorities and in an indirect way, through concessionaires, by the local authorities.

#### *Need for Expansion.*

Some time ago it was made clear to the Government that the metropolitan power scheme would have to be expanded to a very great extent in the near future. As a result of the investigations made into that scheme, it was decided to expand it greatly by establishing a second power house in the South Fremantle district. The Government approved of the recommendations made to it in connection with that expansion; but the putting into effect of the Government's decision has unfortunately been a slow process. War conditions have made it extremely difficult for progress to be made, except in a slow fashion.

As members are aware, the Government sent the manager of the East Perth power house, Mr. Taylor, to England to make investigations into the proposed expansion of the scheme. Mr. Taylor is, as I mentioned before, a member of the Electricity Advisory Committee. He was given authority to make all necessary investigations to ensure that the Government would be able to purchase the required plant and equipment. That is not to say that he was given a blank cheque; he was given authority to make all inquiries and investigations, but he had to report to the Government and make recommendations very frequently to it from time to time through the Commissioner of Railways. It is thought the Government was fortunate in being able to place orders in England for the plant and equipment required at South Fremantle for delivery within the time now specified in the written contracts.

#### *European Demand for Power Station Equipment.*

Members will readily understand that power houses in Europe and in Great Britain were made No. 1 targets during the war, with the result that very many of them were smashed to smithereens. Consequently, there has been since the war ended—indeed, before it ended—a great and insistent demand from all European countries, including Great Britain itself, for plant and equipment to replace the large power houses which were destroyed or seriously damaged

by bombing raids. For some years past it has been the policy of the Government to endeavour to develop a power scheme in the South-West district, and also, if it were found economically practicable, to go beyond that district. More than one investigation was carried out on behalf of the Government into that proposal. Members are fully aware of the recent investigation conducted by the Electricity Advisory Committee.

An inquiry was also made by a commission appointed, I think, in 1939. I do not desire to delve deeply into this matter at present, because I will have to refer to it again when I am introducing another Bill later this afternoon. Suffice it to say, all commissions of inquiry before the last one made recommendations to the Government against the establishment of a scheme in the South-West. The Government gave much more generous terms of reference to the Electricity Advisory Committee a few months ago, just prior to when it commenced its inquiry. As a result, that committee subsequently made favourable recommendations to the Government. It will be clear, from what I have said, that the Government plans a very substantial expansion of the Government electrical power system in the metropolitan area, and also the establishment of a new and large power undertaking in the south-west portion of the State.

#### *A Government Responsibility.*

The responsibility upon the Government, both in connection with expansion and the establishment of its electrical power stations, will increase tremendously, because of the inevitably increased responsibility in connection with management and general administration. The ultimate aim of the Government, in connection with the development of electrical power and its subsequent distribution within the State, is to co-ordinate, as far as can be done, all electrical power production and distribution schemes in all parts of the State. To achieve progress in that direction as quickly and as safely as possible the Government thinks it is necessary to establish an authority that will not merely be advisory in character, but will have administrative powers and be in a position to act with much more expedition and effectiveness than has been possible by the Electricity Advisory Committee. So

this Bill aims to establish what will be known as the State Electricity Commission.

#### *Composition of Proposed Commission.*

The measure proposes that this commission shall consist of seven members, including the chairman. Three members of the commission are to be members of the Australian Institution of Engineers. That means that at least three members will be technical men of considerable standing. They will be appointed for their technical knowledge, their practical experience and their sound judgment, administratively as well as technically. As a result, the commission will, on that side, have a solid group capable of guiding the commission along right and safe lines not only from the technical point of view, but from that of administration as well. Two members of the commission will represent consumers. The Government feels it is advisable to have two representatives of consumers in order that one might represent consumers in the metropolitan area and the other represent consumers in country districts. Another member of the commission will represent the commission's employees. This is a principle which this House has accepted on more than one occasion in recent years, and which is receiving growing recognition and support in all States of the Commonwealth. The remaining member of the commission will be the Under Treasurer or his deputy.

It might be thought that the commission is large in respect of members. That might very well be a legitimate objection to the Bill, but it is somewhat difficult to see how the numbers can be reduced without, possibly—and may be probably—interfering with what might be regarded as its proper balance and the reasonable representation of the main interests concerned.

Mr. McLarty: What qualifications will the consumers' representatives require?

The MINISTER FOR WORKS: The consumers' representatives will not necessarily have to possess any special qualifications, but will have to be such persons as to be able to obtain the approval of the Government.

Mr. J. Hegney: And to be able to put forward the consumers' point of view.

The MINISTER FOR WORKS: The Government will be careful to select, as consumers' representatives, persons of standing in the community; persons who will be able to safeguard the consumers' interests, but

not advance those interests at the expense of schemes already established, or of schemes to be established in the future.

Mr. Abbott: Is it intended to make these honorary jobs?

**THE MINISTER FOR WORKS:** I shall come to that. In other words it will be the aim of the Government to choose men—or may be women, I do not know, but I think men—to choose persons, anyhow, of good standing, sound judgment and commonsense who can be expected to carry the responsibility and duties of the office in a way that will safeguard the interests of the consumers, and, in a broader sense, the interests of the Government and the taxpayers of the State. No person appointed as a commissioner is to be appointed for a term exceeding five years. Any commissioner appointed may be re-appointed for a further period not exceeding five years. No commissioner is to remain in office, as a commissioner, after reaching 65 years of age. The chairman is to be paid a salary to be determined by the Governor and, unless the Governor approves to the contrary, the chairman is to devote the whole of his time and services to the commission.

#### *As to Remuneration of Commissioners.*

At present it is difficult to say with certainty whether the chairman of commissioners will, in the early stages, need to devote the whole of his time to the work of the commission, although the Government thinks he will. The Government believes that the organising of the setting up, the work of the commission and the fact that the commission will have to take over the administration of existing schemes and put into operation all the stages necessary for the establishment of the South-West power scheme, might easily keep the chairman of the commission occupied on a full-time basis from the beginning. But we have taken the precaution of providing in the Bill for the Governor to have the power to approve of the chairman operating on a part-time basis if that be considered advisable and wise. The other commissioners will, of course, be on a part-time basis, and none of the ordinary commissioners is to be paid a salary exceeding £350 per annum. In other words, the ordinary commissioners may be paid less than £350 per annum, according to the circumstances, but they will not be able, under the proposed Act, to be paid more than that amount in any one year.

#### *Powers of Commission.*

The commission is to be a body corporate, as might be expected with the responsibilities, duties and powers, such as will be imposed upon it if this Bill becomes law. The administration of the Act by the commission is to be subject to the Minister. With that proviso the commission is to be given great powers and responsibilities, and in order that they might be set out clearly in "Hansard," and perhaps be better understood by members, I propose to read the main powers that this Bill proposes to give to the commission—

All powers and obligations imposed by any existing Act upon any Minister or upon the Commissioner of Railways relating to the production and distribution of electric power are to be transferred to the commission as are all existing assets and liabilities in connection therewith; and all existing governmental agreements regarding the production and distribution of power shall also be transferred to the commission.

The commission is to seek to secure the adoption of standards of plant and equipment and of system frequency and pressure for generation to effect the interchange of electricity and to secure the amalgamation of existing undertakings where advisable.

It is to inquire into and report upon the practicability of securing the ultimate co-ordination of all State-owned and other electrical and power undertakings.

It is to survey the prospects of establishing new industries requiring large quantities of cheap power, and to encourage and promote the use of electric and other power, especially for industrial, manufacturing and rural purposes.

It is to be given power to generate, distribute and supply electric power in bulk to other supply authorities and industrial undertakings, and also to small private consumers for domestic and other purposes. The commission is to carry out investigations and practical work to ascertain the existence, nature and extent of coal or mineral oil deposits, or of water power suitable for the generation of electric energy; to promote the generation of electric power in rural areas and the making available of such power to consumers in country districts at reasonable prices. It is to produce and sell all classes and types of electrical equipment, gear, fittings and machinery. The commission is to be given authority to open and operate workings for the production of coal, mineral oil, briquetting works and by-product recovery works. It will have the power to sell electric power, coal, pulverised coal, oil, briquettes, or any by-products. The commission will be able to make contracts, but no contract made by the commission for a sum exceeding £5,000 or for a period exceeding three years, is to have any legal effect unless sanctioned by the Governor.

The Commission is generally to do all such things as may be deemed necessary, desirable or expedient for the proper conduct and development of any business which the commission may carry on under the provisions of any relevant legislation.

Some members may think some of the powers indicated are very far-reaching, and they might be in some doubt as to whether those powers should be given to the commission under this proposed legislation.

Mr. McLarty: Another State trading concern!

Mr. Needham: An essential industry!

The MINISTER FOR WORKS: I intend, at a later stage, to give members a brief outline of the powers exercised by the Victorian State Electricity Commission under the Act operating in that State, regarding that commission and its powers.

The commission in this State will also have authority to purchase, as a going concern, any existing electrical undertaking, and to operate same on behalf of the Government.

I think it will be realised that when the commission becomes well-established and has made considerable progress in the direction of co-ordinating the electrical power schemes of the State, it will, from time to time, find it necessary to take over existing undertakings in country districts. I feel confident that in most of such instances, if not all, the local authorities and the local people concerned will be quite happy, provided the local authority is reasonably compensated, to see the commission extending its activities throughout the State for the purpose of making available to the people in those districts electrical power from a much larger and more efficient power scheme than is possible in country towns, even in the larger country towns.

The commission will have authority to lease or sub-lease any coalmine, coalmining lease or land bearing coal or shale or mineral oil deposits, with a view to producing coal or mineral oil therefrom.

The member for Murray-Wellington suggested, a few moments ago, that the setting-up of this commission would mean the creation of another State trading concern. That is not really so. It will, in fact, give the power to the Government, through the commission, to expand a State trading concern—if members prefer to call it such—that is already in existence.

Hon. J. C. Willecock: A public utility.

#### *An Important Public Utility.*

The MINISTER FOR WORKS: It is in fact a public utility, and a very important one; one that I think every member of

the House would agree should be under public ownership wherever possible, and certainly under public direction in every respect. There was a Royal Commission in South Australia recently, following a public outcry against the operations of the private company that, in South Australia, all through the years, has had a stranglehold on the generation and distribution of electric power. I think that is a clear indication, especially to the member for Murray-Wellington, that something must have been radically wrong in that State, for the Liberal Government of South Australia to have gone to the length of setting up a Royal Commission to investigate the activities of the private company concerned.

Hon. J. C. Willecock: It suggested that the Government should take it over.

The MINISTER FOR WORKS: The Royal Commission has presented its report to the Government and recommended that the Government should take over the existing scheme for the purpose of having it owned, controlled and directed by the Government on behalf of the people of South Australia. It is true, as suggested by the member for Murray-Wellington, that in a sense the generation and distribution of electric power by the Government is a State trading concern. The Government produces electric power and sells it to the consumers, so to that extent it is a State trading concern. But as I have already said, it is much more than that. It is an essential and a very great public utility and a very great public necessity, and on that account it becomes the duty and responsibility not only of the Government but of Parliament as a whole to give very serious consideration to the best methods to be adopted to ensure that any expansion of existing schemes, or of any new schemes to be established, shall be all managed and carried out on the best foundations possible.

#### *Extensive Powers to Commission.*

It would be fatal, I think, to set up a commission of this character, give to it all the responsibilities and duties which the Bill proposes to give to it, and then provide it with only half of the power or authority required to enable the commission adequately to carry out its duties and responsibilities. That would be grossly unfair to the mem-

bers of the commission, and would be very damaging to the people concerned, and in a broad sense to the taxpayers of the State as a whole. I hope there will not be any attempt made in Parliament in connection with this Bill to reduce the authority of the commission to such an extent as to place handcuffs on it, as it were, and thus give it no chance of functioning in the effective and successful way in which it will, I have no doubt, if given a full measure of the authority required.

The commission will have authority compulsorily to acquire land under the Public Works Act for its purposes. It may with the approval of the Governor borrow money from the Treasury. Any money so borrowed, with interest thereon, shall be a charge upon the funds available to the commission from time to time, and these funds will be made up from moneys voted by Parliament and also other moneys earned by the commission in the operation of the various undertakings under its control.

#### *Status of Employees of Commission.*

It is not intended that the employees of the commission on the clerical or administrative side shall be under the Public Service Act. They will be directly under the commission. In other words the commission will have authority to engage and to dismiss, and generally to control all matters associated with its own staff. It is thought that in connection with a tremendously important matter of this kind the staff of the commission should be under its direct control, and therefore not under the provisions of the Public Service Act in any way.

Mr. McDonald: Is it intended that the staff shall be eligible for superannuation?

The MINISTER FOR WORKS: The members of the staff and employees of the commission, both on the salary and wages side, will be permanent employees of the Government, and will therefore qualify for membership of the superannuation fund. Because of that they will also come under the Bill now before Parliament dealing with appeals for promotion. They will be entitled to all the protection and benefits that generally apply to permanent employees of the Government.

#### *Victorian Electricity Commission.*

I mentioned earlier that I intended briefly to outline to members the nature of the State Electricity Commission in Victoria, and also to explain briefly the powers and responsibilities of that Commission. The Victorian Commission operates under an Act of Parliament that was passed in Victoria in, I think, the year 1927 or 1928. The Commission has been operating there under that legislation ever since.

The Bill now before this Parliament is based almost entirely upon the Victorian legislation. Naturally there are some differences, made mainly for the purpose of suiting our conditions in Western Australia. In regard to the general principle and in regard to the authority given to the commission, or proposed to be given to it in this State, the Bill now before this Parliament is very similar in every way to the Victorian legislation. Some members of the House know very fully just how vital the Electricity Commission in Victoria is to that State in the generation and distribution of electric power. Some of them have had an opportunity personally to investigate the operations carried out by the Commission in Victoria. The main generating plant is at Yallourn, where there are large deposits of brown coal. The Commission not only operates the electric power station or scheme at Yallourn, but it also controls and operates everything else in the district. The Government owns the brown coal mines and the Commission completely operates these mines on behalf of the Government. In addition the town of Yallourn is completely owned and managed by the Commission.

Mr. Abbott: I have heard it suggested that it is a failure.

The MINISTER FOR WORKS: The hon. member may have heard it is a failure. At the same time I take it he had the opportunity while travelling in the Eastern States to check up with the Commission on the suggestion which was put into his ear in that regard.

Mr. Abbott: I certainly inspected Yallourn.

The MINISTER FOR WORKS: That was not enough. I think the hon. member might have taken the opportunity—I am sure it was one that was easily available—to discuss the matter with the Commission,

and if he saw any features in regard to the township of Yallourn that impressed him unfavourably it might well have been that the Commission could have advised him in connection with these matters. I have not been to Yallourn myself, but in any event I would hazard a guess that the hon. member saw much more to impress him favourably than he saw to impress him unfavourably during his visit and tour of inspection in that locality.

Mr. Abbott: A monopoly is not a good idea.

Hon. W. D. Johnson: Now we have it.

Mr. Fox: Yallourn is the most beautiful town in Victoria.

Hon. W. D. Johnson: I have been there.

Mr. SPEAKER: Order! I ask members to refrain from interjecting.

The MINISTER FOR WORKS: Judging by the interjections from the member for North Perth and the interjections in reply, from some members on this side of the House, I think I can safely leave it to members on this side to deal adequately and maybe drastically with the member for North Perth. The Victorian Commission is now planning to establish a very extensive new plant at Yallourn for the briquetting of coal, the main purpose being to make Victoria independent of New South Wales for supplies of coal for every purpose except the manufacture of gas. The power station at Yallourn is a fairly large affair which puts into the shade, comparatively speaking, our power house at East Perth. It has an installed capacity of 175,000 kilowatts. The Commission also operates the Sugarloaf and Rubicon hydro-electric generating stations. Considerable progress has been made in the development of the Kiewa River hydro-electric scheme, and power will be produced there in the near future.

#### *Finance of Victorian Commission.*

The Victorian Commission supplies 441 centres, and before the war was taking over new centres at an average of 50 per annum. The Commission has a total loan liability of approximately £20,000,000. Its depreciation and sinking fund reserves total approximately £10,000,000. The net surplus for the year ended the 30th June, 1944, was £125,000 after making provision for all annual charges, including appropriations of £100,000 to contingency reserve and £200,000

to a rural development reserve. It is interesting to note that the total sum now available to the Commission in the rural development reserve fund is £500,000. In other words, the Commission has a reserve of that amount for the development of additional power schemes in the country districts of Victoria so that electric power may be made available to more districts and to a much larger number of people living in those districts.

The members of the Victorian Commission number four, all of whom are appointed by the Government, and the Commission administers the State Electricity Commission Act of that State and all subsidiary Acts under the control of the Minister for Electricity. I suggest to any member of this House, and particularly to any member of another place, who may be worried or even frightened, psychologically at any rate, by some of the authority that this Bill proposes to give to the Commission, to study very carefully the Victorian legislation under which the Electricity Commission of that State operates and, more important still, to study very closely the history of the Victorian Commission in regard to its establishment of power generating schemes, the distribution of power, and the financial success that has attended its operations.

Mr. Perkins: How would the Victorian set-up compare with that of New South Wales?

The MINISTER FOR WORKS: I cannot advise the hon. member on that, but if he is keen to have the information, I will be pleased to obtain it for him within the next day or so. In view of the experience in Victoria, this Bill can be presented to Parliament with every confidence.

#### *Electric Power Should Precede Development.*

I believe that this State is on the threshold of very great developments in the field of electric power generation and distribution. Some members and some of the public might think that the generation and distribution of electric power should follow the growth of demand for it, both in the metropolitan area and in the country districts, but I hope there is not one member who takes that view. It is not a long-sighted view; it represents a policy of stultification, if not stagnation.

I feel that in these modern days the development of electric power should precede the development of industries of all descriptions. If electric power is available, it will assist existing industries and help them to expand in a reasonably rapid way, while it will also encourage the establishment of new industries of various types, especially in country districts. Where electric power is not available at reasonable prices, primary producers and people engaged in other industries have to struggle along against great difficulties. They have to work ever so much harder than would otherwise be necessary, and their production costs are greater than would otherwise be the case, and it can be said that the work and hardships of the womenfolk are increased greatly if electric current is not available in their districts. So I think it will be agreed—unanimously I trust—that the policy of the Government in this field is one that is perhaps overdue because of war conditions, and that it should now be pushed ahead with all reasonable speed.

Mr. North: Is there any chance of local plants being cheaper?

The MINISTER FOR WORKS: There is no possibility of local plants being cheaper if they have to generate power for any substantial number of people. In view of what I have said and in view of much that could be and has not been said, I have pleasure and confidence in moving—

That the Bill be now read a second time.

MR. THORN (Toodyay) [5.30]: I move—

That the debate be adjourned till Tuesday, the 30th October.

THE MINISTER FOR WORKS (Hon. A. R. G. Hawke—Northam) [5.30]: I have no objection at all to the motion. I realise the great importance of this Bill and of the two Bills which will succeed it. All I ask is that between now and Tuesday week every member who proposes to speak to any one of the Bills shall devote himself or herself to a study of the Bills, so that when we resume the debate on Tuesday week we shall be in a position to go straight ahead and complete our consideration of them.

MR. McDONALD (West Perth) [5.32]: I merely wish to say that I think it very proper in Bills of this magnitude that there

should be some time for consideration, and I agree with the Minister for Works that when that time has passed we should endeavour to deal with the business as expeditiously as possible. I am in entire agreement with that, with the exception, of course, that if any representations of a material nature are made by any member—

Mr. J. Hegney: Are you speaking to the Bill now?

Mr. SPEAKER: Order!

Mr. McDONALD: No, to the motion for the adjournment. If any representations of a material nature are made by any member which render it proper that some further time should be given for consideration, then I am sure the Minister would be prepared to meet the circumstances of the case. Otherwise, I want to say that we will give the Bill our study and we hope we shall be able to deal with it when the time comes on the 30th October.

Motion put and passed.

## BILL—ELECTRICITY.

### Message.

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

### Second Reading.

THE MINISTER FOR WORKS (Hon. A. R. G. Hawke—Northam) [5.35] in moving the second reading said: The Bill now before the House is largely a re-enactment of the existing Electricity Act. It has become necessary to make alterations in that Act, mainly because the setting-up of the proposed electricity commission will make it unnecessary for the Electricity Advisory Committee to continue to function any longer. The electricity commission will take over all the duties which have been discharged by the Electricity Advisory Committee, so obviously that committee will now be of no further use. Therefore, it is necessary to omit from this measure all reference to the Electricity Advisory Committee and to insert in it a number of references to the electricity commission. That is the main reason why this Bill is before Parliament. There are, however, some alterations being made to the provisions in the existing Act and I propose now to explain them very briefly, as well as the other main provisions in the existing Act that will, of course, be transferred by this Bill to the new Act.



*Administration of New Act.*

The new Act will be administered by the electricity commission, subject to the Minister, and the principal Act will be the State Electricity Commission Act. With the consent of the commission, local authorities may establish and maintain power generating stations in their respective districts. This is a new provision. The 1937 Act enabled local authorities to take such action without reference to anyone, and that was found to be a major weakness in the legislation. As members will realise, many local authorities had not available to them the expert advice necessary to enable them successfully to establish a power generating station and some serious mistakes have been made in various districts of the State, with somewhat sad results to the local authorities and, through them, to the local ratepayers. Therefore, it is considered that in the interests of the local people concerned, no local governing authority in the future should be able to establish a power generating scheme without the approval of the commission.

*Local Concessionnaires.*

This will also apply to the granting by local authorities of electric power concessions to local concessionnaires. In many country districts the local authorities prefer not to establish a scheme of their own, but instead to grant a concession to a private firm or person under which a power scheme is established and conducted by the concessionnaire. The maximum period for which a concession may be granted is 21 years, the same as under the existing Act, with a right of renewal for a further 21 years.

Mr. Watts: This does not invalidate past concessions?

The MINISTER FOR WORKS: No, it does not in any way invalidate past or existing concessions. It applies to new activities to be established from the time this Bill becomes an Act. I am sure there are members who know of instances in the country where local authorities have had unfortunate experiences with concessionnaires. I know of two districts where the power scheme has been operated at one period by the local authority, then by a concessionnaire, then back to the local authority and back again to another concessionnaire, and so on. The main trouble in an instance of that kind is usually to be found in the power station or in the power scheme

itself. That trouble was brought about because the local authority went ahead without obtaining sufficient expert advice and established a power scheme which did not give the results that were expected of it. This new provision will afford protection both to the local authorities and to the ratepayers whom they represent.

*Power to Supply Other Customers.*

Another new provision will give the commission the right to supply electric power or other power direct to any Government department or Crown instrumentality, or to any industrial consumer having a connected load of 200 h.p. or more. A small number of provisions in the existing Act have been clarified, or will be clarified, if this Bill passes. The necessity for such clarification has been shown as a result of experience, and the clarification will greatly assist in the administration of the Act by the commission and will also assist all people who come under the provisions of the Act. The new provisions have been explained to members. They are very few in number, although some of them are very important in character.

*Main Clauses of Bill.*

I want now to give a summary of the main clauses of the Bill, and I want members to understand that those clauses cover sections in the existing Act. It is necessary to transfer those main sections into the proposed new Act, and so they find a place in this Bill. A brief summary of the main clauses of the Bill is as follows:—

1. No further generating stations to be erected, except under the provisions of the Act.
2. Plans to be furnished to commission of proposed new works.
3. With consent of commission local authorities authorised to generate and distribute electricity; also to grant concessions to concessionnaires for a period not exceeding 21 years.
4. Local authorities may acquire land compulsorily.
5. Supply authorities to pay compensation for damage done in establishing or in operating power schemes.
6. Local authorities to grant permission, if required by the commission, to a supply authority to construct and maintain the supply authority's transmission works within the district of any local authority.
7. With the approval of the commission any supply authority to arrange with any other supply authority for establishment and link-

ing up of any scheme for the supply by one authority of the electricity in bulk to the other authority; also the retail sale by such other authority of electric current.

8. Subject to the commission any two or more local authorities may combine in a general scheme for the establishment of a generating station and for the carrying out of transmission and distribution works, plus the supply of electricity to consumers within the combined districts of the local authorities concerned.

9. Local authorities may apply to supply authorities for electricity to be made available in bulk quantities.

10. The commission is to prepare a standard form of contract for use by local authorities and concessionaires.

11. All supply authorities, including local governing authorities supplying electricity, are given general powers and obligations in connection with the establishment and distribution of electric current.

12. Specific obligations are placed on every supply authority, especially regarding the establishment and operation of power undertakings on a safe foundation.

13. Provision is made for the appointment of suitable inspectors and the provisions of the existing Act covering regulations and by-laws are re-enacted, as are the miscellaneous provisions of the existing Act.

14. The commission is given the power to create zones in any district and to enforce standard charges or prices regarding current supplied.

15. Penalties are provided under a number of headings, particularly in connection with illegal interference with any electrical works, or damage carelessly or accidentally inflicted on any such works.

I move—

That the Bill be now read a second time.

On motion by Mr. Thorn, debate adjourned.

## **BILL—SOUTH-WEST STATE POWER SCHEME.**

### *Message.*

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of the Bill.

### *Second Reading.*

**THE MINISTER FOR WORKS** (Hon. A. R. G. Hawke—Northam) [5.45] in moving the second reading said: I count it a very great privilege to have the opportunity to introduce this Bill for the establishment of what the measure itself describes as the South-West National Power Scheme. After I have explained the main contents of the

report and recommendations of the Electricity Advisory Committee in connection with the scheme, it might be thought the name of the scheme should be expanded, and that it should be known as the South-West and Great Southern National Power Scheme. I was turning over in my mind today the advisability of making an amendment to that effect when the Bill is in Committee, but members can turn the idea over in their minds after they have had explained to them the report and recommendations of the committee. Before proceeding to that explanation, I want to say that the ex-Premier, Mr. Willecock, and the ex-Minister for Works, Mr. Millington,—

Mr. SPEAKER: Order! The Minister must not refer to "Mr. Willecock" and "Mr. Millington."

The MINISTER FOR WORKS: I want to say that the ex-Premier, the member for Geraldton, Hon. J. C. Willecock—

Mr. SPEAKER: Order! The Minister must not mention anybody by name.

### *Work of Previous Ministers.*

The MINISTER FOR WORKS: I will start again! The member for Geraldton, the ex-Premier, and the member for Mt. Hawthorn, the ex-Minister for Works, played a very important part in connection with this power scheme. The member for Mt. Hawthorn was Minister for Works for many years; and during his term as Minister he gave a great deal of attention to the suggested scheme. He put forward the idea that the Electricity Advisory Committee should be set up as it was in 1937, and he had quite a deal to do with the generous terms of reference which were given to the committee in connection with the investigations it carried out last year into the proposed scheme. I am sure it must have been one of his main regrets when leaving office that he was not able for health reasons to remain long enough in the Government to see this matter come to fruition, not only legislatively but also in the actual sense, covering the establishment of the scheme itself.

The ex-Premier, the member for Geraldton, was Premier during the period I have mentioned, and he was also Premier and Treasurer when the Government adopted the report and recommendations of the commit-

tee. So, he too played an extremely important part in assisting to bring this proposed scheme within the realm of practical politics. I am sure that he will gain considerable pleasure and satisfaction from the fact that we have today before this House a Bill which proposes to enable the scheme to be established as soon as conditions permit.

### *Great Development of South-West.*

I mentioned in connection with the Bill to establish the electricity commission, that a suggested South-West power scheme had been talked about and agitated for over a period of several years. That is not surprising when consideration is given to the great development that has taken place during the last 20 years in the South-West. In that time there has been much progress in many primary industries in the South-West, especially in the dairying industry. There has been a considerable increase in population there. The sawmilling industry has grown in size, despite wartime restrictions, and the post-war expansion planned for that industry is substantial. Even though substantial development has taken place in the South-West during the last 20 years it has to be admitted that that part of the State has not been more than scratched yet. It is an area of tremendous developmental possibilities. It is, perhaps, unnecessary to say that it is a large portion of the State with an assured rainfall and many other natural advantages.

### *Inquiry by State Electricity Committee.*

It is, therefore, not surprising that during the last 10 years or so there has been an increasing agitation in the South-West for the development of suitable power-scheme proposals and the establishment, as soon as possible, of an undertaking based upon those proposals. I mentioned that there has been more than one committee or commission of inquiry to deal with the suggested South-West power scheme. I pointed out that the persons associated with the inquiry of 1939 reported against the establishment of a scheme at that time. Subsequently, as I also said, the Government appointed the Electricity Advisory Committee, with generous terms of reference, to re-investigate the whole proposal. The report

of that committee was presented to the Government early this year. I understand that there has been distributed to members with copies of the Bill, copies of the report of the committee on the proposed scheme.

The members of the Electricity Advisory Committee are Mr. Dumas, Chairman; Mr. Taylor, the manager of the East Perth Power Scheme; and Mr. Edmondson, the manager of the City Council's Electricity and Gas Department. The terms of reference given to this committee in 1943 were based on economic and developmental considerations. The committee was also asked to take into consideration the possibility of the Government establishing a large-scale water supply scheme, based on the Wellington dam near Collie, for the Great Southern district. That water scheme, if established, would require a considerable amount of electrical power to pump the water from the Wellington dam to a point between Collie and Narrogin from where it would be reticulated over a very great portion of the Great Southern area. The Government also asked the committee to take into consideration the policy of both the State and Commonwealth Governments regarding the decentralisation of industries generally, and also the increased development which might reasonably be expected to take place in the South-West after the war.

### *Importance of Separate Power Scheme.*

As members read the report they will see that the committee gave close consideration not only to the terms of reference and to the other directions given by the Government, but also to many other important related matters. For instance, the committee gave consideration to the importance of a separate power scheme, from the point of view of the defence of the State, in the South-West. In that regard the committee emphasised that the metropolitan area today depends entirely on the East Perth power house. It stressed the point that in the event of war and that power house being damaged or destroyed there would be a black-out in the city and no power available to industry until such time as the necessary repairs or replacements could be made. So the committee claims that the establishment of a power scheme in the South-West, with a subsequent linking up of the metropolitan

power scheme, would give an added protection to the metropolitan area if the conditions visualised by the committee were to come about at any time. Naturally the committee had before it many witnesses representing the various producing and other interests in the South-West.

#### *Sawmilling and Dairying Interests.*

The witnesses who impressed the committee most with their evidence appear to have been those who attended on behalf of the sawmilling and dairying interests. In other words, the committee appears to have been impressed most by the need to establish a national power scheme in the South-West to supply the requirements of the sawmilling industry, and also those of the fast expanding dairying industry. It is true, too, that the committee had placed before it important evidence in connection with the likely expansion of existing secondary industries in the South-West, and the probable establishment of other important secondary industries in that part of the State in the early post-war years. Consequently the committee attached considerable weight to that evidence.

#### *Opportunity for Increasing Population.*

In its report the committee comments on the question of increasing, substantially, the population of this State in the post-war years, and expresses the opinion that the South-West offers a better opportunity in this regard than any other part of the State. The committee does not go into detail regarding its belief in that matter, but I think it might safely be said that it was impressed with the opportunities in the South-West to make a living from reasonably small areas of land. As we try to build up our population in future we might find that our best prospect, apart from the development of secondary industries, lies in establishing families on comparatively small holdings, from which they will make a reasonable living for themselves. Many years ago, in this State and in other States of Australia, the idea was current that every farmer should produce from a large area of country, in order that there might be a great surplus, not only over and above his and his family's needs, but over and above the requirements of the State, and even of Australia. The idea then was that there were export markets available and that Australia should develop its primary resources rapidly, and build up population and

increase wealth production, and make a lot of money out of selling surplus primary products in the world's markets. Speaking only for myself, I think that if we take that path again we might, in the near future, be up against the same tragedy as we experienced in the years 1929 to 1936.

#### *More Amenities for the People.*

In my view the safest policy for further land development in this State is to develop our land resources, especially those in good rainfall areas, in such a way as to make certain that families can be established on small holdings and can make a reasonable living, irrespective of whether they produce any surplus for export. The committee was also impressed by the hard conditions besetting most primary producers in the districts in which evidence was taken. It found that not only the men, but the women also, experienced considerable difficulties and hardships in that regard and that practically all the amenities available to people in the metropolitan area, including primary producers in the outer metropolitan area, were not available to the primary producers and others—especially the women—in the South-West. The committee suggested that the quickest possible action should be taken to establish a power scheme in that part of the State, in order that the labour of primary producers and other workers, including women, should be lightened to the greatest possible extent, and so that such amenities as could be made available through the generation and distribution of electric power would be at their disposal.

#### *Reducing Cost of Production.*

The cost of production was also considered and it was found that, especially on dairy farms, it could be lightened considerably if electric power was available to operate the plant and machinery that dairy farmers and other farmers are increasingly using as the years go by and more modern production methods are adopted. The committee came to the conclusion that the generation and distribution of electric power is undoubtedly a public utility and, as such, should be owned and operated by the Government. Perhaps that is not surprising, in view of the fact that the committee consisted of two Government employees in the persons of Mr. Dumas and Mr. Taylor, but it was unanimous in this regard, and its

members were evidently left in no doubt as to the advisability of any proposed power scheme for the South-West being established by the Government and subsequently managed and operated by it. It came to the conclusion that any power scheme to be established in the South-West would require to have Collie as its foundation. There is a power scheme of some magnitude already operating at Collie, owned and managed by a private company, which supplies the mines and the township. Its present capacity is barely sufficient to supply those demands and it is evident that substantial additions will have to be made to that scheme in the reasonably near future.

#### *Existing Scheme at Collie.*

It is only natural to think that the committee, when it arrived at this conclusion, would reach the other logical conclusion that two power schemes should not operate side by side, one owned by a private company and one owned by the Government, and so the committee has recommended the Government, when establishing the South-West power scheme, to take over completely the existing privately-owned scheme at Collie. The Collie power scheme will become the foundation upon which the South-West power scheme will be built. The existing scheme will be increased in productive capacity, but there are limitations in that direction, the limiting factor being the supply of water available in the river at Collie. All the power stations in connection with the South-West power scheme will not be established at Collie. The maximum possible will be established there, but when the limit set by the water supply available has been reached, the additional power generating plant required will be established at Bunbury where sea-water is available for all necessary cooling purposes.

#### *As to Great Southern.*

When the committee was taking evidence in the South-West districts, and especially when it was nearing the completion of that work, it decided that it would be wise to proceed further afield and take evidence also in the Great-Southern areas. The idea was that if the evidence in the Great-Southern areas indicated a reasonable prospect of success for the distribution of power to that part in the State, the actual proposals in connection with the South-West power scheme

might be developed in such a way as to include, ultimately at any rate, the districts of the Great Southern. Considerable evidence was taken in the Great Southern districts, and it was so well prepared and presented and contained so much merit that the committee has made a recommendation for the extension of the proposed scheme to cover the Great Southern districts. I shall give members more details about that presently.

#### *Linking up with Metropolitan Area.*

When the minds of members of the committee moved in the direction of investigating the practicability of extending the proposed scheme to the Great Southern districts, they considered also the possibility of linking up the proposed Great Southern and South-West power scheme with the metropolitan scheme.

Mr. McLarty: The South Fremantle power house?

Hon. J. C. Willcock: And the one at East Perth.

The MINISTER FOR WORKS: The complete metropolitan scheme when the South Fremantle power house is established. As a result, the committee recommended that the proposed South-West-Great Southern power scheme should be linked in later years with the metropolitan scheme at two points, one link at Pinjarra and the other somewhere in the vicinity of Northam. I hasten to say that neither the member for Murray-Wellington nor the member for Northam had anything to do with influencing the committee in its conclusions along those lines. When the committee was carrying out its inquiries, I indicated that it went further in the matter of dividing the State into what might be called regions, the idea being that the investigation regarding the South-West-Great Southern power scheme would be the first for a substantial State power scheme in country districts. On page 1 of the report, the committee sets out the regions it has developed for the purpose of electricity supply. These regions are—

1. Geraldton region.
2. Northern region.
3. Region east from Northam.
4. Goldfields region.
5. Upper Great Southern region.
6. Lower Great Southern region.
7. South-West region.

Of these Nos. 6 and 7 are dealt with in the Bill.

*Sitting suspended from 6.15 to 7.30 p.m.*

The MINISTER FOR WORKS: I would like now to quote paragraphs 58, 59 and 60 of the Electricity Advisory Committee's report which appear under the heading: Practicability—having regard to the time when plant and equipment are likely to be obtainable. These paragraphs read—

58. In regard to the practicability of the scheme, the Committee is in no doubt that a South-West Power Scheme is within practical bounds, especially with the steady and substantial loads from the Great Southern Pumping Scheme and the Collie mines.

59. The necessary plant and equipment, being standard, will be readily obtainable. There are no technical or engineering difficulties presented in either the construction or operation of the scheme.

60. The main problem has been to evolve a scheme which will bring electricity to the maximum possible number of people, while still keeping costs and consequently the price to be charged, within practical limits, as well as at a price that will enable people in the areas of supply to make use of the many labour-saving devices for the farm, the factory, and the homes of the country towns, so making available the electrical amenities of the city to the man on the land, and in the country towns.

#### *As to Date of Completion of Scheme.*

The committee estimates that it will require the passing of  $3\frac{1}{2}$  years from the time the scheme is started before electric current will be available as the result of its operations. It considers the scheme should be proceeded with in three stages and estimates that each of the first two stages will take a period of approximately five years to complete. In that regard the committee also points out that the estimated period may be shortened or lengthened according to circumstances. It may be that the committee has furnished its estimate on the conservative side to ensure that the people in the districts concerned will not build up hopes that may not be justified. There is an idea in the minds of some people in the South-West that a very large power scheme, such as that envisaged here, can be established and operated almost overnight. One has to admire the enthusiasm of such people who have adopted that view which, however, is completely unpractical, particularly when they suggest, as they have sometimes, that

the scheme could be established in next to no time and electric power made available to them for all their purposes.

I know it can be said that the people in the South-West have been waiting for a long time for a power scheme but, when consideration is given to the magnitude of the proposed undertaking, it can quickly be realised how much investigation, thought and work has had to be applied to enable the present stage to be reached. It is a strange thing about people generally that they have a sort of feeling that everything to be done ought to be accomplished almost at once or at least within their lifetime.

Mr. McLarty: The result of enthusiasm.

The MINISTER FOR WORKS: And it is a very good thing, indicating a splendid spirit. It helps to hasten progress. Nevertheless, every now and then there comes a time, especially where practical proposals have been developed to establish a scheme, when it becomes necessary for these people to get down to earth and realise that schemes of the magnitude of that under discussion cannot be established and operated in a month or a year, in two or perhaps even three years. On the other hand, an assurance can be given that the Government will lose no time in commencing the scheme and subsequently establishing it as completely as possible so that electric current may be available to consumers.

Naturally the undertaking will be of no avail to the Government until power is generated and made available to as many consumers as possible. That is when the Government will commence to get back some of the very large amount of money that will have to be spent to establish the scheme. It is true that when the Government takes over the Collie power scheme it will immediately commence to receive revenue from the operations of the undertaking, which it is anticipated will be profitable from the start. That, of course, constitutes a very good starting-off point in connection with the project. Obviously it would be far better to start off on that basis than to embark upon the construction, in every detail, of a completely new scheme.

#### *Estimated Cost to Consumers.*

In its report the Electricity Advisory Committee sets out the estimated cost of current to consumers as follows:—

	Per unit.
First 20 units per month .. ..	5d.
Next 20 units per month .. ..	4d.
Next 60 units per month .. ..	3d.
Next 500 units per month .. ..	2d.
Next 4,400 units per month .. ..	1½d.
All over 5,000 units .. ..	1¼d.

The estimated prices are based on the assumption that nothing untoward happens between the presentation of the committee's report and the inauguration of the scheme. On pages 9 and 10 of the report there is a summary of the committee's recommendations and I propose now to make reference to them. The committee recommends the Government to establish the scheme in three stages. In the first stage the Collie Power Company's station will be acquired and three additional 2,500 K.W. generating sets and two additional boilers will be installed at that station. There will be a change-over in the cycle frequency of that station from 40 to 50 cycles with alternating current.

### *The Three Stages.*

The aim in stage 1 of the scheme is to supply electric current to the following towns and the rural areas immediately adjacent to them—

Collie, Bunbury, Narrogin, Boyup Brook, Picton Junction, Dardanup, Brunswick, Harvey, Yarloop, Waroona, Donnybrook, Capel, Busselton, Balingup, Kirup, Greenbushes, Bridgetown, Manjimup, Pemberton and Boyanup.

The Wellington Dam will be included assuming that the Government proceeds with the Great Southern water scheme. Stage 2 will require the installation of one additional boiler at the Collie power station and the calling of tenders for a 10,000 K.W. generating station to be erected at Bunbury, and the supplying of electric current to the following towns and their immediately adjacent rural areas—

Albany, Kojonup, Brookton, Pingelly, Wagin, Katanning, Woodanilling, Broomehill, Gnowangerup, Tambellup, Mt. Barker, Denmark, Nannup, Yallingup and Margaret River.

Stage 3 of the scheme will cover the erection of the Bunbury power station, for which tenders have been called during stage 2 of the scheme. Stage 3 of the scheme will also cover the interconnection of the South-West power scheme with the Perth-South Fremantle scheme by two interconnections—one

via Pinjarra, and the other via Brookton-York-Northam. The total estimated cost of stage 1 is—

	£
Generating plant .. ..	420,000
Transmission .. ..	480,000
Distribution, including the Great Southern water scheme pumping requirements .. ..	210,000
<b>Total .. ..</b>	<b>1,110,000</b>

That includes the requirements of the Great Southern water scheme. If no pumping were required because the Great Southern water scheme was not proceeded with, the total estimated cost for stage 1 would be reduced from £1,110,000 to £950,000. The total estimated cost of stage 2 is—

	£
Generating plant .. ..	40,000
Transmission .. ..	430,000
Distribution .. ..	86,000
<b>Total .. ..</b>	<b>556,000</b>

With regard to stage 3 of the scheme, the total estimated cost of the 10,000 K.W. station for Bunbury is £500,000. The total estimated cost of the three stages of the scheme, including the pumping of water from the Wellington Dam for the proposed Great Southern water scheme, would be £2,166,000. In its consideration of the financial aspect of the scheme, the committee came to the conclusion that during each of the first five years following the establishment of the scheme the Government might have to face a loss of up to £30,000 per annum on the average; and the committee has recommended that the Government should meet that estimated loss. This recommendation, or suggestion, is somewhat peculiar in a way, because the scheme will be Government-owned and Government-operated. Unavoidably, therefore, the Government will be called upon to meet any loss. It will have to meet all the losses that occur in the early years, but the committee in its report states, as I have said, that the loss for the first five years of the scheme would, in its opinion, average £30,000 per annum.

### *Scheme to be Self-Supporting.*

The scheme would become fully self-supporting in the financial sense after the first five years' operations. That sets out broadly the main contents of the committee's report and its recommendations, which it

submitted to the Government early this year. Some criticism was levelled against the Government subsequent to the presentation of the report on the ground that the Government was delaying the making of decisions. That criticism was entirely unfair, and to a large extent foolish. Members will realise that the Government was in duty bound to give the very closest consideration possible to the report and recommendations of the committee. The Government did so, and it was not at all impressed by the criticism to which I have referred. Possibly some of the critics thought they had stirred the Government up when it finally reached its decisions; but I can confidently assert that the Government was not affected in any way by the criticism. There was no avoidable delay; every member of the Government was anxious to make decisions on the committee's recommendations as soon as it was humanly possible and safe to do so.

Mr. McLarty: When do you anticipate that a start will be made?

The MINISTER FOR WORKS: A start might be made, in a preliminary way, before the end of the year; but that will depend upon the speed with which Parliament debates this proposed legislation and more so on the question of whether Parliament passes it, although I have no doubt on that point.

#### *Tribute to Electricity Advisory Committee.*

Members of Parliament and the public generally owe a very great debt of gratitude to the members of the Electricity Advisory Committee. They have worked in an honorary capacity during the years in which the committee has been functioning. This means that the Government has had the advantage of the technical knowledge and experience of those gentlemen. It also means that the Government has obtained much valuable advice and assistance at practically no cost. It is true that two members of the Committee are Government officers—I refer to Mr. Dumas and Mr. Taylor—but they have devoted much time and effort outside of their normal working hours to making the task of the committee a success, not only in regard to this South-West power scheme proposal, but also in regard to the very many other important matters which the committee has advised the Government upon during the period in which it has been operating.

Hon. J. C. Willecock: They have all got full-time jobs without this.

The MINISTER FOR WORKS: The third member of the committee is the general manager of the City of Perth Gas and Electricity Department, Mr. Edmondson. It is to his credit and is an indication of his high qualities of citizenship, that he has been prepared so readily and freely to give his services to the State. The only financial reward he has received during the several years he has been a member of the committee is an honorarium of 100 guineas which the Government voted to him for the work he did in connection with the committee's investigations and report covering the proposed South-West power scheme. I here publicly wish to express to the three members of the committee and to the secretary, Mr. Orr, and to any other officers who might have assisted in some way or other, the very best thanks of the Government.

#### *To Adopt the Committee's Report.*

The Bill proposes to adopt the report of the committee on the South-West national power scheme and to approve of the committee's recommendations. Subject to the Act, when the Bill becomes law, and also to the Minister, the State electricity commission is authorised, or will be authorised, to establish and operate the proposed scheme. Members will realise that it may become necessary, with the passing of time, and as the scheme is being established, to make alterations to the plans recommended by the committee. Therefore, the Bill contains provision for a plan to be altered, to be added to, to be amended, or to be changed in any degree considered necessary by the commission in the light of circumstances, and any such alteration is to be approved by the Governor-in-Council before it can be proceeded with. The scheme is to be established and operated under the provisions of the State Electricity Commission Act.

#### *As to Taking over Collie Power Station.*

The only other important provision is that regarding the taking over of the Collie Power Company's station at Collie. The Bill proposes to give the commission authority to negotiate for the purchase or lease of that undertaking.



I think it might be said that the commission will seek to purchase the power station, but it may be that the company concerned will not be prepared to sell. It might offer to lease the station to the commission. If the commission considers the leasing would not be satisfactory, or safe, taking the long view, it is given power to acquire the undertaking compulsorily. If the power station is purchased by the commission, no contract is to have any legal effect if the gross purchase price payable exceeds the sum of £100,000, unless the contract has been approved by the Governor. If the Collie power scheme has to be acquired compulsorily, the amount to be paid as compensation to the company is not to exceed the amount which would have been payable had the assessment of compensation been made on the 1st October, 1945. I think members will realise that it would not be desirable to fix a datum peg beyond the 1st October of this year. If any date further ahead were to be fixed, complications might easily develop; and those complications might create a lot of delay, and even involve the Government in expenditure which might not be warranted. Any additions made to the Collie power scheme after the 1st October this year are to be taken into consideration by the court in fixing the amount of compensation, provided the court is satisfied that any additions so made were not made for the purpose only of enabling the company to ask for an increased amount of compensation.

I think the Bill, in dealing with that very important matter, aims to treat the company and the shareholders of the company reasonably; and I am hopeful that the negotiations between the commission and the company, when they do take place, will be on a reasonably friendly basis, and that everybody concerned will take the wide view that what is being attempted by the commission on behalf of the Government is in the best interests of the South-West, and ultimately of the Great Southern district. I referred earlier to the increased development and progress which the establishment and operation of this proposed scheme is certain to bring to the South-West and, later on, to the Great Southern. I have emphasised the point that the provision of an efficient and

large electrical power generating plant should, to a large extent, precede development, as against being left to follow development as it takes place. In other words, the Government thinks that the provision of electric power, especially in the country districts, will be a great aid to industry already established and to its expansion, and a very great encouragement to the establishment of new industries, particularly manufacturing industries, for which we believe the South-West—and to some extent the Great Southern—is particularly suited. I move—

That the Bill be now read a second time.

On motion by Mr. Willmott, debate adjourned.

### BILL—SUPPLY (No. 2), £1,800,000.

Returned from the Council without amendment.

*House adjourned at 8 p.m.*

## Legislative Council.

*Tuesday, 23rd October, 1945.*

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The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

### BILL—SOIL CONSERVATION.

#### *Second Reading.*

Debate resumed from the 17th October.

HON. G. B. WOOD (East) [4.34]: My remarks on this measure will be very brief. I have had an opportunity to study the Bill closely and have found in it little to which I take exception. I wish to compliment the experts who framed the Bill on the care and forethought they have displayed in dealing with the many questions involved. There are one or two clauses about which I am a little doubtful. It is proposed to give the soil conservation advisory committee very wide powers, not that it would be necessary in most cases to exercise such powers, but in the regulating of a farm it would be very