**FIBRE AND SPONGES ACT AMENDMENT BILL 1937**

**Legislative Assembly, 1 December 1937, pages 2116-7**

Second Reading

Having obtained leave, the Commissioner of Crown Lands introduced a Bill for an Act to amend the Fibre and Sponges Act, 1909-35. Bead a first time.

Second reading.

**The Hon. M. McINTOSH (Albert—Commissioner of Crown Lands**—This Bill is being introduced as a result of the revival of interest in the marine fibre deposits in Spencer Gulf between Port Broughton and Port Pirie and in the Gulf of St. Vincent between the Outer Harbour and Port Wakefield. Following the passing of the Fibre and Sponges Act of 1909 a number of fibre licences were taken up in Spencer Gulf and St. Vincent Gulf. Three companies were engaged in the industry, and extensive treatment plants were erected at Port Broughton and Port Pirie. It was reported that altogether about £220,000 was expended by the companies in machinery, plant and development. Several thousand bales of dried fibre were produced and a quantity was shipped to Europe for distribution in the textile trade as samples for testing purposes. Markets for the product was found in Australia for insulating steam and refrigerating plants, etc and the manufacture of bedding. Negotiations for a European market were proceeding satisfactorily when the outbreak of war brought the arrangements to a standstill, and although a good deal of development work was proceeded with, causes mainly arising from the outbreak of war and lack of capital forced the companies into liquidation, and the industry, which showed promise of great extension, gradually petered out. The total revenue received as rent on fibre licences from the inception of the industry is £8,330.

In 1917 a movement was made to revive the industry, and with a view to encouraging operators, provision was made in the Amending Fibre and Sponges Act of 1917 that no royalty would be payable by any licensee on any profits obtained from the expiration of the period of three years from the date of the passing of that Act. This provision automatically lapsed in 1920. Licences have recently been applied for by Fibres Limited, a company which has been carrying out extensive experiments in the cleaning, treatment, and dyeing of the fibre. The company’s experiments indicate that the fibre can be treated successfully, and proposes to expend a considerable sum in the installation of the necessary plant for felt making and carpet manufacturing, for which the fibre is suitable, and also for other uses of the product. In a bulletin issued by the Commonwealth Institute of Science and Industry and the South Australian Department of Chemistry in 1917 it was stated that the uses to which this marine fibre can be put include textile manufacture, bags, woolpacks, and as a substitute for jute generally, insulation purposes, upholstery, paper making, &e.

With a view to. encouraging a revival of the industry the Bill provides for an exemption from payment of royalty in respect of any fibre removed within a period of three years, commencing on December 1, 1937, from any area held under a licence under the Act, provided that the Commissioner is satisfied that the fibre has been used in the manufacture of goods within the State. This is similar to the provision in the 1917 Act, with the exception that the three years exemption from payment of royalty is limited to fibre used inSouth Australia. The present provision in the Act in regard to royalty, viz., that the licensees shall subsequently pay 5 per centum on the net profits, will stand. Some time must necessarily elapse between the commencement of operations and the time when the industry is brought into proper development. If the industry does become profitable, we still have the right of levying 5 per cent on net profits. All that is intended is to restore the status quo of the industry which existed previously. Fibres Ltd. has already spent £6,000 in experiments and if the company is successful it will probably spend anything up to £200,000. It was estimated in the bulletin to which I previously referred that over 4,600,000 tons of this fibre was available and it was once estimated to be worth £25 a ton. However, that price would probably not obtain now. We have received some samples of materials made from the fibre. One of the principal possibilities of this fibre is that it can be used for insulation purposes. It makes a wonderful backing for carpets and can be used as a substitute for all jute goods. It has the adaptability of being a strong fibre that can be spun into material of all sorts. Strangely enough it can be made up into paper or cellulose. We want to encourage the company to continue its work in the hope that we shall have another industry established in South Australia. It is estimated that there are 240 square miles of the product in the Gulf of St. Vincent and in Spencer Gulf. There is ample room for anyone who desires to develop the area. There are potentialities of a big industry being established and I hope the House will treat the Bill expeditiously. We are conceding nothing. We lost the industry through the stress of war conditions and are hoping that it will be revived.

The Hon. J. Mclnnes—Will the conditions apply to any company?

The Hon. M. McINTOSH—Yes. They do not apply to this company only. I move the second reading.

Mr. LACEY secured the adjournment of the debate.