

on this bill was largely covered in the debate on the Motor Vehicles (Taxation) Bill. I note that he is as opposed to these increases as to the others though perhaps, because these are smaller than the others, not so much. The point was well made. The Hon. James Cahill gave some interesting figures on the cost of the ambulance service. He said that the ambulance service welcomed the additional money but would have appreciated more had it not come from the motorist. The points are made and appreciated. I commend the bill to the House.

Motion agreed to.

Bill read a second time.

#### IN COMMITTEE

Clause 5

Page 7

20

(2) For the purposes of this Act, a motor vehicle is used for private purposes if it is used for social or domestic purposes or for pleasure.

The Hon. F. M. HEWITT (Minister for Labour and Industry) [2.48 a.m.]: I move:

That at page 7, all words on lines 18 to 21 be omitted and there be inserted in lieu thereof the words:

(2) For the purposes of this Act, a motor vehicle is not a motor vehicle used substantially for private purposes unless—

- (a) in the case of a motor vehicle used by a minister of religion—it is used for the purposes of his calling or for social or domestic purposes or for pleasure;
- (b) in the case of a motor car or a station waggon owned by a primary producer—it is used for purposes directly connected with his business as a primary producer or for social or domestic purposes or for pleasure;
- (c) in the case of a motor vehicle used by or on behalf of—
  - (i) a hospital that is an incorporated hospital or separate institution under the Public Hospitals Act, 1929;
  - (ii) an organisation or association registered, or exempted from registration, under the Charitable Collections Act, 1934; or

(iii) a benevolent or religious organisation or institution—

it is used for purposes directly connected with the management or business of the hospital, organisation, association or institution or for social or domestic purposes or for pleasure;

(d) in any other case—it is used for social or domestic purposes or for pleasure,

and, in the opinion of the Commissioner, its use for any other purpose is minimal.

The Hon. N. K. WRAN (Deputy Leader of the Opposition) [2.49 a.m.]: The comments that we seek to make in relation to this proposed amendment have already been made in reference to the Motor Vehicles (Taxation) Bill. I do not propose to repeat the arguments. They stand in relation to this measure as they were previously put.

Amendment agreed to.

Clause as amended agreed to.

#### ADOPTION OF REPORT

Bill reported from Committee with an amendment, and report adopted, on motions by the Hon. F. M. Hewitt.

House adjourned, on motion by the Hon. J. B. M. Fuller, at 2.53 a.m., Wednesday.

---

## Legislative Assembly

Tuesday, 30 November, 1971

---

Printed Questions and Answers—Assent to Bills—Bills Returned—Petition (Clutha Development Pty. Limited Agreement Act)—Questions without Notice—Library (Amendment) Bill (third reading)—Maritime Services (Amendment) Bill (third reading)—Workers' Compensation (Amendment) Bill—Teaching Service (Amendment) Bill—Government Railways and Transport (Amendment) Bill—Wheat Quotas Bill—Stamp Duties (Amendment) Bill—Factories, Shops and Industries (Amendment) Bill—Justices (Further Amendment) Bill (second reading)—Commonwealth Places (Administration of Laws) Amendment Bill (second reading)—Bills Returned—Egg Industry Stabilisation Bill (second reading)—Statutory Salaries Adjustment Bill—Parliamentary Allowances and Salaries (Amendment) Bill—Parliamentary Contributory Superannuation Bill—Emoluments of Members of Legislature—Marginal Dairy Farms Reconstruction Scheme Agreement Ratification Bill (second reading)—Adjournment (Penrith High School).

MR SPEAKER (THE HON. SIR KEVIN ELLIS) took the chair at 2.30 p.m.

MR SPEAKER offered the Prayer.

**PRINTED QUESTIONS AND ANSWERS****MOUNT KEMBLA**

Mr PETERSEN asked the MINISTER FOR LANDS—(1) Are investigations still proceeding into the development of the summit of Mount Kembla as a nature reserve, national park or state park? (2) Is the Department of Lands encountering any difficulties with either the Council of the City of Wollongong or the Broken Hill Proprietary Company Limited? (3) If so—(a) what are the difficulties; (b) when is it expected that the position will be resolved? (4) How much land is involved?

*Answer*—(1) Mount Kembla summit will be included in the proposed Illawarra park. (2) No. (3) See (2). (4) Mount Kembla summit is about 100 acres.

**PROPOSED PARK AT ANGOURIE**

Mr R. J. KELLY asked the MINISTER FOR LANDS—(1) Did the Sim committee propose a 10,800 acre park at Angourie? (2) Did he, together with the Minister for Mines, accept the Sim committee proposals and state on 3rd October, 1968, that these proposals would be implemented? (3) (a) Did the Premier and Treasurer announce on 12th February, 1971, that the Government would dedicate a 9,300-acre park at Angourie? (b) If so, what is the fate of the balance of 1,500 acres of the area originally recommended, the majority of which is Crown land—water reserve No. WR11104 1890? (4) (a) Has the Government been involved for some time in planning a tourist development on this land? (b) Is it proposed to sell this public land to a development company for this purpose? (5) Did the Minister for Decentralisation and Development state in a press conference on 19th May that the possibility of a Gold Coast type development could not be ruled out?

*Answer*—(1) Yes. (2) The committee submitted a report, which was tabled in the House on 3rd October, 1968. The Minister for Mines and I did not accept all the proposals. (3) (a) No, the announcement was

made on 9th February, 1971. (b) No decision has, as yet, been made as to the purpose for which this land is to be used. (4) (a) Yes. (b) No proposals as yet. (5) No.

**NATIONAL PARKS AND WILDLIFE ACT**

Mr F. J. WALKER asked the MINISTER FOR LANDS—(1) How many national parks, state parks, nature reserves and historic sites are under his control? (2) How many of those parks, reserves and sites are being administered under a properly drawn up and exhibited management plan pursuant to the provisions of the National Parks and Wildlife Act, 1967, and not on an *ad hoc* basis? (3) Are fire control plans being instituted in many parks in advance of the preparation of management plans? (4) Will the Minister table all completed management plans and fire control plans for the areas under his administration pursuant to the National Parks and Wildlife Act?

*Answer*—(1) There are 17 national parks, 7 state parks, 6 historic sites and 76 nature reserves in New South Wales at present. (2) Two—Bouddi State Park and Ku-ring-gai Chase National Park. There is no requirement under the National Parks and Wildlife Act, 1967, to prepare plans of management in respect of nature reserves. However, 33 nature reserves are being administered in terms of approved working plans prepared under the provisions of the Fauna Protection Act, 1948. (3) Yes. (4) Plans of management for Bouddi State Park are available to the public. They may be obtained from the director, National Parks and Wildlife Service, second floor, A.D.C. Building, 189–193 Kent Street, Sydney. The plan of management for Ku-ring-gai Chase National Park is being printed and will shortly be available from the above address. It is not proposed to table these papers.

**ABORIGINAL RELICS AT BATEMANS BAY**

Mr F. J. WALKER asked the MINISTER FOR LANDS—(1) Is the northern shore of Batemans Bay rich in aboriginal relics and

cultural artifacts and are a number of aboriginal middens to be found along that shoreline? (2) Are there any proposals to subdivide this shore? If so, who are the subdividers? (3) Is the Minister willing to dedicate the shore and adjacent areas as part of the proposed Murramarang state park?

*Answer*—(1) The northern shore of Batemans Bay shows only scattered evidence of aboriginal occupation. (2) Some of the area on the north of Batemans Bay has already been subdivided into Surf Side Beach Estate. Information could be best obtained from the local council. (3) No.

#### MYALL LAKES NATIONAL PARK

Mr F. J. WALKER asked the MINISTER FOR LANDS—(1) Did representatives of the Royal Zoological Society, National Parks Association, National Trust, Australian Planning Institute, Newcastle Fauna and Flora Society constituting the Myall Lakes Committee, and the National Wildlife Service recommend the establishment of a Myall Lakes national park consisting of 90,000 acres of land? (2) Is the area of park proposed by the Government only 36,000 acres? (3) Are two thirds of that proposed area water, and of the remaining area nearly 9,000 acres included in existing beach mining leases allowing re-mining every twenty years? (4) Were some of these leases issued only days before the Government announced its proposals to dedicate the park?

*Answer*—(1) Yes. (2) The initial core of the park proposed by the Government is more than 36,000 acres. Substantial areas of adjacent land are currently being considered for future addition to the park. (3) Approximately two thirds of the initial area comprises the beds of the lakes. Of the total area proposed, the land held under mining leases is much less than 9,000 acres and this will not be available for re-mining every twenty years. (4) Shortly before the Government announced its proposal to dedicate the park some final leases were granted over land that it is intended will eventually be included in the park in accordance with the Sim committee's recommendation. By 1988 all mining leases will be terminated.

#### FILM OF NATIONAL PARKS

Mr F. J. WALKER asked the MINISTER FOR LANDS—(1) What is the name of the private organization that is being assisted by the National Parks and Wildlife Service to make a film of national parks in New South Wales? (2) Has the director of the National Parks and Wildlife Service directed that co-operation be given only on the basis that no reference is made to mining operations within the parks? (3) When it is expected to complete the film?

*Answer*—(1) The National Parks and Wildlife Service often helps organization film national parks. It is not clear from the question what organization is referred to. (2) No. (3) See (1).

#### POLICE VEHICLE ACCIDENTS

Mr MALLAM asked the PREMIER AND TREASURER—Will he inform the House of—(1) The number of police vehicles involved in accidents since 1st January, 1970? (2) The number of private citizens killed or injured in these accidents? (3) The number of police officers killed or injured? (4) The type and make of the police vehicles involved, and whether these vehicles were fitted with standard brakes and tyres?

*Answer*—(1) During the period 1st January, 1970, to 31st October, 1971, police vehicles were involved in 1,351 collisions. (2) 5 killed; 107 injured. (3) 2 killed; 267 injured. (4) (a) The types of vehicles involved were sedan cars, station sedans, utilities, panel vans, omnibuses, trucks, solo motor cycles and motor scooters. Makes of vehicles were Holden, Ford, Morris, Austin, Rambler, International, Landrover, Volkswagen, Triumph, Suzuki and Vespa. (b) All the four-wheeled vehicles involved were fitted with either power-assisted disc brakes or power-assisted drum brakes. The motor cycles and motor scooters involved were fitted with drum brakes. Many of the vehicles involved have since been disposed of and records are not available to show what tyres were fitted at the time. However, for some time it has been the practice within the police department to fit four-wheeled

vehicles used for high-speed work with high-speed radial ply tyres. Four-wheeled vehicles not engaged on this class of work are fitted with either six ply cross ply tyres or standard radial ply tyres. Police motor cycles are fitted with high-speed four ply tyres.

#### POLICE RECRUITS

Mr MALLAM asked the PREMIER AND TREASURER—(1) How many new recruits were accepted by the police force in the twelve months ending 31st December, 1970? (2) What was the cost of training these men until their probationship is completed? (3) How many of these recruits completed their training? (4) How many did not complete their training because of—(a) resignation before completion of the training period; (b) failure to reach the standard required?

*Answer*—(1) 443 male probationary constables and 10 police women probationary constables were attested in the twelve months ended 31st December, 1970. (2) The accounts of the police department are not kept in such form that either the overall cost or the *per capita* cost of training is available. (3) 424. (4) (a) 26. (b) 3.

#### POLICE INQUIRIES AT HUNTERS HILL HIGH SCHOOL

Mr PETERSEN asked the PREMIER AND TREASURER—(1) Did three police officers interview the headmaster at Hunters Hill high school on Friday, 21st October, 1971? (2) If so—(a) who were these police officers; (b) who authorized them to conduct this interview; (c) what was the purpose of the interview?

*Answer*—(1) No. The headmaster of Hunters Hill high school was interviewed in his office by three police officers on Wednesday, 20th October, 1971. (2) (a) Detective Sergeant Hayes, Detective Constable McAfee and Detective Constable Ballard. (b) The interview was held in the course of inquiries commenced at the direction of the superintendent in charge, criminal investigation branch, following a discussion with the Commissioner of Police. (c) The inquiries referred to in (b) were made with

a view to determining whether a booklet entitled *What every Woman Should Know* contravened the law of this State or whether it contained any matter that would justify police action.

#### HIGH SCHOOLS IN ILLAWARRA ELECTORATE

Mr PETERSEN asked the DEPUTY PREMIER, MINISTER FOR EDUCATION AND MINISTER FOR SCIENCE—(1) Will the Warrawong high school be ready for occupation at the beginning of the 1972 school year? (2) If not, how many additional pupils will be accommodated at (a) Berkeley high school, (b) Warilla high school, (c) Port Kembla high school? (3) What is the expected enrolment at Berkeley high school in 1972? (4) What is the present position regarding construction of the Lake Illawarra South high school?

*Answer*—(1) Despite every effort to ensure completion of the buildings, industrial disputes have resulted in delays, which means that the whole school will not be completed by the time school resumes in 1972. However, partial occupation will be achieved and Warrawong high school will be able to have full use of the library block, the home science-art-music block, and access to the toilets in the shelter block. An access path and steps from Flagstaff Road will be provided to allow pupils and staff to enter the premises without interference to the builders. Car parking will be provided on the departmental site in Flagstaff Road opposite the pedestrian entrance. (2) (a) No pupils from Warrawong high school will be housed at Berkeley high school. (b) Warilla high school will house form I of Lake Illawarra high school. (c) No pupils from Warilla high school will be housed at Port Kembla high school. (3) In 1972 Berkeley high school will have 1,172 pupils in thirty-seven classes as compared with 1,215 in forty classes in 1971. (4) Lake Illawarra high school is one of a group of new high schools now being planned. It is not possible, at this stage, to say when tenders can be invited.

**PRISON RIOTS**

Mr PETERSEN asked the MINISTER OF JUSTICE—(1) How many prisoners were charged with offences against prison discipline arising out of the riot situations at the metropolitan reception prison, Bathurst Gaol, and Goulburn Training Centre in October, 1970? (2) With what offences were they charged? (3) How many prisoners were convicted? (4) What were the numbers convicted of each type of offence? (5) What were the sentences imposed?

Answer—(1) Five prisoners were charged. (2) (a) Assault a prison officer—two charges. (b) Disobey a lawful order—two charges. (c) Upset good order and discipline of goal—one charge. (d) Curse and swear profanely—one charge. (e) Open incitement to mutiny—two charges. (f) Act prejudicial to good order and discipline of the institution—two charges. Although two prisoners were each charged with “open incitement to mutiny” and “act prejudicial to good order and discipline of the institution” only one prisoner was convicted of each offence. (3) Five prisoners were convicted—a number with more than one breach of prison discipline. (4) (a) Two. (b) Two. (c) One. (d) One. (e) One. (f) One. (5) (a) Twenty-four days cellular confinement on each charge. (b) Seven days cellular confinement on each charge. (c) Twenty-four days cellular confinement on each charge. (d) Seven days cellular confinement on each charge. (e) Twenty-eight days cellular confinement on each charge. (f) Twenty days cellular confinement on each charge.

**ASSENT TO BILLS**

Royal assent to the following bills reported:

- Appropriation Bill
- General Loan Account Appropriation Bill
- Presbyterian Church of Australia Bill

**BILLS RETURNED**

The following bills were returned from the Legislative Council without amendment:

- Gaming and Betting (Amendment) Bill
- Housing (Amendment) Bill

**PETITION**

CLUTHA DEVELOPMENT PTY. LIMITED  
AGREEMENT ACT

Mr JACKSON presented a petition from certain citizens of New South Wales representing that the Clutha Development Pty. Limited Agreement Act is unacceptable and praying that the Legislative Assembly repeal the Act.

Petition received on motion by Mr Jackson.

**QUESTIONS WITHOUT NOTICE**

**GRIFFITH CO-OPERATIVE CANNERY**

Mr HILLS: I ask the Premier and Treasurer a question without notice. Did the Premier receive a telegram from the board of directors of the Griffith co-operative cannery indicating that last night a meeting of shareholders was held at which the Gordon Edgell group undertook to take over the premises on a rental basis at Griffith so that they can begin operations on Wednesday next to deal with the apricot harvest? Is it a part of their proposition that assistance should be given with freight charges and payments for last season's fruit so that New South Wales canners can compete with Victorian canners? Do the directors of the Griffith co-operative cannery say that provided those two points are agreed to by the Government of New South Wales, work can proceed? Will the Government give the assistance asked for to protect the interests of the primary producers concerned and of the Griffith co-operative cannery?

Mr ASKIN: I have not received a telegram personally, but that does not say that the telegram has not been received by my department, as honourable members know. It may be there awaiting my attention: I have been otherwise occupied today. However, this is heartening news for we have all been despondent about the situation at Griffith. I have been handed a note telling me that the telegram has just arrived from the Gordon Edgell group, and it has gone to the Treasury. It will be considered down there on its merits. We have to be careful, in government, in giving guarantees, whether it is a guarantee in regard to freight charges

or a capital structure guarantee. As we are dealing with public money, we have to be reasonably confident that there is a fair prospect of the money not being lost. If it were lost, the public purse would be the poorer.

The Gordon Edgell group is substantial and if it is coming into the picture with a view to taking over the apricot harvest, to me, off the cuff, this offers some prospect of keeping things going at least for the time being. As I have said, the telegram has arrived but I have not yet seen it. The proposition put by the Leader of the Opposition is one that warrants close consideration and as soon as I have studied the telegram and got the advice of the responsible parties, I shall be able to give the honourable member and the House an answer in more detail.

#### AUCTION SALES

Mr BARRACLOUGH: My question is directed to the Chief Secretary and Minister for Tourism and Sport. Has he seen reports that two shops in the King's Cross area are conducting so-called auction sales behind closed doors, between the hours of 11 a.m. and 10.30 p.m., on seven days a week? Is it a fact that poor quality and faulty goods are being sold for considerable sums of money and that people attending these sales who do not purchase goods are induced by heavily built men to leave the premises? Is it a fact, also, that complaints about the sale of these goods have been made to the police, the Consumer Affairs Bureau, and the city council? As the activities of the proprietors of these shops are causing concern to the public and tourists alike, will the Minister investigate these complaints?

Mr WILLIS: I have heard something about the activities at the auctions to which the honourable member referred. They are conducted not only in King's Cross but also in other parts of the city. I am afraid I do not know very much about them, but I have heard something to the effect that complaints have been made about this matter to the police and to the Consumer Affairs Bureau. I shall be pleased to refer the honourable member's question to my colleague, the Minister for Labour and Industry, for his appropriate consideration, but I think it

might also be of more direct concern to my colleague, the Minister of Justice, who administers the Auctioneers and Agents Act. If these people are in fact conducting auctions, they would certainly come within the scope of that Act, which is administered by my colleague, and is policed by the police. I shall refer the honourable member's question to both the Ministers I have mentioned.

#### ELECTRICITY CHARGES

Mr O'CONNELL: I ask the Minister for Local Government and Minister for Highways whether the Electricity Commission of New South Wales, by a circular dated 24th November, 1971, advised county councils that the demand component of the bulk supply electricity tariff was to be increased by about 8 per cent. Was this tariff reached some years ago by agreement after protracted negotiations with the Local Government Electricity Association of New South Wales? If these are facts, why was the association not consulted before abrogating the agreement? Will this increase add about \$13,000,000 to the cost to consumers throughout this State and, when added to the increase in the energy component already made, result in cost increases of about \$25,000,000 to electricity consumers next year?

Mr MORTON: It is a fact that, because of rising capital cost of plant and equipment, and the increases in associated financial charges, it has not been possible for the commission to hold its maximum demand charges at existing levels, which have remained unaltered for seven years. The new charge for supply at low voltage will be \$3.35 a kilowatt a month compared with the present rate of \$3.21. The new low voltage charge will be the same as that charge was in 1961. The new high voltage supply rate will be \$3.05, compared with \$2.95 in 1961. Each year the commission pays approximately two thirds of the capital debt charges associated with the Snowy Mountains scheme. As each phase of that scheme has been brought into operation, these charges which, of course, are influenced by rising interest rates, have been

growing. In fact the payment for Snowy power in the past financial year announced to approximately \$22,000,000.

MR HILLS: What is the average charge for electricity in New South Wales?

MR MORTON: The honourable member for Gosford asked the question, and I am answering him. As all honourable members know, the energy rate is subject to a quarterly adjustment, which varies according to movements in the basic wage and fuel costs. The average of the charges for each quarter in 1961 was 0.638 cents a kilowatt hour, compared with 0.526 cents a kilowatt hour in the last quarter of this year. It is obvious that in recent years the rate of increase has been beyond the commission's control, owing to severe cost rises in the coal mining industry and the effect of the 6 per cent national wage determination in 1970.

MR O'CONNELL: That has nothing to do with it.

MR MORTON: It has a lot to do with it. In the last quarter of this year the energy rate is 0.526 cents a kilowatt compared with 0.511 for the previous quarter, representing an increase of about 3 per cent. This is the figure about which the honourable member inquired in his question. Nevertheless, this latest rate is still 17½ per cent lower than that of ten years ago. Taking the two charges together, the latest increase will be about 5½ per cent to 6 per cent, not 8 per cent or 9 per cent as stated by the honourable member for Gosford. I repeat that the energy rate has risen by approximately 3 per cent and it is 17½ per cent lower than the charge applied ten years ago. The demand rate, which has not risen for seven years until just now, is not much higher than it was ten years ago.

The Government appreciates the difficulties confronting rural areas. I have asked, and the chairman of the commission agrees with me, that special attention be paid to county districts in rural areas. As all honourable members know, some time ago the Government introduced a rural electricity subsidy scheme providing for an allocation of \$6,000,000 over a period of five years.

From 1st July of this year the scheme was varied to provide for a subsidy of \$10,000,000 over the five-year period, or \$2,000,000 a year. However, from 1st January next year the commission will increase this sum from \$10,000,000 to \$12,500,000 over the five-year period, which will result in some additional assistance for the far-flung parts of this State. As an instance of the effect of the increase, the honourable member for Broken Hill will be interested to learn that from 1st July the Macquarie County Council, which was to get \$217,000 a year, will get \$271,000. Time does not permit me to state all the facts. Suffice it to say that special attention is being paid to the rural areas.

MR HILLS: On a point of order. Mr Speaker, in view of the length of this statement by the Minister for Local Government, will you rule that it is a ministerial statement, so that we can show the people of the country just how much he is taking from them?

MR SPEAKER: Order! I am not prepared to rule that this is a ministerial statement. I think the answer has been lengthened to some extent by interjections. At the same time, it is getting very long, and I imagine that the Minister will be finished soon.

MR MORTON: Of course, the Leader of the Opposition is annoyed because I have the facts. Each county council has different problems, and obviously the financial structure for every county council is not the same. The Leader of the Opposition has had something to do with this; in fairness to him I must say that. It is significant that the supply industry as a whole in the State has had a particularly good record for stability over the past ten years, and the over-all average price per unit sold in New South Wales now is not as high as it was in 1961.

#### DOOR-TO-DOOR SALESMEN.

MR BROWN: I ask the Attorney-General whether he is aware that from about this time of the year until the new school year begins, a great number of travelling book salesmen engage in door-to-door selling with

a view to influencing parents to buy additional books for their children. Are they an addition to the normal encyclopaedia salesmen, who are operating all the time? Is the Minister aware, also, that a number of other firms peddle from door to door, including roof improvers and people who are alleged to clad buildings with certain materials? Does the Door-to-Door Sales Act allow a cooling-off period of five or six days? Will the Minister give whatever publicity he can to the provisions of this Act, so that people who are approached will be well protected? Also, will the Minister advise the House whether any consideration has been given to extending the cooling-off period to ten days?

**Mr McCaw:** The question asked by the honourable member for Raleigh is timely, for the reasons he has given. Legislation on the statute book affords protection to those who will use it. This legislation came into existence to protect people whose sales resistance cannot withstand the aggressive or very practised salesmanship of those who take part in the art of selling. It applies only to offers made and agreements entered into at the place of residence or place of business of the purchaser, and it provides a cooling-off period of five days. In answer to the last part of the honourable member's question, I may say that at this stage consideration has been and is being given to an extension of the cooling-off period, not to ten days but to seven working days. This is being done upon the recommendation of the Consumers Affairs Council.

The legislation provides that an agreement entered into at the place of residence or at the place of business, if it were not initiated by the purchaser—that is to say, if the salesmen were not invited—is unenforceable unless certain procedures are followed. The responsibility for following these procedures is upon the vendor, who must give the purchaser a copy of the contract and a statement with a notice attached to it, prescribed by the schedule to the Act, which tells the purchaser his rights—namely, that he has five days in which to change his mind and terminate the contract. If the purchaser does that, he simply has to sign and date the form, which must otherwise

have been completed for him by the vendor, and post it to the vendor. Then the vendor must, within seven days of termination, repay all moneys paid by the purchaser under the contract.

It should be borne in mind that this legislation does not apply to cash sales, hire-purchase agreements, contracts of employment, mail orders, contracts for the sale of land, contracts for the sale of motor vehicles or contracts involving a purchase price of \$2,000 or more. I am glad that the honourable member has asked this question as it has given me an opportunity to remind honourable members and the public of the rights and privileges available under the legislation and thus to make it more effective as a protection to purchasers who might otherwise enter into an agreement that they regret and by not knowing their full rights, be forced to continue with it.

#### MOTOR VEHICLE INSURANCE COMPANIES

**Mr COX:** I direct my question without notice to the Attorney-General. Is the Minister aware that an insurance company known as Cosmopolitan Insurance Company Limited, 271 Alfred Street, North Sydney, has been the subject of action in a Melbourne court? Was a petition for winding up made on 10th November last and a provisional liquidator appointed? Is the Attorney-General aware that the estimated losses of this company amount to \$300,000? Is he aware also that a brokerage firm, American Mutual Insurance & Investment Counsellors Pty Limited, of the same address, is not now at North Sydney and that its directors have returned to Melbourne? Is the Minister aware that the Cosmopolitan Insurance Company took over a lot of policies from Motor Marine and General Insurance Company Limited which had insured a large proportion of New South Wales motorists? In view of the fact that this Parliament and the federal Parliament will shortly go into recess, will the Attorney-General give an assurance that the Government will introduce a measure to afford some protection to the motorists of this State?

Mr McCRAW: The honourable member for Auburn has displayed fine motives in this field and over a long period has demonstrated his sincerity by speeches in this House. All honourable members, including those on the Government side of the House, sympathize with his motives. However, as I have pointed out on more than one occasion, because of constitutional limitations this State is not in a position to legislate in the way the honourable member suggests. Most insurance companies, including the one the honourable gentleman has referred to, have operations in more than one State. I do not have personal knowledge of the facts as the honourable gentleman has given them since the question was quite properly asked without notice, but I accept his statement that the company with an address in this State was put into liquidation in another State.

I am sure that the honourable member for Auburn and other honourable members will appreciate that most insurance companies—and, unfortunately most of those which have fallen and caused inconvenience and loss to innocent people—have operations extending beyond the boundaries of any one State. That in itself is a limiting factor but there is another real statutory limitation in section 7 of the Commonwealth Insurance Act of 1932, which says that a State cannot set up an instrument to control insurance and charge the industry for the cost of so doing. In the circumstances the Treasury would be called upon to support from public revenue such an authority set up in New South Wales.

In 1916 Queensland set up an insurance commission—sixteen years before the Commonwealth legislation was enacted. Queensland is now finding it impracticable, because of the Commonwealth legislation, to continue the operation of this commission and has joined with Victoria, New South Wales and I believe the other States, in asking the Commonwealth to discharge the promise made by the former Prime Minister in September, 1970, that the federal Parliament would legislate in this field. I am aware that many meetings between officers of the Commonwealth and the States have taken place with a view to getting over some of the difficulties brought to light.

I point out that it is important to bear in mind the preservation of our own Workers' Compensation Act and Motor Vehicles (Third-Party Insurance) Act, and the Government Insurance Office and similar organizations in this and other States. The Commonwealth Government when it legislates must have regard to these existing and constitutionally sound arrangements. It is, therefore, not an easy matter, and though those activities do not come within my administration, I understand that work is going ahead at the moment and the Commonwealth Government hopes to introduce legislation in this field before the end of the autumn session of the federal parliament. I have done what I can to emphasize the urgency of the matter. However, I shall convey the honourable member's question, and my answer to the Premier and Treasurer for transmission to the Prime Minister as further emphasis. The Commonwealth alone has power to legislate within its constitutional competence.

#### VALUATION OF UNSUBDIVIDED LAND

Mr RUDDOCK: I ask the Minister for Local Government and Minister for Highways whether the Valuer-General is valuing small unsubdivided parcels of land on the basis that the land could be subdivided if the owners so desired. Are there a number of owners on limited fixed incomes who do not wish to subdivide their home lots but are being charged fantastically high rates that they cannot pay? Should only single block valuations apply until subdivision occurs and additional single blocks actually exist? If there is any ambiguity, will the Minister amend the Valuation of Land Act to relate valuations to actualities, not to theoretical potential?

Mr MORTON: The question is difficult and involved and in justice to the honourable member and the House, I shall examine it and give him and the House a full answer as soon as I can.

#### LEICHHARDT MUNICIPALITY VALUATIONS

Mr DEGEN: Is the Minister for Local Government and Minister for Highways aware that recently the Valuer-General's

Department re-assessed value of properties within the Leichhardt municipality. Is the Minister aware also of the discrepancies between the improved capital value of those properties unaffected by expressway proposals and those affected by the western and north-western expressways? Will the Minister, as a matter of urgency, instruct the Valuer-General's Department to re-assess those properties within my electorate that are affected by expressway proposals, and so allay the fears of my constituents who believe their properties have been deliberately undervalued for resumption purposes?

Mr MORTON: Honourable members will appreciate that I cannot instruct the Valuer-General to do anything. He values according to the Land and Valuation Act. However, I assure the House that I will confer with the Valuer-General and ascertain the position as soon as possible.

#### AID TO CAMBODIA

Mr COLEMAN: I ask the Premier and Treasurer whether in 1968, at the height of the Vietnam war, he made available to the government of South Vietnam senior officers from the Forestry Commission and the Housing Commission to assist Vietnam to preserve its independence. Is Cambodia now struggling desperately to preserve its independence against communist attack? Has the Premier examined the manifesto published in the weekend press and signed by over 30 members of the Opposition in this Parliament, calling on the federal Government to abandon Cambodia to its fate? Will the Premier consider making available to the government of Cambodia whatever officers may be of service to that government in its civil aid programmes, to help it preserve its independence, and thereby show that this Government is not influenced by the apologists for slavery on the Opposition side of this Chamber?

Mr ASKIN: It is true that the Government at the height of the Vietnam conflict—I think it was in 1968—sent some advisers from the Forestry Commission and the Housing Commission to Vietnam, not in the military sense but to help the civilian

population which was suffering grave hardship. The Forestry Commission officers were sent with the idea of assisting in re-forestation so that timber would be available for the building of houses. The Housing Commission officers were to give advice on building cheaper houses, with reasonable sanitation. This was done without any serious objection to it at the time from any shade of reasonable politics. I must confess that I am not well informed on the Cambodian position. The honourable member for Fuller did not mention this question to me—after all, it is a question without notice—and I did not examine the manifesto signed, as he said, by thirty members of the Opposition.

Mr SLOSS: Some of you blokes should join up and get a gun yourselves.

Mr SPEAKER: Order! I call the honourable member for King to order.

Mr ASKIN: I did not examine the manifesto; in fact I do not remember seeing it. However, it would not affect my opinion in any way. When I want to do some light reading I read *Grimm's Fairy Tales*.

#### DENTISTS (AMENDMENT) BILL

Mr K. J. STEWART: I ask the Minister for Health whether the Victorian Parliament has recently considered legislation to give chair-side status to dental technicians. In view of the fact that it is now two months since this House considered amendments to the Dentists Act and the amending bill has been in the upper House all that time and has not been dealt with, will the Minister inform the House what he intends to do with his bill?

Mr JAGO: I am unable to give any cause for hope to the honourable member on this legislation, which is not my bill but the bill of this Parliament. The measure was forwarded to another place, where it has taken its place in the legislative programme. The Legislative Council has been somewhat involved in discussing some important company legislation. The honourable member's reference to events in Victoria, which at this distance are hard to follow, prompts me to say that the Minister for Health in Victoria, the Hon. J. F.

Rossiter, when introducing the bill made certain statements which, in the final stages of consideration of the legislation in the Victorian Legislative Assembly, were rather neutralized. I understand that the last statement is that, contrary to the advice conveyed in voluminous telegrams to members of this House, the bill passed through the Assembly stage in Victoria but has now been deferred until some time next year—I think the autumn sittings of the Victorian Legislative Council—for further consideration. I might add that the Government in its actions in this matter is concerned with the well-being of the community, for which it has a prime responsibility.

Mr EINFELD: Can we tell the Minister what we think he should do with his bill?

Mr SPEAKER: Order!

Mr JAGO: I had the great misfortune to hear the Deputy Leader of the Opposition say something along those lines when he had the opportunity to do so. The question is one of recognition of dental technicians, their proper training and registration. As to whether they should be chair-side assistants, the Victorian proposals were unique in that they required a certificate of oral health to be issued by a registered dentist before there could be direct dealing between a dental technician and a member of the public.

Mr K. J. STEWART: We suggested that in the debate.

Mr JAGO: I would find it most interesting if any qualified dentist were willing to give such a certificate. This rather neutralized the proposal in Victoria and caused some concern about what was involved. I am afraid I cannot give the honourable member or the House any further information until I find out the background in Victoria further to the information I have obtained from the Victorian newspapers this morning.

#### TROLLEY BUSES

Mr CAMERON: My question without notice is directed to the Minister for Transport. Does the best expert advice available

to the Government confirm that the motor vehicle is enormously more the villain than industry in terms of the photochemical smog problems experienced by cities like Sydney? Did portions of the inner city and suburbs some years ago have the advantage of trolley bus services which were both pollution free and noise free? Were those services withdrawn before the full impact of environmental considerations was fully understood in this community? Will the Minister indicate to the House whether there is any possibility of the virtues of trolley bus operations being revived in Sydney?

Mr MORRIS: I recall the time when some trolley buses were in operation, I think in the Sans Souci area. I remember the famous occasion when the Premier, the Hon. James McGirr, said he would order a couple of hundred noiseless trams. They were not only noiseless; we did not see them either. They were noiseless and invisible. The honourable member for Northcott has raised a very important matter when he talks about serious problems created by the emission of pollutants from motor vehicles, and particularly from heavy vehicles, including buses. I think I ought to consider his submission closely. I shall be pleased to have a discussion with him about trolley buses after question time.

#### PAYMENT TO POLICE WIDOWS

Mr BARNIER: I direct a question without notice to the Premier and Treasurer. On 12th October last the Premier, in reply to a question by the Leader of the Opposition, advised the House that he would examine a proposal to pay to the widows of two policemen killed in the execution of their duty a lump sum in accordance with the Workers' Compensation Act. Is the Premier in a position to advise the House whether he has been able to reach any decision on this matter?

Mr ASKIN: I do not remember the date, but I remember the circumstances of the question. Since then, something of a tangible nature has been done by the Police Department for the widows of the two

policemen who lost their lives doing their duty. I think they were promoted posthumously, which meant that the widows received a substantially increased pension. I know that the commissioner, in sending this advice along, said he was examining other ways and means of doing something further. I have not yet received the second portion of the recommendation.

#### CLUTHA DEVELOPMENT PROPRIETARY LIMITED

Mr JACKSON: I ask the Minister for Mines and Minister for Conservation a question without notice. Is it a fact that Clutha Development Pty Limited, under subsections (1) and (2) of section 8 of the Clutha Development Pty. Limited Agreement Act, assented to on 9th December, 1970, has to submit proposals for the construction and operation of works detailed under the legislation? Is it further a fact that, should a dispute arise between the Minister and the company, the company may elect to refer any such dispute to arbitration? If these are facts, will the Minister inform the House whether he has received the final proposals from Clutha Development Pty Limited? If a reference to arbitration is necessary, will the Minister advise the House of the composition of the arbitration authority?

Mr FIFE: It is a fact that the company, Clutha Development Pty Limited, has until 9th February, 1972, to submit to the Government the plans and specifications and other details of its proposals. It is a fact also that the legislation referred to by the honourable member for Heathcote makes provision for the appointment of an arbitrator to determine and to make a decision on any dispute that might arise between the Government and the company in respect of the matters to which he referred. I think it is well known to all honourable members that strict conditions have been laid down in the legislation and that the company is required to adhere to those conditions. They are the conditions to which the honourable member for Heathcote is referring.

I have not yet received submissions from the company. I repeat, the company has until 9th February, 1972, to place its submissions before the Government if it proposes to proceed with the project. As the submissions have not been received, I cannot forecast whether there will be any disagreement between the Government and the company. However, I emphasize that, in the event of the company's proposing to proceed with this project, the Government will be referring to the various agencies of government all documents that come to it from Clutha Development Pty Limited, and will insist on strict adherence to the conditions laid down. If a dispute does arise, the question of the appointment of arbitrators will be considered. At this stage no consideration has been given to that aspect.

#### IMPORTS OF JAPANESE STEEL

Mr L. B. KELLY: I ask the Premier and Treasurer a question without notice. Is it a fact that there is increasing unemployment in New South Wales? Is the honourable gentleman aware that Broken Hill Proprietary Company Limited has retrenched a number of its employees in New South Wales and in other parts of Australia? Did the company recently announce that it had retrenched seventy-five employees at its Newcastle works? Is the Premier and Treasurer aware that yesterday 16,000 tons of Japanese steel was unloaded in Port Kembla harbour? Will the honourable gentleman advise me and the House whether these imports have any effect on employment in Australia and, if so, whether he is willing to approach the company and ask that it cease importing steel to ensure that the employment of Australians is not put in jeopardy?

Mr ASKIN: I must say candidly that I am unable to follow the unemployment figures at the moment. The Commonwealth Statistician issued figures only a few weeks ago—and I suppose one must accept those figures—showing that the unemployed in New South Wales were only a little more than 1 per cent of the work force, and that approximately the same position applied in other States, although the New

South Wales figure was a fraction higher than the figures for the other States. Yet one picks up the newspapers and reads reports of unemployment of the sort referred to recently in a question by the honourable member for Waratah about the position in his district. We know also that there is unemployment in country areas, particularly in the western districts. Honourable members keep asking questions about unemployment, and now the honourable member for Corrimal has raised the standing down of a number of employees by Broken Hill Proprietary Company Limited. I am sure that the company would not do that unless it had to.

One finds it hard to reconcile reports of retrenchments and standing-downs with the Commonwealth Statistician's figures. Yet the figures are clear. The latest figure shows that the unemployed are 1.1 per cent of the work force. I am not raising that in a controversial sense. I am saying, frankly, that I find it difficult to understand the position when the Commonwealth Statistician gives those figures. One must assume that his sources of information are accurate, yet honourable members on both sides of the House are complaining about increased unemployment, particularly in the country. I shall have to make some inquiries to find out what the exact position is. I rather think that the answer is that there are pockets of unemployment here and there, and that these are acute in some country areas, but spread over the whole State the number of unemployed might not be a large percentage of the work force, even though unemployment is worrying where it is acute. It is on those grounds that I have written to the Prime Minister asking for Commonwealth assistance, unemployment being primarily a matter for the federal Government.

I have no knowledge of the 16,000 tons of Japanese steel mentioned by the honourable member for Corrimal, but I know that today living conditions in this country depend greatly on our trading arrangements with Japan. There is no doubt about that. Whether we like it or not, the living standards of the whole community depend substantially on the maintenance of good trade relations with Japan—and we have the best

of the deal: we export more to Japan than we import from that country. The point that must always be remembered is that trade is a two-way business. Although we might not like this because of the sort of fact raised by the honourable member for Corrimal, we have to look at the position fairly. I repeat, trade is a two-way business, and if for some reason our trade with Japan, which is our best customer, fell off drastically, I am afraid that our living standards would deteriorate and unemployment would increase in this country. I cannot give an idle answer to the question about the importation of 16,000 tons of steel from Japan: I prefer to look at it closely and to give a considered reply.

#### HOUSING FOR THE AGED

Mr CLOUGH: I direct my question without notice to the Minister for Housing and Minister for Co-operative Societies. Will the Minister advise the House of the present position in regard to the availability of government housing for the aged?

Mr SPEAKER: Order! Is the Minister able to answer that question within the limits imposed by question time?

Mr STEPHENS: Yes. The present position is that the Government of New South Wales has built 5,720 units for the aged from State funds alone. So far the Government has spent more than \$22,000,000 from State funds on this work. There was pressure by various States of the Commonwealth on the federal authorities, seeking to have the Commonwealth Government come to the party and provide funds on a basis similar to that used to provide funds for charities and religious organizations. As honourable members are probably aware, the Commonwealth has since altered its views and now New South Wales has a direct grant of \$10,750,000 for this purpose, to be spread over five years. This means that the Government can substantially increase the number of units that it is building for the aged. Something like 600 such units are under construction, and another 455 are at tender in various parts of the metropolitan area, and throughout the State generally.

BELMONT HIGH SCHOOL ASSEMBLY  
HALL

Mr M. L. HUNTER: My question without notice is directed to the Minister for Public Works. Is the Minister aware of the conditions still existing in the assembly hall at Belmont high school? Was this hall damaged by fire about fourteen months ago? Will the Minister issue instructions that proposed electrical work be carried out in conjunction with the current painting contract so that the hall will be completely renovated in time for the start of the first term in 1972?

Mr HUGHES: I shall ensure that action is taken as quickly as possible to restore the situation at that school.

## ABORTION

Mr PETERSEN: I ask the Premier and Treasurer whether he is aware that, following the acquittal of three medical practitioners and two other persons in what has become known as the Heatherbrae Clinic case, there is considerable confusion in the community as to the legal position in New South Wales regarding the termination of pregnancy? Has the honourable gentleman received from his colleague the Minister for Decentralisation and Development and Vice-President of the Executive Council a request concerning the preparation of a white paper on this subject, about which the Minister was questioned in another place and indicated that he would refer the matter to the Premier? What are the intentions of the Government regarding the preparation of a paper explaining the legal position?

Mr ASKIN: On quite a number of occasions the Government has made its position plain regarding abortion. We as a government think that the present law is adequate and that it provides sufficiently well for meeting emergencies. As a government, it is not our intention to amend the law. So far as the Minister for Decentralisation and Development is concerned, I was not aware of the position as stated by the honourable member for Illawarra. To the best of my knowledge that query has not yet reached me. It may be somewhere in my department. I am sure honourable members will

understand that it is a very big department, handling something like a thousand letters a week, and I do not always see them very quickly.

Mr PETERSEN: It was reported in *Hansard*.

Mr ASKIN: I have not seen it myself. I do not read the *Hansard* pulls as much as I used to. I am not too sure why the honourable member wants a white paper. The position is set out very clearly in the statute and it is there for anyone to have a look at. What should be known is that as far as the Government is concerned—and judging from the vote taken in this Parliament earlier this year, I think a lot of Opposition members feel the same way, because they voted with us on the question—we do not favour altering the present position. We believe there are sufficient safeguards.

## DARTMOUTH DAM

Mr ASKIN: On 25th August the honourable member for Albury directed a question without notice to me asking whether I could give some indication of Government policy in relation to the building of Dartmouth Dam now that the South Australian Government has passed legislation to ratify its part of the agreement. Before dealing with the particular aspect raised by the honourable member I think it would be appropriate to outline briefly the history of this matter and the developments that have taken place since he asked his question.

An agreement to amend the River Murray Waters Agreement to provide, among other things, for the construction of Dartmouth Dam, was entered into between the Prime Minister of the Commonwealth and the Premiers of the States of New South Wales, Victoria and South Australia on 26th February, 1970. Although legislation to ratify the agreement was passed by the parliaments of the Commonwealth, Victoria and New South Wales, the Parliament of South Australia failed to pass the necessary ratifying legislation at the time. Efforts were made by the South Australian Government to have the other governments concerned agree to certain variations in the agreement as originally signed. However, the proposed

variations were unacceptable and the Premier of South Australia subsequently advised that an Act designed to ratify the agreement as signed on 26th February, 1970, had been passed by the South Australian Parliament.

As honourable members are aware, this State's River Murray Waters (Amendment) Act, 1970, which was assented to on 8th April, 1970, ratified the agreement so far as New South Wales is concerned. In common with the Acts of the Commonwealth and the other States, the New South Wales Act contains a provision that it shall commence on a day to be appointed by the Governor. A day for commencement has not been appointed and the agreement of 26th February, 1970, is not yet in force. However, when the amending agreement of 26th February, 1970, was being negotiated a further agreement was arranged under which the Commonwealth Government would assist the three States in meeting their own proportions, one quarter each, of the cost of constructing Dartmouth Dam. The Dartmouth Reservoir (Financial Agreement) Act, 1970, which was also assented to on 8th April, 1970, ratified this particular agreement so far as New South Wales is concerned. A day for commencement of the Act has not yet been appointed.

At the time of the signing of the amending agreement on 26th February, 1970, the cost of the Dartmouth Dam was estimated at \$57,000,000 and the financial agreement limited the Commonwealth responsibility to payment of amounts based on a maximum cost of the project of \$62,700,000, unless the Commonwealth agreed to a higher amount upon review by it and the States concerned. In this regard I should like to explain that the River Murray Commission recently obtained from the Snowy Mountains Engineering Corporation a revision of the estimate of cost of Dartmouth Dam. The cost is now estimated at \$64,000,000 and the commission is of the opinion that this figure is a realistic one. Accordingly it is felt that before the Acts ratifying the amending agreement are proclaimed it would be desirable for the contracting governments to agree in advance

that the estimate of \$64,000,000 is acceptable to them and so obviate any concern that any of the governments would prevent the construction of the dam from proceeding following formal notification of the revised estimated cost. It is also felt that the contracting governments should approach the Commonwealth Government regarding an increase in the upper limit of assistance under the financial agreement.

In the circumstances I have written to the Prime Minister seeking the Commonwealth Government's agreement to an increase in the assistance it will provide under the financial agreement. I have also written to the Premiers of Victoria and South Australia. When these matters have been resolved, consideration will be given to fixing a suitable common date for proclamation of the Acts designed to ratify the amending agreement and the associated financial agreement.

#### POLICE SUPERVISION IN THE EASTERN SUBURBS

Mr ASKIN: On 27th October the honourable member for Bligh asked me a question in the House in relation to police supervision of the Eastern Suburbs. At that time I indicated to the House that I would pass on to the Commissioner of Police the concern expressed by the honourable member about the high incidence of crime in this area and that as soon as I had any information to convey to the honourable member and the House I would do so. The Commissioner of Police has now informed me that a pilot study of crime-policing procedures is being undertaken in No. 10 police division with a view to developing the most efficient and effective methods possible in respect of the investigation and detection of crime. This division embraces the suburbs of Waverley, Bondi, Paddington, Rose Bay and Vaucluse.

I am told that the procedure followed in the study is somewhat involved and among other things will result in the practices previously followed by police in the investigations of reports of crime being completely re-organized and replaced with new methods. The commissioner indicated that

it is in the nature of a combined operation involving detectives, plain-clothes and uniformed police, and requires immediate response to reported incidents of alleged crime whether it be breaking, entering and stealing, assault and robbery, common assault or any of the other many criminal offences which occur from time to time. In the course of the study additional radio-equipped vehicles have been brought into No. 10 police division and special type portable personal radios, which were recently purchased, are being used by police involved in these operations.

I understand that the honourable member for Blich and the honourable member for Vaucluse recently visited Waverley police station, which is the headquarters of the division, where the operation of the pilot study was explained to them by senior officers of the police force. Though I am unable at this stage to give to the House overall figures showing the number of reported incidents of crime within the division since the pilot study was commenced, and the clear-up rate of these offences, I am assured that there has been a significant improvement in crime detection in the area. I might add that it is the view of the commissioner that this study could well result in a completely new and more efficient procedure being adopted in respect of crime policing throughout the State.

#### PRICE OF PETROL

Mr WILLIS: On 2nd November the honourable member for The Hills asked in a question without notice that my colleague the Minister for Labour and Industry be asked not to consider favourably any further application for a price increase in petroleum products while the oil companies artificially increase costs by forcing unwilling service station proprietors to use trading stamps. I referred the matter to my colleague who informed me as follows:

As the honourable member for The Hills is aware, since the date of his question the Government has announced its intention to ban three-party trading stamps. I should point out, however, that applications for a price increase under the provisions of the Prices Regulation Act, 1948-1965, are not made to me as Minister for Labour and Industry but to the Prices

Commissioner. Under that Act the Commissioner 'in his absolute discretion' fixes and declares the maximum price for the goods or services covered in the application.

In point of fact the question of an application by the oil companies to the Prices Commissioner does not arise as the price which they charge the resellers is not regulated officially. So far as price control on petroleum products in this State is concerned it has been since 1959 directed solely at the resellers' margin on motor spirit. I am not familiar with the details of the items which the Prices Commissioner takes into account in determining applications by resellers' organizations for increases in their margins and indeed, the secrecy provisions of the Prices Regulation Act would preclude his disclosing same. I feel certain, however, that were resellers' organizations to seek to graft on to the reselling price structure a new item such as the cost associated with stamp trading they would not find the Commissioner at all receptive. My impression is that if a reseller failed to increase his turnover as a result of giving trading stamps to an extent which recovered the cost to him of the stamps he bought for the purpose and thereby suffered a loss, he could expect to have to bear such loss out of his normal reseller's margin, unless, of course, the oil company concerned assisted him in some way.

#### MONGOLOID CHILDREN

Mr JAGO: On 3rd November the honourable member for Cooks River asked me certain questions concerning mongoloid children. The matter raised is a complex one and extends beyond that relating to mongoloid children or mentally retarded minors. Statute law exists in New South Wales as regards blood transfusions on minors under section 39B of the Public Health Act, 1902, which, to save the life of minors, permits two medical practitioners to over-ride parental objections.

The Mental Health Act, 1958, provides in sections 108, 109 and 109A, that the medical superintendent of a mental hospital may authorize any medical or therapeutic treatment or surgical operation. The director of state psychiatric services may also give a similar authority. In respect of leucotomy and other prescribed treatments, special provisions apply. However, apart from these provisions there is no legislation in this State authorizing the performing of an operation on a minor without the consent of the parents. Without this consent,

the surgeon would commit the tort of battery, and could also be held to have committed a criminal act.

#### LIBRARY (AMENDMENT) BILL

##### THIRD READING

Bill read a third time, on motion by Mr Freudenstein.

#### LAND TAX (AMENDMENT) BILL

##### THIRD READING

Bill read a third time, on motion by Mr Freudenstein.

#### MARITIME SERVICES (AMENDMENT) BILL

##### THIRD READING

Bill read a third time, on motion by Mr Waddy on behalf of Mr Askin.

#### WORKERS' COMPENSATION (AMENDMENT) BILL

##### INTRODUCTION

Mr WILLIS (Earlwood), Chief Secretary and Minister for Tourism and Sport [3.27]: I move:

That leave be given to bring in a bill to increase rates of workers' compensation and otherwise to amend the law relating to workers' compensation; for these purposes to amend the Workers' Compensation Act, 1926, the Workers' Compensation (Dust Diseases) Act, 1942, and the Workmen's Compensation (Broken Hill) Act, 1920; and for purposes connected therewith.

Workers' compensation legislation has been the subject of amendment by this Parliament on many occasions over the years in the light of changing social and economic circumstances. Generally, the rates of compensation payable under the Act have been reviewed approximately every three years and the rates currently applying have been in force since 3rd December, 1970.

However, certain developments since that date point to the need for yet another and earlier review. A number of factors, including an increase in the cost of living, the release of Judge Conybeare's report on rehabilitation of injured workers and his

accompanying recommendations, and the increasing trend towards the granting of accident pay in certain industries have led the Government to bring forward this bill proposing substantial increases in compensation payments. This is further evidence of the Government's expressed policy of upgrading compensation payments to meet the change in economic circumstances.

I shall give a more detailed account of the provisions of the bill at the second-reading stage, when honourable members will see that the proposals contained therein will ensure that New South Wales continues to provide the foremost workers' compensation conditions in Australia.

Mr QUINN (Wentworthville) [3.29]: It is several months since the Government announced that it would introduce a bill along these lines, in spite of the fact that twelve months ago in this House the Chief Secretary made a definite statement that he would not make any amendments to the Workers' Compensation Act for another three years because it is policy to do it every three years.

Mr WILLIS: I said nothing of the kind.

Mr QUINN: It is recorded in *Hansard*.

Mr WILLIS: It is not.

Mr QUINN: That was the situation then. Of course, the Minister is quite incorrect in saying that certain changes had taken place outside the control of the Government. This Government has failed miserably in its attempt to control, or in its lack of attempt to control, the rising cost of living. That is one of the reasons the Minister is seeking leave to introduce this bill this afternoon. In addition, in the industrial field certain unions decided that they would take action of their own in order to obtain higher payments for members of their unions who are off work due to injuries sustained at work. In August this year when the Minister was asked in this House about this matter he took the liberty to refer to such workers as bludgers for wanting to obtain full pay while off work injured.

Mr WILLIS: That statement is not correct either.

Mr. QUINN: The Minister used those words, not me. I sat here and listened to what the Minister then said.

Mr. WILLIS: You could not tell the truth if you tried.

Mr. QUINN: Are you ashamed of what you then said?

Mr. WILLIS: No.

Mr. QUINN: About a week later the Minister came into this Chamber to withdraw it.

Mr. WILLIS: It is a pity that the honourable member cannot tell the truth. That is not what I said.

Mr. QUINN: The Minister then said that a claim for full pay while away from work as a result of injury at work was desired only by loafers, shirkers, and bludgers..

Mr. WILLIS: I did not say that.

Mr. QUINN: The Minister can whisper anything he likes, but that is the position. Because of the situation in which the Chief Secretary got himself at that time, and the Government with him, a panic announcement was made that the Government intended to introduce legislation to increase workers' compensation payments. That was the announcement in August this year, but here it is November before the Government gets round to introducing what appears from the Minister's explanation at this stage to be a simple measure to increase the rates of workers' compensation. It would appear that the Government greatly regrets the announcement that it made back in August, otherwise it would not have taken such an extraordinarily long time to bring this measure before the House. The announcement, made by the Premier at that time on behalf of the Government, was that the rate of workers' compensation would be increased from \$32.50 a week to \$43. Today the Minister has not even bothered to say what payment will be made.

It is quite significant that twelve months ago when honourable members were debating amending legislation to increase workers' compensation, on behalf of the

Opposition I pressed for the rate then applying to be increased to \$43.10, which at that time was the Commonwealth minimum wage rate. A few weeks afterwards Judge Conybeare's recommendations were released. I do not know how it came to be a couple of weeks later than that debate. I should not like to suggest, for I have no foundation even for thinking it, that it could have been that the Government knew what was contained in his report and did not want to bring it down until the legislation then before the House had passed through this Parliament. The Chief Secretary, who then held also the portfolio of Minister for Labour and Industry, would have been seriously embarrassed had that report been released in November last year instead of a few weeks later. Judge Conybeare recommended that the workers' compensation rate be increased to 90 per cent of an injured worker's actual earnings..

Mr. WILLIS: Is the honourable member quite sure that Judge Conybeare made that recommendation?

Mr. QUINN: It is in his report.

Mr. WILLIS: Apart from anything else, the honourable member cannot even read.

Mr. QUINN: Possibly during the second-reading debate reference will be made to that report. Perhaps the Chief Secretary might then tell us what he did report. In spite of the recommendations made by Judge Conybeare, the Premier made the announcement that the rate would be increased to \$43 a week. I do not know whether there is to be any change in that figure. The Chief Secretary has not even offered any indication of what he is seeking leave to introduce, apart from a variation in rates. We on this side of the House do not oppose the grant of leave. We regret that such a big delay should occur between the release of Judge Conybeare's report and the Premier's statement in August last. Also we regret the further lapse of time between the Premier's statement, which was made to get the Chief Secretary off the hook on which he had hung himself at that time, and the introduction of this bill. The delay

is certainly regretted by workers who, every day of the working week, are involved in accidents on the job; every day workers are the victims of accidents or lose time from work owing to accident or injury on the job. Every day these workers and their families suffer because of the delay in bringing this measure before the House.

I do not wish to delay this matter any further, although I realize that the forms of the House would preclude my speaking on this matter all night, and irrespective of how much time honourable members spend on this debate, it would not delay the commencement of the second-reading debate, which cannot proceed before tomorrow at the earliest. We on this side of the House look forward to seeing the bill. We hope that the Government has gone a lot further than the \$43 that was promised by the Premier last August.

Mr BROWN (Raleigh) [3.36]: I welcome any legislation to improve the Workers' Compensation Act. Since this Government came to office it has continually improved this legislation. It is quite a simple matter for the honourable member for Wentworthville to say what should or should not be done. The fact remains that this Government has been active in this field all along. My interest in this bill lies not so much in the proposal to increase the weekly rates of pay, which are more or less mechanical and should, perhaps, follow a formula anyhow, as in what is proposed in relation to the rehabilitation of injured workers. I regard this aspect as the most important provision in the Workers' Compensation Act. I have spoken at length in the House on the importance of giving men who are injured at work and are off work for a long time, an opportunity for rehabilitation. Before this Government was elected to office I told the Minister of the day that the Workers' Compensation Act contained a provision to permit the Government to contribute towards the rehabilitation of injured workers. Certain hospitals are doing valuable work in this field already, but it is needed on a much wider scale.

I do not think anything is more important than providing an injured worker with the means of rehabilitation in order to occupy

his time. An injured worker needs some type of therapy to aid in his rehabilitation. It does not matter what sort of financial assistance is given a man, if he has to sit idle every day, all day, he becomes bored. By contrast, if there is means of rehabilitation available to enable him to play a part in the community again, even if it is only to do some part-time work, he will benefit. Occupational therapy is of great assistance. I look forward to the details on rehabilitation in the Minister's second-reading speech.

Mr FERGUSON (Merrylands) [3.39]: Like every honourable member, I welcome any proposal to increase payments to workers who are on compensation owing to injuries suffered during their work. There was some byplay across the table between the Chief Secretary and the honourable member for Wentworthville over what the Minister said in 1970 when speaking on a measure to amend the Workers' Compensation Act. On 17th September, 1970, the Minister said in his second-reading speech:

The practice has developed in the workers' compensation field of introducing amendments at approximately three-yearly intervals to alter rates payable under the legislation . . . . .

I take this opportunity to say that this amending legislation has been introduced for a particular purpose. First, let me pay tribute to the workers in the building industry who are responsible for the Government's introduction of this measure. The bill comes before Parliament as a result of their struggle for security, and the sacrifices they have made in obtaining full pay for a man while he is off duty after being injured in the course of his employment. Workers under other awards in New South Wales have been coming into this struggle, and they also are demanding full pay while on workers' compensation. The honourable member for Yaralla, who was a builder, has always been rather incensed about this wonderful victory of the building workers. I have always believed that no one can justify a worker who has been injured in the course of his employment suffering a reduction in wages, as he does under the present workers' compensation provisions.

Mr FISCHER: That is not—

Mr FERGUSON: Now the young ex-army member is interjecting. He has never worked in industry, and he certainly has never been on workers' compensation. When he has been on workers' compensation and he understands the difficulties experienced by a man and his family who have to try to exist on the pittance that is paid as workers' compensation, he will have justification for speaking in this Chamber, by way of a speech or interjection, on these matters. I take this opportunity of paying a tribute to the workers in the building industry who were in the vanguard of this campaign for full accident pay. I feel sure, irrespective of the increases contained in the amendments of the Workers' Compensation Act, that before long the workers in New South Wales will demand, insist and ensure that when they are injured in the course of their employment they will suffer no reduction of pay and will receive full money. I welcome the introduction of this amendment and sincerely hope that next year all workers who are injured in the course of their employment will receive full pay while they are away from work.

Motion agreed to.

Bill presented and read a first time.

#### TEACHING SERVICE (AMENDMENT) BILL

##### INTRODUCTION

Mr HUGHES (Armidale), Minister for Public Works, on behalf of Mr Cutler [3.42]: I move:

That leave be given to bring in a bill to make provisions with respect to the transfer of persons employed under the Public Service Act, 1902, to the teaching service and with respect to the constitution of promotions committees under the Teaching Service Act, 1970; for these and other purposes to amend that Act; and for purposes connected therewith.

Basically, the amendments proposed are designed to improve the operation of the principal Act and to ensure that its provisions are consistent with recent developments. Honourable members will recall that in proposing amendments to the Higher Education Act reference was made to the declaration of teachers colleges as colleges of advanced education. In order that teachers colleges may be placed on similar

footing to other colleges of advanced education, an object of the bill is to exclude the powers of the Director-General of Education under section 17 of the Teaching Service Act, 1970—that is, the power to determine academic staff establishments at teachers colleges that are colleges of advanced education.

Experience has also indicated the need to permit the transfer of persons from the public service to the teaching service. Therefore, provision is made in the bill for the transfer of persons employed under the Public Service Act to the teaching service. Apart from other provisions of a minor or ancillary nature, the bill provides for certain senior officers of the public service to be appointed to promotions committees constituted under the Teaching Service Act. This will provide a greater flexibility in the appointment of members to these committees. As members will have observed, the amendments proposed are procedural. Nonetheless, they are important to ensure the effective operation of the Act. At the second-reading stage I shall outline in greater detail the provisions of the bill.

Mr BOOTH (Wallsend) [3.44]: Naturally the Opposition does not oppose leave to introduce the bill. Indeed, I can say on behalf of the Opposition that on all occasions when legislation to improve and advance education comes before this Parliament, we do everything we possibly can to support it. If, when the Minister gives more information at the second-reading stage, the bill turns out, as intimated by him, to be a measure to improve the Teaching Service Act and to make it much more effective, it will certainly have our support. This applies particularly to colleges of advanced education, which were debated in this Chamber last week. The Opposition believes there is much uncertainty and controversy in the many views that have been expressed on colleges of advanced education and their purposes.

It is a shame and an indictment of the Commonwealth Government that it did not accept the responsibility for teacher education. This has left a turmoil, and I am sure that the Minister for Public Works knows only too well what is happening at the University of New England so far as

the teachers college at Armidale is concerned. A similar position is arising at Newcastle, where there is a similar set of circumstances. It could be that it will happen at the University of Sydney also, with the establishment of the Sydney Teachers College.

Honourable members on this side of the House look forward to receiving further information at the second-reading stage. We are interested in the staffing position at colleges of advanced education. This matter has been taken out of the hands of the director general and has been placed elsewhere. It seems, also, that senior public service officers will be able to accept positions on promotion to the teaching service. We look forward to further information at the second-reading stage.

Motion agreed to.

Bill presented and read a first time.

#### GOVERNMENT RAILWAYS AND TRANSPORT (AMENDMENT) BILL

##### INTRODUCTION

Mr MORRIS (Maitland), Minister for Transport [3.47]: I move:

That leave be given to bring in a bill to enable the salary limitation in respect of appeals by officers of the Departments of Railways, Government Transport and Motor Transport to be fixed by regulation; for this purpose to amend the Government Railways Act, 1912, and the Transport Act, 1930; and for purposes connected therewith.

On parliamentary approval being given to the salary limit for officers of the transport undertakings being fixed by regulation appropriate action will be taken to increase, as quickly as practicable, the present limit of \$7,000 per annum to \$11,000 per annum. As honourable members are aware, the principles incorporated in this measure correspond with those included in amendments to legislation covering this condition of employment for employees covered by the Crown Employees Appeal Board Act and the Electricity Commission Act. I am quite certain that the proposed level of the appeal limit will receive the approbation of all employees and also of the executives of the transport unions and that there will be general approval of the action being taken

under the legislation, to confer on transport employees precisely the same rights as are enjoyed by other branches of the public service.

After the implementation of the proposals, only appointments to the most senior positions in the transport undertakings will not be subject to appeal, as is the case in departments coming under the jurisdiction of the Public Service Board. I think it will be agreed that the provision for future adjustments to be effected by way of regulation is a desirable innovation. This procedure ensures retention of parliamentary control while, at the same time, providing a means of avoiding the delays and difficulties experienced in the past when the legislation had to be amended for this purpose. I shall deal with this aspect in more detail at the second-reading stage. I expect that the measure will be well received on both sides of the House, and I commend the motion to honourable members.

Mr COX (Auburn) [3.49]: The Opposition supports this measure. As a matter of fact, I believe this recommendation was made when the previous amendment was being dealt with; that is, when the Government had to bring down legislation to increase the limit to \$7,000. A number of employees of the Department of Railways, the Department of Government Transport and the Department of Motor Transport have been badly affected because their salaries have gone up and they have been unable to gain access to the various appeal boards. As a result of the amendments contained in this measure, the Government will be able, by way of regulation, immediately to correct this difficulty. The Opposition commends the Minister's action in seeking leave to introduce this measure.

Motion agreed to.

Bill presented and read a first time.

#### WHEAT QUOTAS BILL

##### INTRODUCTION

Mr CRAWFORD (Barwon), Minister for Agriculture [3.50]: I move:

That leave be given to bring in a bill to provide for the allocation of quotas in respect of wheat of the 1971-1972 season in respect of

which payment will be made by the Australian Wheat Board in accordance with the Wheat Industry Stabilisation Act, 1968; to amend the Wheat Quotas Act, 1969, and the Wheat Quotas Act, 1970; and for purposes connected therewith.

The principal objects of this bill are to limit the quantity of wheat of the 1971-72 season for which the Australian Wheat Board is required to pay prices calculated in accordance with the Wheat Industry Stabilisation Act, 1968; to amend the Wheat Quotas Act, 1970, to authorize payment of those prices in respect of wheat of a quota season; to provide for the allocation by the Grain Elevators Board of wheat quotas, durum wheat quotas and sharefarmers' quotas for the 1971-72 season; and to make other provisions consequential upon or ancillary to the foregoing.

As a result of the recommendation of the Australian Wheatgrowers Federation, New South Wales, wheat quota for the coming 1971-72 season will be 109,000,000 bushels f.a.q., together with an additional 5,000,000 bushels to cover the State's poor harvest in the 1970-71 season. The State has also received an additional 12,000,000 bushels for northern prime hard varieties for the coming season. In addition, for the first time an allocation of 2,000,000 bushels has been received for durum wheats. All in all, the State's quota for this season will be 128,000,000 bushels.

No doubt honourable members will be aware that there is little chance that wheat-growers in New South Wales will fill the quota for the coming season. This has come about as a result of adverse seasonal conditions which, at one time or another, have affected virtually the whole of the State. I understand, however, that both Victoria and South Australia are expecting reasonable crops and as a result it is still necessary to maintain quotas throughout Australia. I propose to explain the wheat situation more fully during the second-reading stage of the bill when I will also explain how it is proposed to allocate quotas for the 1971-72 season.

Mr RENSHAW (Castlereagh) [3.54]: We have been around this track quite a few times. The remarkable thing about this bill

is that it will implement quotas at a time when quotas formerly fixed will not be reached. In other words, production is lower than the general demand for wheat. When the original wheat quotas bill was introduced the view expressed by the Opposition, in a number of speeches, was that old mother nature takes care of a lot of problems. That has proved to be the position. Basically, our approach was that even though it involved the expenditure of capital the Government should endeavour to acquire the whole of the crop and in that way encourage production at a reasonable level. The inevitable has happened. We have good seasons and bad seasons. I have no doubt the Minister would agree with me that of the 130,000,000 bushels allocated to this State our wheatgrowers this season will be lucky to supply more than 80,000,000 bushels. A spokesman for the wheat industry said recently that if wheat seasons do not improve in the near future there could be a demand to grow more wheat to fill world markets. It seems ridiculous to impose quotas on production when we know that those quotas will not be met. However, I appreciate that the wheat industry must be organized on a national basis, taking into account the circumstances in every State.

The Opposition is anxious to see what sort of deal will be given to share farmers in New South Wales in a season of short fall in production as against the quota allotted. Genuine share farmers who have made great contribution to the wheat industry should not have been left out. I do not say that this applies to all share farming agreements but some genuine share farmers were not included in the original quota allocations. Members on this side of the House hope that when we see the bill we will find that these share farmers have been properly recognized. The Minister intimated that some action will be taken by the Government in this regard. As to the general aspects of the bill, we await the Minister's second-reading speech with interest and reserve our further comments until then.

Motion agreed to.

Bill presented and read a first time.

## STAMP DUTIES (AMENDMENT) BILL

## INTRODUCTION

Mr FREUDENSTEIN (Young), Minister for Cultural Activities and Assistant Treasurer, on behalf of Mr Askin [3.57]:  
I move:

That leave be given to bring in a bill to vary the rates of stamp duty on certain instruments; to make provisions with respect to the reduction of death duty upon estates of certain deceased persons; to specify a basis for the valuation of certain debts; for these and other purposes to amend the Stamp Duties Act, 1920; and for purposes connected therewith.

The object of this bill is to give effect to decisions announced by the Premier and Treasurer in his budget speech to increase certain stamp duty charges and to provide concessions in respect of death duty payable in certain estates of primary producers. The opportunity is being taken also to amend death duty legislation to close a loophole that could result in a serious loss of revenue. So far as the increased charges are concerned the bill provides for variations in three areas. First, duty on conveyances of property is to be increased from \$2.50 per \$200 on the first \$14,000 of consideration and \$3.00 per \$200 on the excess above \$14,000 in accordance with the following scale: where the consideration exceeds \$30,000 but does not exceed \$50,000—\$1.75 per \$100 on the full amount; where the consideration exceeds \$50,000 but does not exceed \$100,000—\$2.00 per \$100 on the full amount; where the consideration exceeds \$100,000 but does not exceed \$250,000—\$2.25 per \$100 on the full amount; and for amounts in excess of \$250,000 the rate is to be \$2.50 per \$100 on the total consideration.

Honourable members will note that there is to be no increase in the rate of duty on conveyances of \$30,000 or less and, in fact, in some cases there will be a slight reduction because the scale is to be varied to \$100 steps. This is in accord with the Government's desire to avoid any increase in duty for low and medium income earners who are buying land or a home. The second variation is that the duty on transfers of marketable securities, including shares, is to be increased from 20 cents

per \$100 on brokers, buying and selling transactions to 30 cents per \$100, and the rate on non-broker transactions is to rise from 4 cents per \$10 to 6 cents. The third variation is that duty on cheques is to be increased from 5 cents to 6 cents.

The bill also provides for very important death duty concessions for primary producers. Quite detailed amendments are necessary to give effect to the Government's proposals and I shall explain these fully in my second-reading speech. Very briefly, the bill provides for a reduction in duty where a primary producer's gross property, as distinct from his dutiable estate, is less than \$200,000. The concession is to range from 30 per cent of the duty applicable to rural property in the dutiable estate, where the value of the gross property does not exceed \$150,000, reducing by 5 per cent for each \$10,000 above that; so that the reduction in duty ceases at the \$200,000 mark. The concession is to apply where the deceased was domiciled in New South Wales at the time of his death, and where rural property included in his dutiable estate comprised more than 50 per cent of his total gross property; more than 50 per cent of his gross income for the previous five years was farm income; and the beneficiaries were the widow, widower, child, parent, brother or sister and such beneficiaries were wholly or mainly dependent on the deceased or on the farming business.

These conditions are based on qualifications which apply for special concessions under the New South Wales Act and follow the broad principles of the Commonwealth legislation which provides relief to estates of primary producers. The final measure contained in the bill is designed to meet the situation where, as the result of certain conditions included in an agreement relating to a debt, the value of a debt in a deceased person's estate is substantially reduced. Details of this duty avoidance scheme have been widely publicized and, in the interest of equity and to protect the revenue, urgent amendments are considered essential. The provisions relating to death duty and conveyances are to operate from the date of assent and those concerning cheques and shares are to apply from 1st

January, 1972. As I have already said, I shall be giving a detailed explanation of the measures in my second-reading speech. I commend the bill to the House.

Mr BANNON (Rockdale) [4.3]: As the Minister indicated, the bill is in three parts. It deals with the rate of death duty, a reduction in death duties for primary producers and a loophole in the Stamp Duties Act. The Opposition notes with some interest that there will be no variation in the duty payable in respect of conveyancing charges on a property valued at less than \$30,000. However, there are some fairly steep increases in conveyancing charges in respect of properties of a higher value. To a large extent the bill will relate to business properties. However, it will have some impact on costs generally, particularly where it will be possible to pass these charges on to the public.

Almost everybody in the community has a cheque account, and we note that from 1st January the duty on cheques is to be increased from 5 cents to 6 cents. It is only about two years since the previous increase in duty on cheques.

Mr FREUDENSTEIN: This is happening in all States of the Commonwealth.

Mr BANNON: I am speaking about what is happening here. People who use their cheque books to a large extent will find this increase a real pinch. The Minister has given a number of figures although it is not necessary for him to go into details at this stage, and the Opposition will be studying those figures with some interest. The Opposition has indicated its keen desire to assist primary producers. By its actions in this House it has shown its interest and wish to assist those involved in this depressed industry. The Minister has indicated a means by which primary producers will be assisted by a reduction in death duties, and the Opposition will not oppose any benefits that will be forthcoming in this respect. I have referred briefly to the matters outlined by the Minister, including the loophole in the Stamp Duties Act. The Opposition will analyse the figures

the Minister has given to enable it to formulate a positive approach to the legislation.

Motion agreed to.

Bill presented and read a first time.

## FACTORIES, SHOPS AND INDUSTRIES (AMENDMENT) BILL

### INTRODUCTION

Mr WILLIS (Earlwood), Chief Secretary and Minister for Tourism and Sport [4.7]:  
I move:

That leave be given to bring in a bill to make further provisions with respect to the trading hours of shops; for this purpose to amend the Factories, Shops and Industries Act, 1962; and for purposes connected therewith.

Since the principal Act was passed in 1962 the sections dealing with trading hours have been amended on several occasions. The amendments now proposed represent a further step in the liberalization of trading hours which has been the deliberate policy of this Government. The bill makes provision for late night shopping on one weekday each week. It will be left to the discretion of the Industrial Commission of New South Wales to determine the actual night for late closing in various localities and also the ordinary hours of work of employees in the industry.

The proposed extension of hours will, I feel, be very much in the public interest, in that it will provide a period of shopping time additional to Saturday mornings outside the normal range of community working hours. This Act has many social and economic implications, and from time to time requires amendment in keeping with the changing nature of our work force and changes in economic and social conditions. This is a very brief outline of the provisions of the bill and I will be pleased to give a detailed explanation of the clauses of the bill at the second-reading stage.

Mr QUINN (Wentworthville) [4.8]: The Minister has given the House a brief outline of the proposals contained in the bill. He said that the actual night for late closing would be left to the discretion of the Industrial Commission of New South

Wales. The Opposition hopes that notwithstanding what may be contained in the proposals, it will not mean that shop assistants will be required to stand on their feet serving the public from 9 a.m. to 9 p.m. on the late closing night.

One of the reasons why shopping hours and working hours were reduced was the fact that individual employees could be exploited in such a manner. From what I have read in the journal issued by the Retail Traders Association and from discussions I have had with officers of the Shop Assistants Union, I understand there is some sort of gentlemen's agreement that employees will not be required to work that number of hours. I do not know what the legislation will contain in regard to this matter, but we hope that whatever method is used it will not result in shop assistants' being employed from 9 a.m. to 9 p.m. on the late shopping night. At the second-reading stage the Opposition will state its view in relation to this matter.

Motion agreed to.

Bill presented and read a first time.

#### JUSTICES (FURTHER AMENDMENT) BILL

##### SECOND READING

Mr MADDISON (Hornsby), Minister of Justice [4.10]: I move:

That this bill be now read a second time.

When introducing this bill I intimated that the Government was conscious of the need to ensure that the courts of the State are able to function with a minimum of delay, and I intimated also that a review of the provisions of the Justices Act of 1902 had revealed several areas in which improvements could be effected. To this extent the present bill is largely procedural in nature. However innovations have been introduced in several areas. I might say that the review to which I refer was not intended to be a comprehensive review of all the provisions of the Act, but was one which followed specific problems that had been raised by members of the judiciary and the magistracy. In the light of this, the views of the Law Society were not sought. However, honourable members are already doubtless

aware that my colleague the Attorney-General has already formed a committee known as the Criminal Law Revision Committee which is constituted by members of the judiciary, crown prosecutors, the senior public defender and departmental officers. This committee will invite the views of the Law Society, the Bar Association, the Police Department and other persons or bodies able to contribute in the areas of the criminal law which will be examined.

It will be noted that clause 2 of the amending bill repeals the major portion of the existing section 5 and inserts new provisions. The Act has always provided that the Governor may establish courts of petty sessions, appoint districts for which such courts may be held, and abolish courts where this is considered desirable by reason of changing circumstances such as changes in areas of population. In fact the districts for which courts may be held have not been varied for very many years, but with the introduction of the Courts of Petty Sessions (Civil Claims) Act, of 1970, it was considered an appropriate time to revise extensively the present districts and to fix new districts more in keeping with population trends, ease of access to courts and so on. With this in mind, all the districts in the State have been revised and these new districts will be introduced on 1st January, next, to coincide with the introduction of the Civil Claims Act.

There is, in a number of the Acts of this Parliament, a requirement that actions be brought within a particular district, and as these districts are being altered it is necessary to provide a saving for those actions which have been commenced, but not concluded, in a district which is subsequently altered. The amendment to section 5 therefore permits the publication, by order published in the *Government Gazette*, of the new districts which have been fixed and also provides the necessary savings for actions commenced in a district which is altered. Members may be aware that section 85 of the Courts of Petty Sessions (Civil Claims) Act of 1970 made some amendment to section 5 of the Justices Act. The present amendments make that section redundant, and it is therefore repealed by clause 5 of this amending bill.

A significant innovation introduced by the bill is the concept of a continuing form of bail, which will be available for use by magistrates in courts of petty sessions. At the present time the Act provides that bail may be allowed to a defendant in respect of his attendance at a court. However on each occasion when a matter is adjourned it is then necessary that the defendant, and often a surety or sureties on his behalf, enter into a fresh recognizance in respect of his further attendance at the court. This procedure is time-consuming, both for the person concerned and for the court and office staff. In several of the other States, a system of continuing bail has operated successfully for a number of years and we now propose that it be introduced in this State.

The decision to release a person on continuing bail will be a matter for the discretion of the magistrate concerned. If the magistrate is of the view that it is a suitable case for release on this basis, the defendant and his sureties will be able to enter into one recognizance which will provide for the defendant's appearance on every occasion to which, during the course of the proceedings, the matter is further adjourned. On each day of the further hearing, the magistrate may then respite the recognizance without the need for the sureties to be in attendance and without the need for the defendant to enter into fresh bail. In addition to this provision for continuing bail, the amending bill will also provide that a magistrate may fix special conditions as part of a recognizance of bail when releasing a defendant. Again, at present the Act makes no provisions for the fixing of special conditions.

The view has been put to me that it would assist magistrates in the administration of justice if they were able to impose, in appropriate cases, conditions to ensure that a defendant released on bail will not only appear on the adjourned date but will also do, or refrain from doing, any other things necessary in the interests of justice. The type of conditions which come readily to mind here involve such things as reporting at intervals to a police station, refraining from interfering with witnesses, surrendering a passport and so on.

*Mr Maddison*

Members will be aware that the decision to grant bail or to order that a man remain in custody is often a difficult one, especially when there may be a history of prior criminal activities or the police fear that for various reasons the defendant may not appear at the further hearing. It is a considerable saving to the community as a whole to have a man released on bail rather than confined in prison, and many instances arise where it is felt that bail might be granted, provided that steps were taken reasonably to ensure that the interests of justice will not suffer. Of course the situation also arises on occasions where an undertaking by a defendant, for example, to seek medical treatment, may assist both him and the court in the ultimate determination of the matter. For any special conditions imposed upon the granting of bail to be effective, a sanction for non-compliance is obviously necessary. If a man released on bail subject to special conditions is aware that nothing will flow from a breach of those conditions, the exercise is pointless. The amending bill will therefore also provide that where a police officer has reason to believe that the conditions are not being complied with, he may go to a justice of the peace and inform him of this on oath, and the justice may then issue his warrant to apprehend the defendant and bring him back before the court. Paragraphs (a), (b) and (c) of clause 3 effect consequential amendments to the sections mentioned in relation to recognizance of bail generally.

Paragraph (e) provides that a defendant charged with an indictable offence may either be released on bail to appear at a specified time and place, or alternatively, at every time and place to which the hearing is, from time to time, adjourned. Upon his release on bail, the conditions of his discharge may include such special conditions as appear to the magistrate likely to result in his appearance at the time and place required or to be necessary in the interests of justice or for the prevention of crime. It is of interest to note that where a surety is required for the release of a

person on bail, the surety shall not be required to bind himself in respect of any of the special conditions imposed. It will doubtless be agreed that it would be manifestly unfair to expect a surety in effect to become his brother's keeper and to ensure that he does, or refrains from doing, all the things that are required of him, other than attending at the next hearing day.

It might also be noted that the release of a defendant upon special conditions does not prevent the magistrate, at any subsequent hearing, from varying or revoking the conditions of the recognizance, or alternatively of respiting the recognizance to the next hearing day without any further consent of the surety or sureties. Paragraph (f) of clause 3 enables a police officer to inform a justice on oath that he has reasonable grounds for believing that the defendant is likely to break the condition of the recognizance that he will appear at the next hearing or that he is likely to break, is breaking, or has broken any of the special conditions, and the justice may thereupon issue a warrant for the apprehension of the defendant.

Following the arrest of a defendant in these circumstances, the court may then either remand him in custody, order that he be taken back before the court where the case is proceeding, or release him on a fresh recognizance. If, after inquiry, the court is not satisfied that there has been a breach of the conditions, then the defendant may be released on his original recognizance. If the police are not aware of any breach of the conditions of the recognizance and the defendant does not appear at the next hearing date, the Act already provides for the forfeiture of his recognizance and for the issuing of a warrant for his arrest.

I regret having to deal with these matters out of context, but if I now return to paragraph (d) of clause 3 of the bill, it will be seen that here again a new procedure is being introduced. One sees, almost from day to day, the increasing complexity of the criminal law with the consequent lengthening of the time taken by the courts to hear the matters brought before them. This has been demonstrated particularly in more recent times when a number of persons

have been charged at the one time with offences of the nature of conspiracies to procure certain illegal acts. It is first necessary to present such evidence to a magistrate in a court of petty sessions, for him to determine whether the evidence is such that the defendant or defendants should be put on their trial before a higher court, and occasions are more and more frequently occurring where these preliminary hearings are occupying many sitting days of the magistrate.

It is also a fact that in cases of this nature, involving, as they do, ten or a dozen different defendants, the evidence that is presented covers the whole range of the conduct complained of, and such evidence may concern any one particular defendant for a very small portion of the time taken to present all the evidence. Section 41 of the Justices Act requires that all such evidence must be given in the presence of the defendant, which means of course, in the presence of every defendant. The Chief Justice of the Supreme Court commented in a recent judgment that this provision seemed, in the view of the judges, to impose an unnecessary hardship on some of the persons involved, in that it required their attendance at the court on every day of the hearing when in fact the evidence relating to their particular involvement might only occupy a very small portion of the time taken to give that evidence. In the meantime the persons involved were precluded from otherwise pursuing their normal occupations and business undertakings. Had they been charged and appeared before the court alone, the evidence would be in a much smaller compass and would take very much less time to present.

To this extent, it might well be said that a form of double penalty is imposed on these persons. Where there is a hearing occupying up to three or four weeks of actual court sittings, or even more in some instances, I feel there can be little doubt that some hardship is occasioned to the persons required to be in attendance for the whole of this time. Indeed, provided that the interests of the person are safeguarded by the attendance of his counsel or attorney, there would seem to be no reason

why he could not be excused from attendance during at least that portion of the proceedings which did not directly involve him.

For these reasons, paragraph (d) of clause 3 provides that a person in these circumstances or his counsel or attorney on his behalf, may make application to the court to be excused from attendance during the taking of portion of the evidence, and if the court is satisfied that his interests will be safeguarded by the attendance of his counsel or attorney he may be discharged upon his entering into a recognizance of bail for this purpose.

In a recent case before the Supreme Court, an anomalous situation arose where an informant, having taken proceedings for an indictable offence of stealing, did not appear at the hearing of the matter and the court had no alternative but to dismiss the information and make an award of costs against him. To avoid a repetition of this unfortunate situation, clause (ii) of paragraph (d) provides that the court should be satisfied that the informant has had notice of the date of hearing before it dismisses an information in these circumstances.

Paragraph (g) seeks to effect another procedural amendment. Members will recall that in 1970 the Act was amended to permit of summonses for various traffic offences being served by post. Section 63 of the Act also provides that a summons to be served by post may be forwarded by "ordinary prepaid post". Instances do sometimes arise where it may be desirable to serve a summons either by certified or registered post and the use of this expression may be held to preclude the use of registered or certified post. The expression "prepaid letter post" will therefore be substituted to allow the use of this form of postage when it is felt to be warranted.

In the course of implementing procedures for postal service a practical difficulty arose where it was desired to serve a summons upon the owner of a motor vehicle under the owner onus provisions of the Motor Traffic Act, and it was necessary to obtain from the Department of Motor Transport the name and address of

*Mr Maddison]*

the owner of the vehicle concerned. The present section 63 (6) (b) refers to the address appearing on "the current certificate of registration of the motor vehicle". However, that is not the correct description of the record maintained and the section is therefore amended to provide that the address may be supplied from the records kept by the Commissioner for Motor Transport in accordance with section 12 of the Motor Traffic Act or a similar record kept by any authority of another State or Territory in relation to motor vehicles.

I refer now to paragraph (h) of clause 3. Section 78A of the Act permits several matters charged against a defendant to be heard together, provided that the defendant himself consents to that course of action. Recently the Crown was advised to consent to the making absolute of orders *nisi* for prohibition where several matters relating to traffic offences had been heard together in the absence of the defendant, without his consent. It is common knowledge, I think, that many occasions arise where a number of offences may result from the one incident—for example, driving an unregistered and uninsured motor vehicle, and exceeding the speed limit in a car which also has defective tyres or lights or other equipment.

In the great majority of these cases, defendants do not appear at the court and the matter is dealt with *ex parte* by the police giving evidence of the circumstances which resulted in the offences. As the one set of circumstances applies to all the offences, it is merely time-consuming for the court to have to receive the same evidence on two or three separate occasions, and a new section has therefore been inserted to provide that, in instances such as these, the court may hear and determine the matters together notwithstanding that the defendant is not present and that he did not consent to their being heard together. The rights of the defendant are not infringed in any way, and if he is present he still has the right to object to the matters' being heard together. He has also the right of an appeal to a court of quarter sessions if he subsequently desires to contest the matter or matters.

Paragraphs (i) and (j) of clause 3 also relate to the granting of bail and the release of persons on recognizances. These provisions relate to persons charged with summary offences, and are identical to those already outlined in relation to persons charged with indictable offences. The comments I expressed earlier apply with equal relevance here so I shall not burden the House with further detail. Paragraph (k) relates to the present procedure under section 100A of the Act where a defendant who has been dealt with by a court in his absence, may, in certain circumstances, apply to the court for a rehearing of the matter. Section 100A provides that a person who has been convicted *ex parte* under the provisions of the Justices Act, or has had an order made against him under section 18C of the Motor Traffic Act, can apply for a rehearing of his matter if he is able to satisfy the court that he was not able to defend the matter because the summons issued did not come to his notice and he was not aware of the hearing date or the adjourned date.

That section, of course, has particular relevance as an additional safeguard where summonses are served by post and for some reason the summons is not received by the defendant. Practical experience reveals that instances arise where the defendant might well be aware of the original hearing date, having had a summons served upon him, but for a number of reasons he was not aware that the matter had been adjourned and he was therefore unable to appear on the adjourned date. Cases of this nature may arise where, the defendant having sought an adjournment of the proceedings, a letter advising him of the adjourned date is not received, or he is informed of an incorrect date. To ensure that justice is done in these circumstances the amending bill widens the scope of the section to provide that a person may apply for a rehearing when he was unable to appear and defend the matter because either he was not aware of the return date of the summons or he was not aware of the adjourned date for hearing. The amended section will also provide that a matter heard in the absence of a defendant may be annulled under this

section without affecting the validity of any other convictions which might have been dealt with in his absence, unless of course, he also makes an application for a rehearing in respect of those convictions.

Paragraph (1) of clause 3 is again basically procedural in nature. Section 131 of the Justices Act provides that where a defendant has appealed to a court of quarter sessions against the decision of a magistrate, the quarter sessions, in determining the matter of the appeal, may make such order for costs as is appropriate. The court orders that the cost be paid to the clerk of the peace, who in turn pays the costs to the person or body to whom or to which they are payable. In fact, the vast majority of matters refer to the costs of the Crown, and they are payable into the consolidated revenue.

If the costs are not paid within the time allowed, it is then necessary for the clerk of the peace to prepare a certificate to this effect which he forwards to the clerk of the court where the original conviction occurred. The clerk of the court must fix a default of imprisonment for non-payment of the costs and then issue his warrant of commitment, and notify the clerk of the peace of the issue of the warrant and details of any subsequent payments. It will be seen that the procedure is cumbersome and time-consuming for all concerned.

It is therefore proposed that when ordering the payment of costs of appeal, the quarter sessions judge will immediately fix a default of imprisonment for the non-payment of the costs and order that they be paid direct to the clerk of the court where the original conviction occurred. If the costs are not paid, the clerk may issue his warrant immediately and will account for moneys paid in the same manner as he would for all other moneys received. Though this new procedure will not effect great savings of time so far as individual clerks of courts are concerned, it will bring about a most significant improvement in the office of the clerk of the peace. Proposed section 131 will provide the necessary machinery to implement the new procedure.

Paragraph (m) of clause 3 effects further consequential amendments flowing from the revised provisions in relation to bail and release on recognizances. Section 153 of the Act confers upon a gaoler or an officer of police, in certain circumstances, similar authority to that of a justice to release persons on bail upon entering into recognizances. However, it would be undesirable that persons in these categories should seek to impose special conditions upon the granting of bail by them, and a new section 153 (1A) will therefore provide that a person may not be released on special conditions unless those conditions have been fixed by a magistrate sitting in the court. However, where such special conditions have been fixed by a magistrate, but the defendant is unable to enter his recognizance during office hours, the special conditions will be endorsed upon the warrant to the police officer or gaoler, and in these circumstances the police officer or gaoler will include the special conditions fixed by the court in the recognizance.

Clause 4 of the amending bill effects an amendment to the Crimes Act, 1900, again of a consequential nature. Section 409 of this Act provides that where a witness gave evidence during a preliminary hearing of an indictable offence and is then not available at the trial, his evidence may be tendered for the prosecution provided that it was taken in the presence of the defendant and that the defendant had an opportunity to cross-examine the witness. That is the law at the moment. In the light of earlier amendments permitting a defendant to be excused during the taking of part of the evidence, it may not always be that he was present when the witness was giving evidence. Section 409 is therefore amended to cover this contingency by providing that the evidence of the absent witness may nevertheless be received.

I would mention particularly that paragraph (c) of this clause has been included to cover the situation where, having himself been discharged from attendance during portion of the preliminary hearing, the defendant's counsel or attorney does not, for some reason, attend during his  
*Mr Maddison]*

absence. It would be most unfair to penalize the Crown by refusing to admit the evidence of the witness in these circumstances, and if the defendant wishes to be excused during the preliminary hearing, then this is a risk he must bear himself. As previously mentioned, clause 5 of the amending bill repeals a section of the Courts of Petty Sessions (Civil Claims) Act, 1970, which has now been made redundant by the provisions of this bill.

I have explained the provisions of this bill in some detail so that the House may appreciate fully the reasons for the amendments. Most certainly the bill will assist in the disposition of cases before the court, but equally important it will provide additional rights for defendants to obtain bail in circumstances where they might not otherwise have been released, to be excused from attendance in some hearings, and to apply for the re-hearing of matters in wider circumstances than applied previously. I commend the bill to the House.

Mr MULOCK (Nepean) [4.34]: The Minister of Justice has given the reasons for introducing this legislation. One of them is the wish of the Government to proceed with a review of the Justices Act with a minimum of delay. The Opposition supports such a review. It would agree in principle also with most of the matters contained in the measure, although I shall comment on some of its provisions. The Opposition appreciates that this is not intended to be a comprehensive review of the Justices Act. Though the Minister was good enough to inform the House of the approaches made to the Government by magistrates and judges seeking amendments of the sort that are included in this bill, he confirmed the fact that the Law Society of New South Wales had not been consulted on the Government's proposals.

The Minister said that the wishes of the Law Society will be taken into account by a committee under a retired judge, Judge Amsberg, but if it is good enough to take note of the views of magistrates and judges, it is good enough to seek the opinions of persons who are responsible for the important work of prosecuting and defending. I refer to the members of the Law Society

of New South Wales and of the New South Wales Bar Association. It would have been as well if the Government had consulted those bodies on particular aspects of this legislation. If such consultations had taken place, there probably would have been general acceptance of the provisions that have been embodied in the measure. My point is that it is important not to sectionalize the profession, but to seek the widest cross-section of opinion on proposed legislation.

The Opposition would agree that it was necessary to provide for a revision of courts of petty sessions districts to accord with changing population trends. One looks forward to the stabilization of those districts in accordance with present population developments. On the matter of bail, the Minister has indicated that defendants have had to bring to court a surety every time they appear at a hearing. I have always found this a most difficult matter. In the first instance a surety is readily available, but there is difficulty in getting one on the occasion of an adjourned hearing as the person concerned may be involved in the conduct of his own business, or may be unable to leave his place of employment. Therefore, the Opposition welcomes the introduction of a continuing form of bail for indictable and summary offences. This will remove a great source of irritation. It is interesting to note that other States of the Commonwealth have already enacted a similar provision.

In these days of fast transport it is easier to leave the country than it was formerly, and it has become a matter of concern that persons charged with indictable offences might flee the State before the hearing of their case. The wish is to implement terms and conditions of bail that would place some restraints on defendants in those circumstances. The special terms and conditions referred to by the Minister should become applicable after a matter has been considered in the first instance by a magistrate, who will determine what form of bail, if any, should apply. One wonders whether a requirement to report to a police station will serve any purpose other than to draw early attention to the fact that a person who was on recognizance has absconded, but I suppose there will be some solace in the fact

that, if one knows early enough, one may be able to trace the necessary ground more quickly.

I am sure all honourable members appreciate that there are circumstances in which a defendant, in his own interests, should consent to undergo medical treatment, if he can see his way clear to do so, and thereby do himself and the community a service. The result may provide some additional evidence that would mitigate the circumstances in a defendant's favour, and in some cases could even give rise to an absolute defence.

The Opposition considers that it would be wrong that a person who comes forward as a friend to support by way of surety an accused person who seeks bail and subsequently enters into a recognizance should be bound in respect of the performance of the accused person in relation to special conditions laid down by the magistrate. It is reasonable that the machinery should require the surety to ensure that the accused person will come before the court on the day to which the hearing is adjourned. What I am saying does not cut across the intention in relation to special conditions. In this regard the onus will be solely on the accused person, as the special conditions are personal to him. We on this side would welcome the principle that there be no surety in respect of special conditions that may be applied to bail.

Clause 3(f) relating to the arrest of a defendant who is released on bail is one of the areas about which we on this side have some reservations. A police officer can appear before a justice and state on oath that he has reasonable grounds for believing that the defendant is likely to break a condition to appear at the time and place required by the recognizance, or that he will break any special conditions of the recognizance. I am sure that the Minister will agree that this proposal opens up an area for conjecture. A police officer who has some personal grievance against a defendant could harass him. I should like the Minister to indicate some circumstances in which it is feasible that a policeman will have reasonable grounds for believing that a defendant is likely to break the conditions of his

recognizance. I suppose that, if the defendant does not surrender his passport, a policeman would have reasonable grounds for believing that there is a breach of condition.

If it is a matter of reporting each Friday to a police station, I suppose that the Minister could answer what I have been submitting by saying that a police officer might receive a message from a person unnamed that on Thursday next the accused person intends to leave New South Wales by an interstate airline. As I have said, this provision in the bill opens up an area of supposition. I am speaking personally when I say that I believe this provision would be just as strong if the part relating to having reasonable grounds for believing that a defendant is likely to break a condition were omitted. The fact that an accused person or a defendant can be brought before the court for a breach of recognizance is ample protection.

I turn now to the matter of joint defendants being permitted, on their request and with the leave of the magistrate, not to be present when certain evidence is being given and not to have representation at all times—at their own risk, as the Minister said towards the end of his second-reading speech. This provision will enable a defendant, particularly in a conspiracy case, to go about his business. I suppose that the stage will never be reached when a defendant can safely be informed that the prosecution case will proceed in such a way that the evidence affecting him will be heard on a particular day. If this were possible, he could be relieved of the heavy costs of representation at all times during his absence. This would require almost split-second timing and the presentation of the prosecution case in sections in order to achieve the acme of perfection in the presentation of conspiracy cases that take a long time. A defendant who is concerned with only a segment of the prosecution case might then safely be excused, and be required to be present only when the prosecution is presenting the aspect that relates to his involvement in the conspiracy. I mention this in the context of the Minister's statement that it would be at the risk of the defendant.

*Mr Maddison]*

If evidence is given in the lower court and the defendant's lawyer is not present, nevertheless that evidence could be adduced at the trial. It would be at the risk of the defendant; the prosecution should not be prejudiced. It occurs to me that the right to introduce sworn evidence given in the lower court by a witness who is not available at the trial, even though it has not been subject to cross-examination, has an air of unfairness about it. I am sure that the Minister appreciates that in committal proceedings usually the attorney of the defendant subjects Crown witnesses to cross-examination. The evidence given at that time might go only to degree, and the cross-examination might not break down that evidence completely. It may well be that this evidence could be broken down only by further cross-examination of the witness at the trial in the higher court. As the opportunity does not then arise for such cross-examination, the evidence given at the lower court would have more weight simply because the prosecution's witness does not appear. This matter needs to be watched to determine what effect will flow from this approach to the depositions taken in the lower court being tendered *in toto* and standing on all fours with the evidence given at the trial.

I come now to the alteration in the method of service. I am sure that on many occasions those who are effecting service would desire to have a more direct form of service than ordinary prepaid post. This measure will certainly take care of that desire. As to the provision in regard to the use of the records of the Department of Motor Transport to obtain addresses for service, it is fair to say that, if the intention is to lay a complaint against the registered owner of a motor vehicle and the onus is to be thrown on to that registered owner to disprove the allegation, it naturally flows that it should be good enough to use the address shown on the department's records as that of the registered owner. If he has not taken the trouble, as required, to notify a change of address, he may well be put to the inconvenience of taking action subsequently to have the matter reopened.

The procedure to re-open matters when a defendant shows good reasons for not being in attendance or has not known the time and date of a hearing removes any odour that might attach to the hearing of matters *ex parte*. The Opposition agrees that there should be additional subsections in section 153 of the Act to provide that only magistrates should set conditions for recognizances and certainly not gaol recorders or police officers. The Opposition does not object to the form of the bill. It covers the matters mentioned by the Minister. The operation of some new aspects will require observation. Generally, the Opposition supports this bill.

Mr F. J. WALKER (Georges River) [4.52]: The object of this bill is to allow courts to function with minimum delay. At the introductory stage I mentioned the extent of that delay, which is something frightful in courts of petty sessions. I am glad that steps are being taken to try to alleviate the situation. The Minister does not pretend that this bill will go a long way towards doing that, but it is a step in the right direction and will be of some assistance in smoothing out some tangles in our judicial system. In some instances this legislation is a step backwards, but they are in the minority. Generally, the bill is commendable.

The first object is to provide for the continuation of proceedings commenced in a court of petty sessions notwithstanding that there has been some alteration in the jurisdiction. True it is that, with the urban population explosion, particularly in the Sydney area, and re-distribution in country areas, new areas for courts of petty sessions and the like should be gazetted. It follows, too, that some provision should be made to protect part-heard cases. The second object of the bill, which is slightly more contentious, is to provide for the granting of continuing bail. The concept of continuing bail is excellent. It is long overdue in this State. I commend the Minister for following a practice already adopted in other States. As a legal practitioner, on many occasions I have been frustrated and annoyed by the problem of finding a surety when a case is adjourned several times. It is annoying, also, to be required to pay an 80-cent fee each time

a recognizance is issued, even if the police have applied for the adjournment. This is an area in which improvement was necessary and no doubt these provisions in respect of both summary and indictable offences will benefit the whole system.

My first objection is the proposed amendments to section 41, contained in clause 3 (d) of the bill. In particular I disagree with proposed subsection (1A). That part of the amendment inviting my displeasure is "unless for some reason he or they think it proper to adjourn the hearing to an appointed time and place." This applies when an informant has not appeared at the hearing although all other procedures have been gone through. In those circumstances the normal procedure is to strike the matter out and to discharge the defendant. If the informant is aware of the hearing and does not come before the court, the defendant should not be put to the inconvenience of having to come back on another day.

It is possible that the magistrate, even though the informant is not before the court, will be inclined to adjourn the matter because the police have said that, although this charge is not being proceeded with, it is likely that further charges will be laid. The inference is, of course, that they like to have the man within their clutches so that he will be available when they want to lay further charges against him. There is no necessity to have this provision in the legislation. With regard to proposed subsection (1B) of section 41, dealing with joint defendants, the Minister has intimated that in certain cases, such as a conspiracy trial or a trial under the provisions of the Companies Act which may proceed day after day and week after week, defendants have, in the past, been required to remain in court though the part of the proceedings they are concerned with is not dealt with for perhaps several weeks. Quite often evidence being dealt with at a particular time relates to only one defendant and has no bearing on other defendants. This is an excellent provision and should have been introduced long ago.

Of course, joint defendants should be represented by counsel, if they can afford it, and I should have liked to see included

in the bill a provision that if any matter arose concerning a particular defendant the magistrate should put that matter over until that defendant could be called. That requirement does not appear to be in this legislation, though perhaps I have not read it properly. In all other respects this is a commendable provision.

The amendments to section 49 of the Act, clause 3 (e), deal with discharge on recognizance. I am particularly concerned about proposed subsection (2A) which allows a justice or magistrate to include special conditions in a recognizance. The Minister has intimated in this debate that the sort of special conditions a magistrate could be expected to impose would be that the defendant should report to the police, that he should hand in his passport or that he should keep away from witnesses in the case. Earlier, either the Minister or the honourable member for Nepean suggested that a condition that he should subject himself to certain medical treatment might be imposed. That is rather contentious. Mr Justice Isaacs of the Supreme Court has said a lot about the conditions of bail, when they might be imposed and why they should be imposed. I should have thought that the fundamental principle involved is that conditions of bail should be imposed only to ensure that the defendant will appear at the hearing. That should be the sole purpose of the imposition of a condition of bail, based on the presumption that a man is innocent until proven guilty. The basis upon which a man is given bail is that he is presumed innocent and the court is merely ensuring his appearance at the next hearing.

I am violently opposed to the imposition of any condition not directly related to his attendance at court on the next occasion. Reporting to the police or handing in a passport is incidental to that and I would not object to the imposition of that sort of condition. However, the conditions should be specified in the legislation and no conditions not directly related to ensuring his attendance should be imposed.

As I do not want to waste the time of the House on matters on which there is common ground I have not commented on

*Mr F. J. Walker]*

many other provisions that are worth while. I agree with the honourable member for Nepean that new section 49A is far too vague and wide, and could lead to injustice, especially in the situation referred to by the honourable member for Nepean where some personal abrasiveness between the police and the offender exists. I do not believe that a police officer should have so much rope that he could swear on oath that he has reasonable grounds for believing that a person is likely to do something. That is not logically possible. The law is a finite discipline. These vague, dragnet provisions should not be found in the law: it is not good practice. They can be abused by police and other persons. It is easy to get evidence that someone has reasonable grounds for believing something is likely. That it is the widest possible provision. The only provision that should be included here is where the police officer knows that a recognizance has been broken: that should be sufficient.

Again, I have personal reservations about new section 75A. I have reservations about *ex parte* hearings at the best of times. I do not like them; they tend to lead to injustice. The Minister has included in all the legislation that I have seen him bring before this House rather wide and reasonable provisions for appeal to ensure that injustice did not occur. I am willing to compromise to this extent, that *ex parte* hearings are tolerable provided the appellate provisions are sufficiently wide. I might add, too, that I am not heartily in agreement with provisions that provide for the hearing of charges concurrently. Time and again, lawyers appeal to judges and magistrates for separate hearings on separate charges. There are many good reasons for this sort of application especially when evidence in one charge is likely to prejudice an otherwise good case in another. Without going into the reasons too deeply, almost invariably these applications are rejected.

The combination of an *ex parte* hearing with a joint hearing of several, perhaps separate, charges is completely repugnant to me even if appellate provisions are available should injustice occur. I cannot agree with the Minister's statement that this provision is designed to save time. An *ex parte*

hearing takes only a handful of minutes. The police prosecutor usually rattles out the details from the bar table or wherever he is standing in the courtroom. It would be a simple matter to hear those charges separately. I cannot agree that the saving of time is the real reason for this provision. I am sure that representations have been made to the Minister that it is far easier for the police to obtain a conviction when a number of cases are heard together than when they are heard separately. That is the real reason for this provision.

I turn to clause 3 (j). Again I object to the terminology of "likely" in subsections (1) and (2) of new section 96A. I must comment on the amendment to section 100A. This is an excellent provision. Doubtless a gap in the law existed in respect of a defendant who, because he was not advised of the adjourned date—although he knew of the original date—missed out on his hearing. The provision to cover this is worth while indeed. The other provisions of the section are equally valid, provided one accepts the principles on which the previous provisions are based.

Substituted section 131 deserves some comment. I have stated previously in this House that it is not good practice to send people to gaol for failure to pay costs. It is a practice that should have been abolished long ago. I have debated this before with the Minister. I know that he has reservations on the matter; they are hardly as strong as mine. This practice should be changed as soon as possible, especially when other cases, such as quarter sessions appeals, are involved. Sending a person to gaol with hard labour for failure to pay the cost of a quarter sessions appeal is absurd. It is ridiculous that a man who has not paid the costs of an appeal should be given hard labour. Costs should be treated as any other debt and it is wrong that when the debt is due to the Crown a man can be sent to gaol.

The other provisions of the bill seem to be quite good. Some debate always arises on whether depositions of a preliminary hearing of the trial should be tendered. This is not the place to debate that issue. The fact is that the Crimes Act allows this to

be done. If the law is to provide that defendants may be absent but depositions can be taken, surely the Crimes Act should be amended to allow the depositions to be entered, once the principle that they should be taken is accepted. What concerns me is that the defendant may be excused and then if his legal adviser, who may be sick, lazy or incompetent, or has had an argument, does not turn up at the trial at a time when the depositions are vital, those depositions can be tendered at the hearing. Surely there should be some provision to cover the situation in which the joint defendant is not present and a matter arises at the hearing—a matter vital to success or failure of his case. The magistrate surely has a duty to adjourn the hearing and bring the defendant before the court so that he could at least listen to what is being said or perhaps get other legal representation.

Other than for those comments, I agree that the amendments follow the procedures established earlier in the bill. I have no objection to clause 5. In summary, the bill is a step forward though I have specific objections to some parts of it. The Opposition will not divide the House on any of the provisions. All that we wish to do is to express our dislike of some of them and our support for the balance.

Mr MADDISON (Hornsby), Minister of Justice [5.10], in reply: One or two matters call for reply. There seems to be some problem seen in the fact that a person on bail on conditions may find himself in difficulty if a police officer—so the bill says—has reason to believe that some condition of the bail is likely to be breached. The problem with conditions is that if one starts to limit them precisely, there may be in fact a grave injustice to a person who might otherwise get bail on conditions that are not prescribed in the legislation. As I understand what is being done here, the bill follows broadly the provision in the United Kingdom Criminal Justice Act of 1967. It does not seem to me necessarily to be stating the position correctly when the honourable member for Georges River says that the only consideration that should exercise the mind of the person granting

bail is the likelihood or otherwise of the defendant's attending at the appointed time for a proceeding of one sort or another, whether it be a summary proceeding, a committal proceeding or the trial itself.

There are statements in the reports of judges which vary considerably about the factors to be taken into account before bail is granted. Possible interference with witnesses is one matter that is always relevant in deciding whether bail should be granted. There is the prospect also of the defendant's committing other offences, and although this has not been dealt with precisely in the reports, it has been referred to by some judges as being a relevant consideration. I make no apology for my belief, anyway—and I think that this is reflected in the bill—that in certain circumstances it is to be preferred for the reasons I have been talking about that a man be granted bail on conditions rather than not be granted bail and be kept in custody.

It is a question of how one looks at the matter. The honourable member for Georges River is inclined to say that the only question is whether or not the defendant will attend. There are other factors taken into account by courts in deciding these matters. If, perhaps, there is a need to require a person to receive medical attention or to attend a psychiatric hospital for treatment that appears necessary, then these are relevant conditions to apply when granting bail, and possibly would mean the difference between granting and not granting bail. In those circumstances I think that the fears that have been mentioned by the honourable gentleman are to some extent exaggerated.

Flowing from that is the question of the right of a policeman to arrest under warrant a person he claims is likely to breach a condition of bail. It seems to me that there is a necessity in the first instance to show to the justice who is to issue the warrant that there are reasonable grounds for the policeman's belief. I appreciate that there are difficulties in doing this in some instances, but safeguards come into effect when the man concerned is brought before a magistrate and is dealt with. Proposed new section 49A (2) does say that it has

*Mr Maddison*

to be proved to the satisfaction of the justice or justices before whom a person is brought following his apprehension on warrant, that that person is likely to break, or is breaking, or has broken, any special condition, and then the justice may remand or discharge, or discharge him on a new recognizance. So there are some safeguards here which render it unlikely that an abrasive police officer, to whom reference was made, would take out a warrant before a justice and then be shown to be acting less than *bona fide* in his attempts to make a person on bail conform with conditions.

The question of what incidents are likely to give rise to a belief that a person is likely to break conditions was answered by the honourable member for Nepean in many respects. If it came to the attention of a police officer that a person on bail had bought an air ticket to Singapore, this would in itself seem to me to give rise to a reasonable belief that one of the conditions of the bail was about to be breached. I think it would be reasonable in those circumstances for a police officer with that information to go to a justice and seek to have a warrant issued. I do not think there is anything unreasonable about that approach, and I think the legislation provides the necessary safeguards to ensure that justice is done in such circumstances.

Some criticism was made also of proposed new section 41 (1A) in that a right was to be granted to the court, in the event of an informant's not appearing, to adjourn committal proceedings to another time and place, although the time would not exceed eight clear days. Of course that power already exists in section 74 of the Justices Act in respect of summary offences. The criticism by the honourable member for Georges River is directed, I take it, to the nature of the clause and not simply to the fact that the Government is writing in some new provision. The Government is not writing in something new, really; this provision has existed in respect of summary offences for some time. I do not think there is any need for me to talk at great length in reply. Frankly I do not understand the attitude of the honourable member for Georges River to the hearing of matters jointly in an *ex parte* way. The

situation is that the defendant has the right to say whether he will have two or more offences dealt with conjointly but in so many *ex parte* cases that come to my attention, clearly the defendant has virtually thumbed his nose at a summons and has not appeared at court. There may be many reasons why he has not appeared but the fact is that he has not and, therefore, I do not think he can be heard to complain if the law permits the two offences to be dealt with concurrently if they are based on the same facts.

If a person wishes to defend a charge, he can attend at court and readily object to the matters being heard conjointly. Then the matters will proceed separately. The amendments proposed by the bill will improve procedures in courts of petty sessions. The bill is not a major review of the Act, but it is a further step towards providing a measure of justice that at the moment does not exist.

Motion agreed to.

Bill read a second time.

COMMITTEE AND ADOPTION OF REPORT

Bill reported from Committee without amendment, and report adopted on motion by Mr Maddison.

THIRD READING

Bill read a third time, on motion by Mr Maddison.

COMMONWEALTH PLACES (ADMINISTRATION OF LAWS) AMENDMENT BILL

SECOND READING

Mr McCaw (Lane Cove), Attorney-General [5.24]: I move:

That this bill be now read a second time.

The object of the Commonwealth places legislation enacted by the Commonwealth and various State Parliaments last year was to restore, to the maximum extent possible within the limits of the federal Constitution, the position that existed prior to the High Court decision in what has become known

as Worthing's case. An endeavour was made, within the existing constitutional limits, to enable State laws to be again applied to a place acquired by the Commonwealth for public purposes.

At that time it was, and it is still, the view of State Attorneys-General that an amendment of the Commonwealth Constitution was required to ensure that the effect of Worthing's case was fully overcome. The 1970 legislation, therefore, was regarded and introduced as a stop-gap, pending completion of the constitutional review requested of the Commonwealth by the States. It was for this reason that all State bills contained a clause limiting their operation to a period of one year, except in Victoria, where it can operate for two years. In the intervening period of twelve months it has not been possible for the federal Cabinet to give full consideration to the request for a constitutional amendment. In these circumstances it has been suggested that the operation of the 1970 Act be extended for a period of three years, and States with a twelve-months period are taking similar action to that proposed in the present bill.

This three-year period should be of sufficient duration to permit a proper assessment to be made of the operation of Commonwealth places legislation, and also for a constitutional change to be effected if that course of action is adopted. The present bill, in extending the operation of the Commonwealth Places (Administration of Laws) Act of 1970 for a period of three years, will permit a continuation of the arrangement entered into by the Governor-General and the Governor to enable State authorities to exercise powers in respect of Commonwealth places. This is quite a small measure and the only other provision in it is a statute revision amendment aimed at removing certain unnecessary words. The Commonwealth has, and always has had, power to invest Commonwealth jurisdiction in State courts. Therefore the words "not being a court", occurring in parenthesis twice in subsection (1) of section 4 of the Act, are unnecessary and the bill proposes that they be left out. I emphasize, as I did when the legislation was before the House a year ago, that the Attorneys-General of

the States believe that no measure such as this can fill the gap created by the decision in Worthing's case and that a bill such as this, and the Act that it amends, can be only a stop-gap measure. The Attorneys-General of the States are satisfied that nothing short of a Commonwealth constitutional amendment can overcome the problem. To date there has been no adverse judicial comment on the legislation of a year ago and the extended period of operation of the existing law allowed by this bill will make possible a more accurate assessment of its effect. Further, if the Commonwealth decides to adopt the course of action requested by the States, this legislation will enable the Commonwealth to complete preparations for and to effect a constitutional amendment. I commend the bill to the House.

Mr F. J. WALKER (Georges River) [5.30]: The objects of this bill are twofold. The first is to delete the words, "not being a court" which are in parenthesis in section 4 of the Commonwealth Places (Administration of Laws) Act of 1970. Allegedly this amendment will bring our law into line with the Commonwealth Places (Application of Laws) Act of 1970. The second object of this bill is to extend the jurisdiction of the State Act for a further period of three years. The more important aspect is the second one, for it raises the issue whether the Act has operated effectively, and indeed whether in its present form the Act is achieving completely the purpose for which it was enacted. To examine both aspects adequately it is necessary to consider, at least briefly, the law relating to Commonwealth places.

First I should like to make it clear that in using the term "Commonwealth place" one is referring to a place that has been acquired by the Commonwealth pursuant to the power vested in the federal Government by virtue of section 52 (i) of the Commonwealth Constitution. Although lawyers, particularly criminal lawyers, have been aware of the existence of a possible void in our legal system in relation to section 52 (i), it was not until the shock High Court decision in Worthing's case in July of 1970 that the enormity of the

problem was fully appreciated. The High Court by a four to three majority decided in Worthing's case that the New South Wales Scaffolding and Lifts Act, and the regulations thereunder, did not operate on the RAAF base at Richmond.

The facts are that the Commonwealth had acquired that base before the enactment of the New South Wales scaffolding and lifts legislation. The High Court decided that, once the Commonwealth made an acquisition under section 52 (i), the Commonwealth's power over the place became exclusive and it could not be affected by subsequent State legislation. In reaching this decision the majority of the High Court found that section 52 (i) of the Constitution authorized federal laws with respect to the general conduct of persons or transactions in such property, and this included a law regulating the safe manner in which building operations ought to be conducted there.

To circumvent this anomaly, the Commonwealth and all the States—I understand that Tasmania was a little slow in introducing the necessary legislation—have passed complementary legislation. However, this is far from the end of the matter in relation to litigation in this area, for in November of last year in *Regina v. Phillips* the High Court was again faced with the same problem. This time the matter was of a criminal nature and the relevant State Act was the Western Australian equivalent of our Crimes Act. The Western Australian criminal code had been passed before, not after, the section 52 (i) acquisition. Again by a majority of four to three, although with three of the judges changing horse this time, the High Court decided that the Western Australian law became ineffective when the State's power was abrogated by the section 52 (i) acquisition.

In December, 1970, we saw yet another decision by the High Court on section 52 (i) in the Stocks and Holdings (Constructors) Pty Limited case. This was a case in which I understand the Attorney-General was a party. As honourable members are probably fairly familiar with the facts of this case, I shall not bore them with the finer details. Superficially

put, the Attorney-General sought a declaration that the Randwick council's consent to the building of a hotel was invalid because it conflicted with the 1951 county of Cumberland planning scheme ordinance. The matter went to the High Court because the land in question was a Commonwealth rifle range between 1929 and 1965. This raised the possibility of a Worthing situation. The High Court decided that because the scheme was enacted after acquisition by the Commonwealth, it had never operated and it could not be revived without fresh legislation.

What is the result of these decisions? As I see it, three ratios can be adduced from the High Court decisions. The first of them is that once the Commonwealth makes an acquisition under section 52 (i) no law, even imperial statutes in operation by paramount force, other than Commonwealth law is in force in that section 52 (i) place. The second point is that once the Commonwealth makes an acquisition under section 52 (i), its power becomes altogether exclusive and wholly untrammelled even by a State that alters or repeals its own laws. The third point that emerges is that new State laws enacted after federation cannot regulate the conduct of any activity on a section 52 (i) place once acquisition has occurred, whether the law was enacted before or after that acquisition.

In the light of those constitutional principles, what effect, if any, has the complementary legislation had on the situation? I have four answers to this query. First, it is only reasonable to look at the Commonwealth Places (Administration of Laws) Act. We need to do this, being confronted with a supplementary bill. I should like to bring to the attention of honourable members several points in relation to the Commonwealth Act, which became law in 1970. In essence it is a law that assimilates State laws into Commonwealth places. First, it seeks to apply to section 52 (i) places "the laws of a State in force". Presumably this includes the common law, the statute law and the criminal law as well as our civil laws.

Second, section 6 of the Act, the main section of that measure, applies State laws to section 52 (i) places by virtue of an

ambulatory provision. By this I mean that new laws, amendments, repealing Acts and so on, automatically apply. Some lawyers have suggested that this provision places these States in a position where they could fit the Commonwealth with laws that the federal Government dislikes. For example, it might be possible to water down conditions in a federal award applicable to an industry situated in a Commonwealth place, such as the aircraft industry. The simple answer to this hypothesis is that, because of the decision in Worthing's case, it is the Commonwealth's prerogative to change at will any assimilated State laws. If this problem arose it would be resolved quickly by the Commonwealth's enacting suitable legislation.

The third point that I want to make about the federal Act is that it has a retrospective operation in order that people in Mr Worthing's state of limbo might obtain justice and so that State criminal codes might be said to operate in Commonwealth-occupied places. My fourth point in relation to the federal legislation—and it is my principal reason for speaking on this fairly simple bill—is that assimilated State laws are to be construed as though they are still State laws with their original construction and application. Nevertheless, the vital point is that, once they are assimilated, those State laws must inevitably change in character to take on the incidence and qualities of federalized State laws.

This special character brings with it all the complex constitutional consequences adhering to federal laws. Let me give a couple of examples. The Commonwealth Act is liable to alteration at any time. Moreover, if the State law is inconsistent with any federal law, the Commonwealth law must prevail by virtue of the Constitution. More important, a State law dealing with an assimilated or federalized State law clearly exercises federal jurisdiction in the same way as the Supreme Court of New South Wales exercises federal jurisdiction in the administration of the Commonwealth Matrimonial Causes Act. This is where our problems really begin.

The doctrine laid down in the boiler-makers' case demands separation of judicial and executive powers in courts of federal jurisdiction. For example, in James's case the High Court decided in 1957 that a delegated power to the registrar in bankruptcy to extend and abridge time for service and similar matters in bankruptcy cases was invalid on the basis that only a court was entitled to exercise such power. Though I do not pretend to be any authority on what constitutes the judicial power of the Commonwealth, I fear that such bodies as the Workers' Compensation Commission, our State industrial tribunals and various boards, including fair rents boards, not to mention courts of summary jurisdiction, could very easily fall foul wholly or in part if their operations interfered with the separation-of-powers doctrine laid down in the boiler-makers' decision.

If this is the position, it is likely that the Commonwealth Act will not close the void in the law unless the States go through the probably impossible procedure of reconstituting their judicial systems in order to conform with the doctrine laid down in the boiler-makers' decision and ensure that quite separate bodies are left to deal with purely non-judicial matters and purely administrative matters.

The clue to the reason for enacting complementary State legislation lies in the names of the Acts themselves. The Commonwealth Act deals with the application of State laws and the State complementary legislation deals with the administration of State laws. The Commonwealth has no power to force the States to administer the assimilated State laws, and so the passing of the Act we are now amending was virtually something of an exercise in compulsory self discipline—a sort of guarantee that we would not render the Commonwealth's efforts ineffective and a waste of time by refusing to see that our police officers and departmental officers administer the laws in section 52 (i) places. As I said earlier, the New South Wales Act obliges this State to treat Commonwealth places in the same manner as it would treat other parts of New South Wales. Section

*Mr F. J. Walker*]

4 provides for an arrangement between the Governor and the Governor-General so that a State authority, not being a court, which has a power, duty or function under State law is to have a similar power, duty, or function under the federalized law of the State being applied in section 52 (i) places.

This brings me to the deletion of the words "not being a court". The objects of this bill suggest that the inclusion of these words are an anomaly or, to be more precise, a minor anomaly. Nothing could be further from the truth. Surely the reason for their inclusion initially was recognition by the Parliamentary Counsel of the principle that, once assimilated, State laws become federalized in the sense that State courts administering them exercise federal jurisdiction. This being the case, arrangements made between the governments of New South Wales and the Commonwealth are of necessity restricted to the exercise of the judicial powers of the Commonwealth, otherwise section 4 might be challenged on the basis that it is invalid. I see no good reason for this amendment. I agree with the Attorney-General that there was no good reason for including it in the first place. The words are quite superfluous. I suspect that they were included because the Parliamentary Counsel saw serious problems in the overall administration of this legislation.

In conclusion I should like to say that the decisions in Worthing's case and in the Stocks and Holdings case undoubtedly endangered law and order in Commonwealth places by creating a constitutional void in the law relating to section 52 (i) Commonwealth places. My view is that both the Commonwealth Act and the Act now being amended are commendable in that they seek to restore the rule of law in section 52 (i) places. Nevertheless I fear that they have not completely succeeded in their objectives. Perhaps the High Court will be able to assist us in the near future. As yet there have been no cases requiring direct consideration of the Act itself. No assistance would seem to be forthcoming in the immediate future from the courts. Perhaps the Governor-General's powers to regulate the Commonwealth Act will get

around some of the problems that I see. If they prove insufficient, as I suspect they will and as the Attorney-General intimated he and Attorneys-General from other States also suspect, one answer might be that a referendum should be conducted to amend the Constitution. Other ways of overcoming the situation would be by the States reconstructing their courts and tribunals and doing several other things, or by the Commonwealth enacting some massive code of legislation, something like the American restatements of the law, which would appear to be a giant task.

Mr McCaw: The Imperial Parliament could offer a way out

Mr F. J. WALKER: True, a request could be made of the Imperial Parliament to pass a law which would solve the problem. However, there is no precedent for the adoption of that procedure and I do not think any government would be particularly interested in taking such a step. There is no real precedent for interfering with the federal Constitution in that way. Admittedly, it is a way out and, although I do not think there is anything wrong with it as a way out, political problems could be associated with it. The simple answer would be for the federal Government to amend the Constitution and so eliminate this void.

Mr McCaw: The Commonwealth could do that only at great expense by calling a referendum.

Mr F. J. WALKER: A referendum is an expensive undertaking but the possibility of injustices being done in relation to happenings in Commonwealth places, with criminals perhaps being allowed to run riot in those places, could prove more expensive to Australia than the holding of a referendum. I do not think any Australian citizen would object to a referendum on a matter of such importance. There is a political problem associated with the holding of a referendum. Australians do not seem particularly interested in voting yes, although a recent referendum might suggest otherwise. The Commonwealth has had twelve months to look at this matter. I do not know how long it takes the Commonwealth to

make a decision on important measures. This is not the most important constitutional problem that exists today but it certainly is a problem in the Constitution and it should be amended. The Commonwealth ought to be doing something about it in a hurry. It is a pity that the advice of the State Attorneys-General has not been heeded by the Commonwealth. I agree that until such time as the Commonwealth does something about the matter we should extend this legislation to provide the necessary protection. There is no objection at all to that. The other matter, relating to the deletion of certain words, is merely a formality.

Motion agreed to

Bill read a second time.

#### COMMITTEE AND ADOPTION OF REPORT

Bill reported from Committee without amendment, and report adopted on motion by Mr McCaw.

#### THIRD READING

Bill read a third time, on motion by Mr McCaw.

#### BILLS RETURNED

The following bill was returned from the Legislative Council without amendment:

Pharmacy (Amendment) Bill

The following bill was returned from the Legislative Council with amendments:

Companies (Amendment) Bill

#### EGG INDUSTRY STABILISATION BILL

##### SECOND READING

Mr CRAWFORD (Barwon), Minister for Agriculture [5.51]: I move:

That this bill be now read a second time.

As I intimated in my introductory speech, the commercial egg producers of this State and indeed within the whole of the Commonwealth are facing ever-increasing difficulties in disposing of their eggs. This in turn has affected their income to the point where the industry as a whole has reached the stage of economic crisis.

New South Wales produces approximately 45 per cent of the total Australian egg production of 182,000,000 dozen—that is, about 82,000,000 dozen. Australia as a whole produces approximately 31 per cent more eggs than are needed for the domestic market requirements. This in turn means that the 31 per cent surplus can be disposed of only on the export market for a return as low as 10 cents a dozen or alternatively held in cold storage at a cost of about 5 cents a dozen a year.

Unfortunately the world market at the present moment is over-supplied and it has become increasingly difficult to dispose of this surplus on the export market even at the low prices. To cite an example, Japan is a major export outlet for our surplus eggs, having taken in the past some 70 per cent of the surplus. Japan, however, is now developing its own poultry industry toward self-sufficiency and it is expected that it will be self-sufficient in less than five years.

The United Kingdom has also been a traditional market for our surplus eggs. It, too, is now virtually self-sufficient and the United Kingdom's entry into the European Economic Community may well result in the loss of whatever market remains. The problem of disposing of eggs is further aggravated by the fact that egg production in this State, and indeed Australia as a whole, is increasing at record levels.

Thus, although the number of poultry farms in New South Wales has dropped from 5,191 in 1965 to the present level of 2,260, over that period the total number of hens kept for commercial purposes has increased from 4,500,000 to 4,900,000 and the average flock size has increased from 869 birds to 1,880 birds. These figures appear to indicate that the majority of producers who left the industry during those years were operating on a small scale and presumably at a low level of efficiency. Present over-production, however, is causing severe financial stress to producers with average and above-average flocks.

Figures in New South Wales indicate that the cost of production ranges on an average from 27 cents to 35 cents a dozen. The New South Wales Egg Marketing Board's records indicate that in respect of the period

*Mr Crawford]*

1970 to 1971 the return to its producers for each dozen eggs was about 27.6 cents. If the current trend continues many individual producers will be forced into an irretrievable debt situation and will be compelled to cease production. On an average, the capital invested in egg production is at least \$3 to \$4 a bird. The resale value of equipment, however, is virtually nil.

A continuation of the present trend will place increasing pressures upon producers who, though operating efficiently, have insufficient capital to ensure survival during periods of below cost of production returns. This places them at a serious disadvantage to the larger farms and organizations which may not necessarily be more efficient but have adequate capital backing. Because of these problems a poultry advisory committee was established by me as early as 1968. This committee consisted of departmental officers, members of the Egg Marketing Board and representatives of egg producers, breeders, hatcherymen and other associated sections of the industry.

The main task of the committee was to investigate the problems of the industry and to outline recommendations which it was hoped would stabilize it. Unfortunately the committee's first recommendation involved principles that tended to raise constitutional difficulties and as a result was not acceptable. Because of the continued deteriorating economic situation in the industry, the committee was re-convened in January, 1970, and the contents of the bill are basically the recommendations of that committee.

I understand that the committee had considerable difficulty in devising a plan that had the desired effect and at the same time was acceptable to the industry itself. As honourable members will no doubt have already noticed, the scheme involves the placing of a limit on flock sizes so as to limit the number of hens available to lay eggs for human consumption. At this point it might also be appropriate to point out that the legislation was circulated among all States and the Commonwealth for the purpose of subsequently discussing it at the Australian Agricultural Council.

The legislation came before the council at its last meeting, in July. Since that date I have been advised that the governments of Queensland and South Australia have accepted the principles contained in the legislation and doubtless will take action to implement it in due course. Western Australia has had a similar system in operation for quite some time. Tasmania, because of its low production and isolation, is not directly concerned in the legislation as such.

I might also add that as honourable members are aware the Government of Victoria recently announced that Victoria would not consider introducing this type of legislation. At the outset it might appear that because one State did not inhibit the production of eggs, it could seriously hamper or disadvantage the other States that did. This however is not the case.

Under the legislation, quotas will be set on hen numbers for New South Wales with the intention that the quotas set will provide sufficient eggs to meet New South Wales domestic requirements, plus a surplus of from 10 to 15 per cent. As a result there will still be a considerable number of eggs which must be disposed of either on the export market or available to meet increases in demand within the State. The same situation would apply to other States that adopted this legislation.

Mr RENSHAW: Why would not Victoria accept it?

Mr CRAWFORD: Because it apparently has a philosophy that it will not impose any restriction on production and that the economic stresses and strains will weed the weak from the strong, Victoria will not entertain this type of legislation. If Victoria does not limit production, the Egg Marketing Board of that State will still have to dispose of its surplus eggs but in quantities in excess of those of the other States. As a result the return to producers in that State will be proportionately less than the return to producers in the States which have the legislation.

At this point I might also refer to the levy imposed under the Commonwealth Act, which is imposed on the recommendation

of the Council of Egg Marketing Authorities of Australia, or, as it is popularly known, CEMA. The purpose of the levy is to re-imburse States in proportion to their exports of eggs over home consumption. As I previously indicated, the present levy is at its legal maximum of \$1 a hen. Western Australia, which has had a quota scheme in operation for some time, suggested that the levy should be decreased. At the time, however, this did not suit the other States that did not have production controls. As a result, Western Australia's suggestion was not adopted.

[Mr Acting-Speaker (Mr Coates) left the chair at 6 p.m. The House resumed at 7.30 p.m.]

Mr CRAWFORD: Before dinner I dealt with the preliminary matters in this measure. In view of the fact that Western Australia, New South Wales, Queensland and South Australia are now proposing to impose production controls, there is no doubt that CEMA, which is composed of the representatives of all the States, will now recommend reduction of the levy. As a result of this, any benefit that Victorian producers may have retained as a result of their continued over-production will be completely negated.

One further point that is of considerable importance is that this legislation will not be implemented unless approved by producers at a poll held for the purpose. Thus it can be truly said of this legislation that it was prepared at the instigation of the industry and will not be implemented unless approved by a majority of persons in the industry at a poll taken for the purpose. Part I of the bill is a machinery provision. It contains the clause that provides for the issue of exemptions under the legislation. For example, *bona fide* poultry fanciers will, in certain circumstances, be exempt from the Act, as will specified educational and charitable organizations.

Part II provides for the taking of a poll among poultry farmers on whether the legislation is to be implemented. The qualification for a poultry farmer to vote at a poll under this legislation is the same qualification that permits a poultry farmer to vote at a poll of the Egg Marketing Board

—that is, that he have a least 500 hens in egg production. Clause 6 will require a petition to be lodged signed by at least 100 eligible poultry farmers. This is the same principle that applies to the constitution of marketing boards under the Marketing of Primary Products Act, a principle that is well recognised among primary producers in this State. At least three fifths of eligible farmers are required to vote at the poll and a majority of the votes so cast determines the results thereof. Clause 7 provides for the compilation of the list of voters and for the addition of names where appropriate.

Part III of the bill provides for the constitution of the licensing committee. Clause 8 in that part provides that the committee shall consist of the members, for the time being, of the New South Wales Egg Marketing Board. Clause 9 regulates the proceedings at meetings of the committee and clause 10 makes certain provisions if the egg marketing board is dissolved.

Part IV provides for the appointment of inspectors and defines their powers and duties. Part V of the bill provides for the licensing of poultry farmers. Clause 15 defines two categories of poultry farmers. Category I poultry farmers will be poultry farmers who operated as such immediately preceding the commencement of this legislation and owned, during the twelve-month period ending on 27th November, 1970, commercial egg-producing hens in respect of which the Commonwealth hen levy had been paid. Category II poultry farmers will be poultry farmers who operated as such after 27th November, 1970, to the date of the operation of this legislation. Clause 16 will make it an offence to keep hens during a licensing season without being the holder of a licence so to do. The number of hens kept must be in accordance with the quota of the licensee and the hens must be kept in the place specified in the licence.

Clause 17 provides for application for licences. Clause 18 provides for the conditions and restrictions to be specified in a licence issued by the licensing committee. Clause 19 provides for the payment of the annual licensing fee. Clause 20 will permit the variation or revocation of a condition

*Mr Crawford*]

in a licence subject to certain conditions. Clause 21 provides for the cancellation of a licence by the committee in certain circumstances. Clause 22 provides for an appeal to the Minister against such cancellation.

Division 3 of part III provides for the calculation of base quotas of category I and category II poultry farmers. The base quota to which a category I poultry farmer will be entitled will be the greatest number of leviable hens owned by him during the twelve-month period ending on 27th November, 1970, being hens on which levy has been paid. I might better explain this by referring to the formula contained in clause 23 (3) (a).

It will be noted that the formula is  $x$  equals  $b$  minus  $c$ . The factor  $b$  represents the total number of all hens, including broiler breeder hens, owned by the poultry farmer at the time he submits his return under the Commonwealth levy legislation. The factor  $c$  represents the number of broiler breeder hens he owns at that time.

As levy is not payable under the Commonwealth levy legislation on broiler breeder hens, it is necessary to deduct  $c$  from  $b$  to ascertain the number of hens on which levy is payable. The figure so ascertained will be his base quota. I might add the return used to calculate his base quota is the one lodged by the poultry farmer during the relevant twelve-month period which will give him the highest base quota.

The base quota to which a category II poultry farmer will be entitled will be as determined by the licensing committee, having regard to the criteria set out in clause 24. The number of hens that a poultry farmer will be entitled to keep under his licence will be called his hen quota. The base quota to which I referred a short time ago is not the hen quota of the poultry farmer but merely one of the figures used in calculating his hen quota.

Clause 25 sets a limit on all the base quotas allocated to group II poultry farmers. Clause 26 will require applicants for licences to be notified of their base quota within a certain period. Clause 27 will permit the Governor to set the total State

hen quota, with the intention that the number of hens fixed under this head will permit the production of sufficient eggs to meet domestic requirements plus a surplus of from 10 to 15 per cent as a safety margin.

Clause 28 provides the formula to determine the number of hens which each licensed poultry farmer is entitled to keep under his licence. This will be called his hen quota. This figure is calculated by reference to his base quota, the aggregate of all base quotas and the State hen quota referred to above. Clause 29 guarantees that certain small poultry farmers will not need to reduce their flock sizes. Thus a farmer whose base quota is less than 1,000 hens will not be required to reduce his flock size. His hen quota will be the same as his base quota. Similarly, if the base quota of a farmer is slightly more than 1,000 hens, and as a result of the application of any reducing his hen quota would be less than 1,000 hens, then the clause guarantees that his hen quota will not go below 1,000 hens.

Clause 30 of the bill provides for the variation of the hen quotas of all poultry farmers if the State hen quota figure is altered. This latter figure would be altered for example if there were a marked increase in consumption of eggs. If that occurred, it would be necessary to increase generally flock sizes within the State. Any such variation in the hen quotas of farmers must be proportionately the same among all farmers. The scheme of variation provided in this clause must be approved by the Minister if it is to be implemented.

Part VI of the bill provides for the constitution and powers of a review committee. It is the function of this review committee to review the base quotas allocated to poultry farmers. The grounds on which an application for a review of base quotas may be made by a group I poultry farmer are specified in clause 38. The grounds include adverse seasonal conditions, disease affecting hens, illness and certain other grounds.

Group II poultry farmers are all automatically entitled to apply for a review. The reason for this automatic right of review for a group II poultry farmer is

that his base quota was not assessed under any specific formula and therefore it would be virtually impossible to spell out the grounds on which he might base his appeal. Clauses 40 to 45 are the machinery provisions related to the workings of the review committee.

Part VIII of the bill provides for the transfer of licences. These are treated as a surrender and re-issue of a licence. As the intention of the legislation as a whole is to peg the number of commercial hens that may be kept in the State, it is considered essential that the legislation be flexible enough to permit the transfer of quotas from one poultry farmer to another. Further, it will permit small uneconomic operators to leave the industry if they so wish, and it is presumed that their quotas will be of some value. Basically this provision will enable farmers leaving the industry to obtain some compensation for so doing, at the same time providing adequate flexibility in the scheme.

Part VIII of the bill provides for the issue of permits to keep hens for breeding purposes. As the main intention of the bill is to reduce the number of eggs available for human consumption, it is considered that the production of eggs for breeding purposes should not be inhibited. For example, the poultry meat industry is an extremely important facet of the poultry industry and it is essential that breeders for this purpose should not be subject to restraint.

Part IX of the bill contains the main machinery provisions of the bill. It will be noted that the costs of administration of this legislation will be borne by the Egg Marketing Board. Provision is also included for the tabling in Parliament of a report on the workings of the committee at the end of each licensing season.

At first sight, it might appear that the scheme involves complicated mathematical calculations. I can assure members that this is not the case. Basically what the scheme does require is that a figure called a base quota be calculated in respect of every poultry farmer. In the case of a group I poultry farmer, this figure will represent

the highest number of leviable hens he owned in the twelve-month period ending on 27th November, 1970. In the case of a group II poultry farmer, the figure will be calculated by reference to certain criteria, such as the number of hens owned by him, the amount of capital invested by him in his farm and other similar considerations.

Once all base quotas have been calculated the review committee may then review them. Once the base quotas have been reviewed it is then simply a question of totalling up all the base quotas and proportionately reducing them to the State hen quota which will be the number of hens needed to provide the State's egg requirement, plus a surplus of from 10 to 15 per cent. The figure so obtained will be the hen quota of the individual farmer. Once the hen quota has been calculated in respect of the first licensing season, it will then be an exceedingly simple task to vary it up or down for any subsequent licensing season.

Perhaps at this point I might once again refer to the effect that section 92 of the Australian Constitution might have on this scheme, as most honourable members who participated in the introductory debate voiced their concern as to its effect. As the honourable member for Castle-reagh indicated, the State egg marketing boards have co-operated in the past among themselves, but this did not prevent individual producers from selling their eggs interstate, as indeed they have a perfect right to do under section 92. In this regard the legislation does nothing to affect the *status quo*. If, for example, Victoria does not inhibit production they will still have their surpluses; and no doubt these will continue to increase, if current trends are any indication.

It should be appreciated, however, that New South Wales will still have its surpluses, as will other States that adopt this legislation. The difference is as to the quantity of the surplus. Another point for consideration is that is it not unreasonable to assume that once the stabilization scheme has taken effect, the price of eggs in this State should fall as the uneconomic export

*Mr Crawford*]

sales would decrease and the equalized return to producers would automatically increase. This would have the added effect of making interstate sales of eggs in New South Wales less attractive.

It should also be remembered that it is the intention to set the quota for this State to provide a surplus of from 10 per cent to 15 per cent. This figure however is not fixed for all time and can be altered from season to season with the result that the scheme does provide flexibility to meet changing circumstances. Indeed it is essential that this be so. I assure honourable members that the scheme safeguards the interests of the genuine poultry farmer. His quota will be based on the highest number of hens owned by him during the twelve-month period ending 27th November, 1970, and this in turn is subject to review. Any poultry farmer who does not fall into that category is not classed as a traditional poultry farmer. Figures supplied to me indicate that the great upsurge in the production of eggs by persons who have in the main diversified into egg production occurred after the cut-off date of 27th November, 1970. These persons are not regarded as true traditional poultry farmers.

It is of course impossible to predict with any degree of certainty what the final outcome might be, but I think it is a move in the right direction. As I intimated previously, all sections of the industry are aware of the implications of this legislation. Representatives of the United Farmers and Woolgrowers Association, the Breeders and Hatcherymen's Association, the Associated Poultry Farmers of Australia and other egg producing organizations were all associated with the preparation of this legislation. Indeed, it was at their instigation that the legislation was prepared. Finally, the legislation will not be implemented unless it is approved by a majority of poultry farmers at the poll held for the purpose.

I might at this stage foreshadow two minor amendments to be moved in Committee. First, it is my intention to move the deletion of the factors on line

15 on page 24 and to insert in their stead  
 $\frac{bd}{c}$   
the factors  $a = \frac{bd}{c}$ . This amendment is  
necessary as the result of a typographical  
error.

It is my intention to move also for the deletion of the words "five hundred thousand" from subclause (4) of clause 46 and to insert in their stead the words "two hundred and fifty thousand". This amendment arose as a result of further discussions with industry and will have the effect of limiting the hen quota which can be held by one individual to 250,000 hens rather than 500,000. Following discussions with members of the Opposition, the Government has agreed also to the deletion of clause 41, in part VI, division 2, on page 31. I believe this deletion will improve the measure. I strongly commend this bill to the House.

Mr RENSHAW (Castlereagh) [7.50]: There is no denying that this bill is an extremely important one for the poultry industry. Irrespective of any shortcomings that we in this House might find in this measure, or any shortcomings in it to which the industry might point, this measure is necessary in the interests of the industry; and indeed is wanted by it. Of course, we on this side of the House have no quarrel on that score. This is an unusual industry. The people engaged in it range from those who earn part only of their income producing eggs and have flocks ranging from 500 to 1,000, to others earning their total income from egg production. Undoubtedly there are some difficulties in devising a plan to accommodate the wishes of all sections of this industry.

I was pleased to hear that the Minister intends to amend the bill in certain respects when it reaches the Committee stage: all members recognize the need for those amendments. As the Minister has pointed out, it will be necessary for a plebiscite of egg growers to be held before the scheme can be carried into effect. In other words, the bill will be looked at critically by the industry itself. The Minister mentioned also that Queensland and South Australia have

indicated that similar legislation may be enacted in those States for the rationalization of the industry.

When I asked the Minister why Victoria is not willing to introduce similar legislation, he replied that Victoria believes in the old principle of supply and demand. In other words, it believes in letting the successful and the efficient sustain themselves, which means that in the end the others will perish. In this day and age the principle of supply and demand coupled with the use of mechanical devices and modern techniques could give to a comparatively small group of people the control of the industry. The Minister might have added to his reply to me that the Liberal-Country party Government in Victoria is the only government of that type in Australia that believes in free and unrestricted private enterprise.

The Opposition has no objection to organized marketing. This Government also believes in controls and in organized marketing, and this bill is similar to others that it has introduced. Free and unrestricted private enterprise leads in the final analysis to monopolistic control of an industry. Let me emphasize that when an industry gets into monopolistic hands, it leads to exploitation of the public. Although this bill sets out to control and to regulate the egg production industry, it also contains provisions to permit of a reverse process. I shall deal with it in a few moments.

There is an urgent need to introduce production quotas in this industry, in much the same way as they have been needed in other industries where there has been over-production. This bill will lay down quotas according to demand and makes allowance for a percentage in excess of the quota for export and even for expansion of the local market, which must grow in a State like this with a rising population. Also it will be commensurate with the price of eggs.

I was interested to hear the Minister say in his second-reading speech that the Poultry Advisory Committee, which was appointed by the Minister in 1968, had reported that the costs of egg production ranged from 27 cents to 35 cents a dozen.

This quite wide range emphasizes that there are varying degrees of efficiency in this industry. Unfortunately there seem to be no figures, for the consideration of members on a bill of this nature, in relation to the flock size for an efficient producing unit. The figure might be 10,000 birds, but nobody seems to know. No information on this aspect has been supplied by the department. It is important that honourable members should have this information when considering this bill. Bearing in mind the need for decentralization of population, attention should be directed to the preservation of the family unit in an industry of this sort. If instead one thinks in terms of a huge concern that has access to big capital, that controls the poultry feed industry, the broiler industry and other parts of the poultry industry, one would think in terms of a flock quite different from that needed to sustain a family unit.

The figures establish that 97 per cent of producers in this industry have flocks of 10,000 birds or fewer. The remaining 3 per cent in the industry have flocks ranging up to 200,000 birds, and more in a few isolated instances. So this Parliament is debating a measure the purpose of which is to organize an industry in which the people engaged in it have flocks of birds ranging from 200,000 down to 500. That is why I said at the outset that it may be very difficult to devise a plan that will be acceptable to all engaged in this industry.

I mentioned earlier also that some of the people engaged in egg production are producing eggs on a part-time basis, working at other activities to supplement their income. Others, of course, earn the whole of their income from the production of eggs. From the information that the Opposition has been able to obtain—as I said a few moments ago, it is somewhat limited—we on this side of the House have come to the conclusion that it is possible to have a reasonably economic unit, working full-time, with a flock of fowls ranging in size from 10,000 to 20,000.

We believe that we should set our sights on rationalizing this industry to ensure continuity of employment for the people engaged in it. Unfortunately some provisions

*Mr Renshaw*

of this bill might not induce certain people to remain in the industry. The Minister has stated that once quotas are granted, the review committee has considered them, the people concerned have appealed to the Minister from the committee's decision and their quotas are finally fixed, in certain circumstances they will have another opportunity for review. For example, a son of a quota holder might have gone overseas or become ill.

Other people are on a higher scale. I know of a producer who has been in a big way in the poultry industry but not always associated with the egg industry. I am sure the Minister knows of him without my mentioning his name. This man was engaged in the broiler industry where, under the old, unorganized system there was unrestricted opportunity for all to engage in it. Nowadays a couple of people have control of the broiler industry and pity help people in an outback country centre, or in any part of the State, who try to come up against them. They are finished almost before they can start. This big broiler organization has great power and can flood the potential market of anyone who might try to establish himself in this industry. The big organization can afford to lose money for a short time and so kill potential competition. In this way the big organization has a monopoly and full control of the industry and can virtually name its own price. It operates in a big way. Undoubtedly it is as efficient as any other producer with a viable unit. However, in the broiler industry this organization has great power and it has destroyed many of its competitors.

Much is said about the need for decentralization, but people who have endeavoured to set up broiler businesses in country centres have been destroyed. The same thing can happen in the egg industry under the provisions of this bill, even as it is to be amended. Some people in the egg industry are independent operators and they too are in a large way, quite apart from the milling concerns. Allied Mills will have access to considerable quotas by

virtue of the fact that it controls the feed industry. It can call the tune. Also, by virtue of its strength it is in a far more favourable position than the individual farmer or the family unit running a small farm. The small group of farmers or the individual supplying an area is always subject to the flooding of the market by the combine that already controls the broiler industry.

The producer about whom I was speaking earlier was forced to move elsewhere and he has done so over the past two to three years. Part of his transfer involved moving from the broiler industry to the egg industry and he did so as a family unit, employing a lot of people in country towns. He has done this over a period both before and after the year ended 27th November, 1970, the base year for allocating quotas. This person was forced out of one section of the industry. He went to the Minister for Primary Industry, a federal Minister of the Crown—perhaps he erred in not approaching the State Minister—and he was given an assurance by the federal Minister, who is also the Deputy Prime Minister of Australia, that he would be able to transfer. Although he was aware that an egg marketing bill was to be introduced, his circumstances forced him to change his interests and use his equipment, his capital investment and his land for something else and so avoid the inevitable result of remaining in the broiler industry. Under the provisions of this bill this producer might find himself forced out of the poultry industry altogether.

I invite the Minister's attention to this anomaly. This man's plight ought to be looked at on its merits. He could be forced out of the industry by this legislation. He had sufficient room to carry on his business but he had his bank manager breathing down the back of his neck. He was forced to take up other interests in the industry and now under the provisions of this bill

the quota he will be allocated will make his unit uneconomic in relation to his capital investment. This man has a big concern and he employs between forty and fifty persons. It is not a milling operation but purely a family concern. Under the provisions of this bill quotas may be varied in group 1 and in group 2. No doubt this producer will make application under both groups. His interests in some branches of the industry have developed subsequent to 27th November, 1970. I do not wish to delay the House unnecessarily but I should like to emphasize that one section of this bill could mean that eventually twenty or twenty-five people will control the whole industry.

Mr RUDDOCK: Clause 46 covers that.

Mr RENSHAW: The Minister has agreed to amend that. By this legislation a person, by transfer, can secure a quota up to 250,000 hens. I suggest to honourable members on the Government benches who are only now looking at this legislation that they should have looked at it carefully some time ago. If a person in this industry decides to sell to another person or to a company, he may do so, and the purchaser, whether it be a person, a company or a milling concern, can build the quota up to 250,000. Some people might be pushed out of the industry. Big concerns can keep purchasing until they achieve a quota of 250,000 hens. The honourable member for The Hills has been here long enough to know that monopoly control of industry does happen.

Mr RUDDOCK: Yes, but it is not likely to come about.

Mr RENSHAW: A quota of 250,000 hens involves perhaps seven producers and a quota of 500,000 involves about fourteen or fifteen producers. These people have a vested interest in obtaining control of the industry.

Mr MASON: The honourable member does not seriously suggest that all the small farmers will be forced out of the industry, does he?

Mr RENSHAW: It depends upon competition. Men who were in a bigger way than these small poultry farmers have been forced out of the broiler industry. Farmers with interests bigger than the average-sized poultry farm have been forced out. Ninety-seven per cent of the farmers engaged in the poultry industry have 10,000 hens or less. Farmers were forced out of the broiler industry by the people controlling the feed industry. This will happen in the egg industry under the sanctions of this Parliament. The Parliament is giving permission, by legislative action, for big combines to acquire quotas up to 250,000 hens. In the final analysis, taking this to its conclusion, all the small poultry farmers may not get out of the industry. However, they will have a hard time of it.

For example, if the honourable member for The Hills were Allied Mills and the honourable member for Dubbo were a small individual farmer, the charges for feed to the honourable member for Dubbo would be far greater than they would be to the honourable member for The Hills. Eventually the honourable member for Dubbo would be forced out of the industry because whoever controlled his overdraft would be breathing down the back of his neck. If the big concerns can get twenty-four people in control of the whole of the production in this State under the provisions of this bill they can petition the Crown to have the Act repealed. How easy is it to get two thirds of twenty-four votes? Only thirteen or fourteen people need get together for this. I know that I am taking it to the extreme, but we should profit by experience of what has happened before in other industries.

Mr MASON: That is a hypothetical proposition.

Mr RENSHAW: Not at all. The honourable member for Dubbo should look at what has happened in take-overs of other industries.

Mr. CAHILL: What about the cotton industry?

Mr RENSHAW: This is happening in every industry where the manufacturing process is controlled. It happens with industry in control of stock feed and feed for hens and chickens. I suppose even a rooster wants something to eat now and then. When the Government proposes, as it does in this bill, to permit the transfer of quotas of up to 250,000, we join issue. On the figures so far supplied, the Opposition believes that a quota of 20,000 for this industry is more than enough to enable any family unit to work efficiently. It is all very well for Government supporters to shake their heads and to say that it will not happen but only one thing will stop some person from doing that sort of thing in the egg industry—and that is a legislative provision. If necessary, it is better to have the quota set too low than to have it too high and thus have monopoly control of the industry. If the quota is set at 25,000 or 30,000 and experience over the next few years shows that the quota should be increased, all that will be necessary is an amendment of the Act.

If the quota is set at 250,000, or 500,000 as originally proposed, the gate will be left wide open. The poultry industry could be ruined. By this legislation the Government will make it possible for the industry to get into the hands of monopoly control. I have set out the main provisions of the bill on which the Opposition differs from the Government. I repeat what I said at the start, that the industry generally wants it with all its faults—thinking people in the industry recognize that the measure has some faults. A plebiscite is necessary before the scheme is accepted. We support the bill in the House but in Committee we intend to

move amendments which we feel will improve the bill and will generally be to the benefit of the poultry industry.

Debate adjourned, on motion by Mr Ruddock.

## STATUTORY SALARIES ADJUSTMENT BILL

### INTRODUCTION

Mr ASKIN (Collaroy), Premier and Treasurer [8.13]: I move:

That leave be taken to bring in a bill to increase the salaries of the Judges of the Supreme Court and District Courts and of certain other Judges and of the holders of certain other statutory offices; for this and other purposes to amend the Constitution Act, 1902, the Supreme Court and Circuit Courts Act, 1900, the District Courts Act, 1912, the Public Service Act, 1902, the Western Lands Act of 1901, the Valuation of Land Act, 1916, the Industrial Arbitration Act, 1940, and certain other Acts in certain respects; to repeal the Statutory Salaries Adjustment Act, 1970; to validate certain matters; and for purposes connected therewith.

The object of this bill is to increase from 1st January, 1972, the remuneration of judges and of the holders of several other positions in the service of the State. It will also validate increases granted to them earlier this year. Honourable members will be aware that, in August last, the Government set up a committee under the chairmanship of Sir John Goodsell, C.M.G., former chairman of the Public Service Board, to review the emoluments and pensions of members of the Legislature and also the remuneration of certain statutory and other senior officeholders. Apart from Sir John, the committee consisted of Sir Norman Rydge, C.B.E., and Mr A. F. Deer, B.A., LL.B., B.Ec., both of whom are well known and highly respected members of the business community.

An adjustment of the rates of remuneration of statutory and other senior officeholders was made necessary by increases in wage levels generally and, in particular, by the significant changes in the relationship between the salaries of persons at the top management level in the Government's ser-

vice and those of the professional and senior administrative staffs under their control. I shall have more to say on this aspect at the second-reading stage. Anomalies caused by the increases granted to the professional and administrative staffs by the various wage fixing tribunals created a situation where the Government found it desirable, in July last, to approve of an interim increase—pending the report of the salaries inquiry committee—for the heads of boards and commissions and other senior appointees. The bill will validate this increase and also validate an adjustment made from 1st January, 1971, whereby the 6 per cent increase granted to employees generally as a result of the decision in the 1970 national wage case was applied to the senior officeholders covered by the bill.

The committee under Sir John Goodsell was asked to advise on the appropriate rates of remuneration for about ninety categories of positions. However, the bill now being introduced deals with only a number of these—that is, those cases where the rates of remuneration are actually fixed by Act of Parliament. The bill will also fix new rates of remuneration for the Chief Justice and other principal members of the judiciary. In accordance with procedures followed on previous occasions, it was felt to be inappropriate to request the salaries inquiry committee to investigate the responsibilities of and to submit recommendations as to what it considered to be suitable remuneration for the occupants of these particular positions. However, the question of adjustments for the judicial officeholders has been considered by the Government and rates have been fixed on the basis of established relativities with other positions.

The adjustments proposed in the bill will, therefore, result in the salaries and allowances for the holders of the offices mentioned being increased to the following rates:

Chief Justice .. .. .	\$29,800 p.a. + \$1,150 expenses allowance
President of the Court of Appeal ..	\$28,220 p.a. + \$875 expenses allowance
President of the Industrial Commission	\$28,220 p.a. + \$875 expenses allowance
Puisne Judges of the Supreme Court, Chairman of the Crown Employees Appeal Board and Members of the Industrial Commission .. ..	\$27,400 p.a. + \$875 expenses allowance
Chairman of District Court Judges and Chairman, Workers Compensation Commission .. .. .	\$24,650 p.a. + \$875 expenses allowance
Judges of the District Court and Members of the Workers Compen- sation Commission .. ..	\$22,580 p.a. + \$500 expenses allowance
Chairman, Public Service Board ..	\$29,000 p.a. + \$1,725 expenses allowance
Deputy Chairman, Public Service Board	\$24,200 p.a. + \$875 expenses allowance
Member, Public Service Board .. ..	\$22,580 p.a. + \$875 expenses allowance
Auditor-General .. .. .	\$24,200 p.a. + \$725 expenses allowance
Western Lands Commissioner .. ..	\$19,350 p.a. + \$500 expenses allowance
Valuer-General .. .. .	\$16,910 per annum

The Valuer-General receives an additional salary and allowance as Land Resumption Officer to the Government. The expenses allowances remain unaltered except for minor increases for the judges of the district court and members of the Workers Compensation Commission and for the Western Lands Commissioner. I commend the motion to the House.

Mr HILLS (Phillip), Leader of the Opposition [8.19]: As the Premier has said, the bill for which he seeks leave to introduce sets out to increase the salaries of judges of the Supreme Court and the district and other courts and the remuneration of holders of statutory offices. This entails the amendment of a number of Acts of Parliament. The measure deals principally with the offices of Chief Justice, president of the Court of Appeal, president of the Industrial Commission, puisne judges, the chairman of the Crown Employees Appeal Board, chairman of district court judges, chairman of the Workers Compensation Commission, chairman of the Public Service Board and the deputy chairman of the board. Because no body other than the Parliament can deal with the salaries for these statutory offices, Parliament from time to time must undertake the task of review.

The Premier and Treasurer has given an indication of the reason for the proposed movement in salaries at this stage. He said that there has been some interim movement in other cases. The Opposition will consider the details of the legislation when it becomes available. We shall be interested to see what effect there would be if these movements did not take place. One can readily appreciate that failure to make the increase could have a depressing effect on the salaries of officers who are below the statutory limit. This means that Parliament is not always quite free to act in respect of this matter when there is likely to be a depression of the salaries of officers that are not dealt with by Parliament. We shall take the opportunity to examine the details of the bill before the second-reading stage.

Motion agreed to.

Bill presented and read a first time.

#### PARLIAMENTARY ALLOWANCES AND SALARIES (AMENDMENTS) BILL

##### INTRODUCTION

Mr ASKIN (Collaroy), Premier and Treasurer [8.22]: I move:

That leave be given to bring in a bill to make further provisions with regard to the salaries and allowances of members of the

Legislative Council, members of the Legislative Assembly, Ministers of the Crown and the holders of certain other offices; for these purposes to amend the Constitution Act, 1902, and the Parliamentary Allowances and Salaries Act, 1956; and for purposes connected therewith.

The purpose of this bill is to increase the salaries and allowances payable to members of the Legislative Council and Legislative Assembly, Ministers of the Crown and holders of certain parliamentary offices. May I say at the outset that, of all the jobs a Premier is called upon to do by virtue of his position, probably the most worrying is bringing in a salaries bill, for, irrespective of its merits, it is invariably attacked.

Honourable members are aware that, following representations by members of all parties, the Government approved in August last the setting up of an independent committee to recommend on the emoluments of members of the Legislature and certain statutory and other senior officeholders. The decision to appoint the committee with the dual task of looking into both statutory and parliamentary emoluments was in line with requests made previously that the two questions should be considered at the one time. The objective was to avoid the anomalies that have arisen in the past when the salaries of Ministers, on the one hand, and those of members of boards and commissions within their administrations, on the other hand, have been reviewed independently. The need for the review arose out of the marked upward movements in salary levels that have taken place since the previous review.

The previous increase in parliamentary emoluments was authorized by the bill I introduced at the behest of the Government and the all-parties amenities committee in March, 1969. The increase was on the basis of an adjustment of about 17 per cent on the salaries and allowances that had applied for three years from 1st July, 1966. The rates fixed in 1966 were those recommended

in a report submitted in January, 1966, by the Hon. B. H. Matthews, a retired judge of the Supreme Court of Queensland, and a former president of the Arbitration Court of that State, who had been appointed by the Government to conduct an inquiry into the emoluments of members of Parliament in this State. The last independent inquiry into parliamentary salaries, therefore, took place nearly six years ago.

The independent committee established in August of this year was under the chairmanship of Sir John Goodsell, C.M.G., a former chairman of the Public Service Board. It had as its members Sir Norman Rydge, O.B.E., and Mr A. F. Deer, general manager of the Mutual Life and Citizens Assurance Company Limited, both of whom are widely known and respected members of the business community. It is considered that the rates of salary and allowances recommended by this independent inquiry for Ministers and members and parliamentary officeholders should be adopted. The various amendments proposed in the Bill are designed to give effect to those rates. I wish to emphasize that there has been no pressure at all on the Government by members of the upper House.

I should point out that on the previous occasion when salaries were reviewed Parliament accepted the responsibility and approved a 17 per cent increase which was in line with the cost-of-living increase. At the time there was considerable criticism of Parliament fixing the rates for its members and it was strongly suggested in various quarters that in future an outside tribunal should investigate and recommend. In response to the pressure, that has been done on this occasion.

The proposed new rate of salary for a private member in this House is \$11,500. In this regard, the committee said:

It is, of course, highly desirable that the representation in our Parliament should be a fair cross-section of the community, and to

permit this the salaries and allowances of Members should be at a level which will permit them to discharge the full range of their onerous duties and responsibilities without having to rely upon private resources. If this principle is not accepted, then quite clearly many worthy members of the community will find it economically impossible to aspire to office.

The report went on to say:

Since the salaries of Members were considered in the "Matthews Report", the relativity then established has been seriously eroded due to increases awarded by the Courts and other tribunals in other areas, as corresponding increases have not been made in the remuneration of Members of the Legislative Assembly. In recommending that the salaries of members be increased to \$11,500 we do no more than restore the relativity which was established by Judge Matthews.

The salaries and allowances of members of the Legislative Council and of Ministers and parliamentary officeholders in both Houses also will be increased. Details of the proposed changes have been set out in the form of schedule and I seek your permission, Mr Speaker, to having it incorporated in *Hansard*. Copies of the schedule are available for the information of members. The committee said, *inter alia*:

It has been an accepted principle in previous Inquiries, re-affirmed by Mr Justice Matthews, that the Premier, the Deputy Premier and the Ministers should receive in total emoluments (other than electoral allowances) a margin in excess of the top officers in the Departments they control.

When the recommendations contained in the Matthews report were adopted in March, 1966, the Government departed from previous practice and their effective date of operation was postponed until 1st July, having in view widespread drought conditions prevailing at that time, but the drought worsened and the criticism that followed was stronger than it would have been otherwise.

The Government gave consideration to delaying the implementation of the committee's recommendations but experience has shown that so far as some critics are concerned there never is such a thing

*Mr Askin]*

as "the right time". If a member of this House is to fulfil his role successfully, his time is fully occupied—both in normal business hours and also in those periods which most other citizens consider to be their leisure time. This applies not only during periods when Parliament is sitting but also throughout the rest of the year. This is not generally appreciated.

Members have the ultimate responsibility for the laws made by Parliament. Consequently, in one way or another their actions affect all the citizens of the State, and the future of the democratic system is to a large extent in their hands. It has to be borne in mind that, for the emoluments paid, the public gets also the services of the member's wife, in many cases close to full time. A salary of \$11,500, which is broadly equivalent to that paid to a middle-range executive in other walks of life, is considered reasonable, especially when one considers the many financial calls on members.

The rates now proposed have been recommended by an independent committee consisting of three gentlemen of the highest integrity, each of whom was able to bring to the deliberations of the committee a wide knowledge and appreciation of the factors relevant to the matters referred for their consideration. They were not subject to any directions or influence whatever by the Government and their report represents a completely independent assessment of the rates of remuneration that should properly be paid following close consideration by them of all the relevant facts and representations made to them by members and other people. The rates recommended, I think, will be regarded as reasonable in the light of the arguments advanced by the committee and the Government feels that, in the main, the report should be accepted as it stands. The motion is commended to the House for its favourable consideration.

**PARLIAMENTARY SALARIES AND ALLOWANCES**  
(Excluding Electoral Allowances as provided in the Fifth Schedule of the Constitution Act)

Position	Salary	Present Rates (\$ per annum)		Salary	Proposed Rates (\$ per annum)		
		Expense Allowance	Special Allowance		Expense Allowance	Special Allowance	
<b>LEGISLATIVE ASSEMBLY</b>							
Premier .. ..	18,215	4,700	—	26,000	6,000	—	
Deputy Premier .. ..	16,075	2,115	—	23,250	3,000	—	
Minister .. ..	15,040	1,880	—	21,800	2,700	—	
Speaker .. ..	12,925	1,175	—	20,300	2,700	—	
Chairman of Committees .. ..	9,420	590	—	14,500	1,500	—	
Leader of Opposition	13,630	1,880	—	20,300	2,700	—	
Deputy Leader of Opposition .. ..	9,400	470	—	14,500	1,500	—	
Leader of Opposition Parties (not less than 10 members)	9,635	940	—	14,500	1,500	—	
Deputy Leader of Opposition Parties (not less than 10 members) .. ..	8,035	425	—	11,500	650	—	
Whips (Government and Opposition)	9,400	470	—	13,500	700	—	
Whips (Other) .. ..	8,035	425	—	11,500	700	—	
Private Members .. ..	8,035	—	—	11,500	—	—	
<b>LEGISLATIVE COUNCIL</b>							
Leader of Government .. ..	15,040	1,880	1,410	21,800	2,700	1,750	
Deputy Leader of Government .. ..	15,040	1,880	355	21,800	2,700	500	
President .. ..	7,710	1,690	1,175	12,000	2,500	2,000	
Chairman of Committees .. ..	5,005	1,690	355	7,275	2,460	515	
Leader of Opposition	5,850	1,690	705	8,510	2,460	1,030	
Deputy Leader of Opposition .. ..	3,245	1,690	355	4,720	2,460	520	
Whips .. ..	3,245	1,690	355	4,720	2,460	520	
Private Members .. ..	2,395	1,690	—	4,000	2,000	—	

*The Living Away from Home allowance* of \$10 per day payable to Private Members of the Legislative Council resident in country areas will be increased to \$20 per day.

*Electoral allowances* payable to Members of the Legislative Assembly in accordance with the Fifth Schedule of the Constitution Act will be increased as follows:

Electoral Divisions					Present Rate	Proposed Rate
					\$ p.a.	\$ p.a.
Part I .. ..	..	..	..	..	1,945	2,750
Part II .. ..	..	..	..	..	2,015	2,850
Part III .. ..	..	..	..	..	2,275	3,230
Part IV .. ..	..	..	..	..	2,520	3,580
Part V .. ..	..	..	..	..	2,590	3,680
Part VI .. ..	..	..	..	..	2,880	4,100

Mr HILLS (Phillip), Leader of the Opposition [8.31]: As the Premier has indicated, leave is being sought to introduce a bill dealing with parliamentary salaries and allowances. When this matter was last before Parliament, I said that the salaries of certain statutory officers should have been considered at the same time. That is being done on this occasion. The Opposition has said that criticism of Parliament and parliamentarians should be avoided by appointing an outside body to review salaries and allowances. That has been done on this occasion, but without doubt the criticism will be no less. Ultimately the matter must be dealt with by the Parliament itself.

Members of Parliament were invited to make submissions to the committee of inquiry. A committee of the parliamentary Labor Party spoke with members of the independent committee and made submissions on behalf of members of the Opposition. The parliamentary Labor Party thought it appropriate that the committee of inquiry be made aware of the duties of the members of Parliament. The chairman of the committee, formerly the chairman of the Public Service Board of New South Wales, would to a certain extent have been aware of the duties of parliamentarians and of the functions of Parliament. The other two members of the committee were businessmen and could not have been aware in any detail of the work that devolves upon a member of Parliament. The members of the committee received submissions, had discussions with members of Parliament and visited this place to see the conditions under which members work.

The Premier has given the assurance that members of his party today for the first time had an opportunity to see the committee's report. The report was received by the Opposition at approximately ten minutes after eleven this morning and was considered at a party meeting held this evening. Tomorrow will be the first opportunity for honourable members to see the details of the bill. I assume that those details are the same as the recommendations

made by the committee. The Premier has given the assurance that in general that is the position.

The next question to be asked is whether, in the present circumstances, Parliament should be dealing with an adjustment of parliamentary salaries and allowances. The matter is receiving a great deal of public attention. Whenever legislation such as this is submitted to any parliament in the Commonwealth, there will be criticism. It has never been otherwise and on this occasion it will not be otherwise. Despite the fact that there will be some delay and the new salaries and allowances will not come into operation this year, there will be criticism.

The committee inquiring into salaries has been functioning since August. No one in this Parliament or in the community generally could suggest that the three gentlemen appointed by the Government to conduct the inquiry would be in any way improperly influenced in their deliberations. They are all men of repute. That could not be questioned. Until the public announcement was made, I did not know who would be appointed to the committee. When I heard the announcement, I knew that the gentlemen concerned would give long and careful consideration to the problem.

The question is whether Parliament should accept the recommendations of the committee. When the committee was appointed I said that even if its assessments were not as high as I expected, all members of the Opposition would accept whatever recommendations it made. Today the parliamentary Labor Party considered the committee's report and has accepted its recommendations. Many details were not dealt with by the Premier this evening and we shall have to examine the bill. Rights of members will be dealt with at a later stage. If the bill is in conformity with the recommendations made by the committee, the parliamentary Labor Party will support the legislation.

Motion agreed to.

Bill presented and read a first time.

PARLIAMENTARY CONTRIBUTORY  
SUPERANNUATION BILL

## INTRODUCTION

Mr ASKIN (Collaroy), Premier and Treasurer [8.40]: I move:

That leave be given to bring in a bill to establish a contributory superannuation scheme for Members of the Legislative Council and the Legislative Assembly in substitution for the scheme contained in the Legislative Assembly Members Superannuation Act, 1946; to repeal that Act and certain other Acts; and for purposes connected therewith.

As the Leader of the Opposition said in regard to two other bills that I have introduced tonight, at the introductory stage I am giving a little more detail than usual because of the interest in these measures. Of course, all members will want to study the bills in more detail at the second-reading stage. The purpose of the bill is to give effect to the recommendations regarding the superannuation entitlement of members of the Legislative Assembly and the Legislative Council contained in the report of the independent committee of inquiry set up in August, 1971, under the chairmanship of Sir John Goodsell, former Chairman of the Public Service Board, to advise on the emoluments of members of the legislature and of certain statutory and other senior office holders.

After studying the Parliamentary superannuation schemes in other States, the committee has reported that New South Wales, which was the first to introduce such a scheme, is lagging seriously behind all other States. In fact, in the committee's view, the present New South Wales scheme is grossly inadequate. After a careful examination of the schemes operating in other States, the committee has recommended that legislation be introduced in New South Wales to provide for a parliamentary superannuation scheme similar to that now operating in Victoria and covering members of both the Legislative Assembly and the Legislative Council. Because of the nature of the new scheme, the essential differences between the two classes of members would be recognized through the different levels of salaries, as will be clear from the outline of the new scheme that

I shall give shortly. Full details will, of course, be given at the second-reading stage.

The Government believes the independent committee's recommendations regarding superannuation should be accepted, and these have been incorporated in the bill now being brought before the House. I emphasize that the Government has not been under any pressure by the upper House but is merely adopting the independent committee's report. Before I proceed to outline the new scheme, there are several aspects to which I should like to make special reference.

First, the new scheme will require a significant increase in the rate of contribution by ordinary members and a very substantial increase in the case of Ministers, in keeping with the enhanced benefits for which they will become eligible. Second, though some of the specific benefits under the new scheme are not as good as those currently available under the Legislative Assembly members' provident fund, it has been considered important, as a general principle, to adhere as closely as possible to the provisions of the Victorian scheme recommended by the committee which overall provides benefits superior to those of the present New South Wales scheme. In other words, some of the good points in our existing scheme will have to be dropped.

Third, though it is proposed that the past service of members in both Houses be recognized for the purpose of the new scheme without any payment of arrears of contribution, it has been decided, in view of the higher pensions that will be payable to office-holders and Ministers, that some limit should be placed on the period during which past service as an office-holder or Minister will count for assessing pension entitlement of existing members. Accordingly, the bill provides that only salary received since 1st January, 1952, will be taken into account for the purpose of calculating the pension entitlement of an existing member. This will not affect the pension entitlement of private members who have not held office but it will limit the entitlement of members who were office-holders or Ministers prior to this twenty-year period. An ordinary member who has not held office will qualify

for maximum pension after twenty years and a similar period has been considered appropriate recognition for pension purposes of past service as an office-holder or Minister.

The new scheme makes no provision for pensions or adjustment of pensions to persons who have retired or may retire before the date of operation of the new legislation. The committee has looked with sympathy at the cases of existing pensioners, but it has been unable to suggest a common rule that may equitably be applied to so many categories. It has, however, made certain suggestions for reviewing any cases where hardship is being experienced and these proposals are receiving separate consideration by the Government. Of course, they will be discussed with the Opposition.

I would now like to refer briefly to the main features of the proposed new scheme which, it is proposed, will operate from 1st January, 1972. The new contribution rate will be 11½ per cent of salary as a member, Minister or office-holder, and 10 per cent in the case of female members. This means that at the proposed new salary rates an ordinary member of the Legislative Assembly will contribute \$1,322.50 per annum, and an ordinary member of the Legislative Council will be required to contribute \$460 per annum. Members will have an unconditional right to retire on pension at any time after fifteen years' service, as at present. The scheme includes also provision for pensions on retirement due to ill health, defeat at an election, or other approved reason after eight years' service as at present.

The pension benefit for an ordinary member rises from 41.2 per cent of salary after eight years' service, to a maximum of 70 per cent after twenty years' service, and pensions will be adjusted in proportion to increases in the basic salary of members from time to time. Higher pension benefits will be payable to Ministers and other office-holders assessed in accordance with a formula that takes into account, in addition to their length of service as a member, the higher amounts of salary received as a Minister or office-holder. Of course, Ministers and office-holders will be paying substantial amounts for their higher benefits. The

*Mr Askin]*

scheme also provides for a widow's pension of five eighths of the member's pension in lieu of the present three quarters and a minimum payment of 40 per cent of the basic salary of a member. As in the Victorian scheme, provision has been made for the commutation of pensions subject to certain limitations in regard to age, and so on, and for a minimum benefit equal to a member's contributions. I wish to stress that to a large extent the fund will be self-supporting as a result of the substantially increased contributions to be made.

It is proposed that the new scheme have six managing trustees, four from the Legislative Assembly and two from the Legislative Council with the under secretary of the Treasury as custodian trustee, as at present. It has been possible in the time available to give only a brief outline of the proposed scheme. Further details will be given on the motion for the second reading. As I have already mentioned, the bill is designed to give effect to the recommendations of the independent committee of inquiry, which was appointed to look into these matters free of pressure or undue representations from members. I made no representations on salary or pensions, and I have no doubt that many other honourable members acted similarly. I commend the bill to the House.

Mr HILLS (Phillip), Leader of the Opposition [8.49]: As the Premier said when speaking to this motion, the purpose of the bill is to establish a contributory superannuation scheme for members of both the Legislative Assembly and the Legislative Council. It breaks new ground in respect of members of the upper House. As the Premier has stated, the scheme is based on a contribution of 11½ per cent of a member's salary and, for female members, 10 per cent. I should have thought that in these days of women's liberation, we should all be contributing similar amounts. Nevertheless it has been considered necessary to make some discrimination. I appreciate that the relative responsibility of husbands to wives is one of the reasons. In future members of the Legislative Assembly will be making bigger contributions to their superannuation fund.

As the Premier has indicated, the new contribution on the base figure by members will be \$1,322.50 whereas previously the contribution was \$804. That is a substantial increase. Earlier this evening we dealt with the salaries of judges. They make no contribution to the superannuation they receive when they vacate their office but members of the Legislative Assembly and now members of the Legislative Council will make contributions—as they should. I am sure that all members will agree that for the benefit to come from the scheme they should make these contributions.

The new scheme, as I understand it, contains some variations but we shall not know exactly what they are until we see the bill. For example, a member who serves for less than eight years is entitled to benefits under a special provision relating to service in three parliaments. Perhaps members in this category will be entitled to the existing benefits until they qualify under the new arrangement and have served for eight years. There is also the matter of payments for members' children under the age of sixteen years. The Opposition will look at this provision with great interest. I understand that this is one advantage under the old scheme that will be lost under the proposed scheme.

All in all this whole matter will need deep consideration. As was intimated by the Premier, the scheme follows that in operation in Victoria. I know that when these matters were under discussion, members on this side of the House looked at schemes in existence in Parliaments throughout the Commonwealth and examined what they thought might be a scheme appropriate for New South Wales. About twelve months ago some thought was given to dealing with members' retiring allowances or superannuation allowances and at that time members on this side of the House felt that the question should have been deferred until the Parliament was dealing with statutory salaries and salaries to be paid to parliamentarians. We believe that all these matters should be dealt with at the one time. Inherent in this scheme is an increase in contributions, so that some of the increase in salaries arising from the provisions of another bill for which leave to introduce had been given will be quickly accounted for. At this stage

the Opposition does not oppose this proposal. It appears to be in conformity with the recommendations of the committee and the Premier has given us that assurance. If that is the case the Opposition will not oppose the introduction of a new superannuation scheme.

Mr ASKIN (Collaroy), Premier and Treasurer [8.54], in reply: I should like to refer briefly to three points mentioned by the Leader of the Opposition. The reason for women members' paying less by way of contribution is quite simple. In the Victorian and Queensland schemes there is no provision for payments to be made to a widower in the event of the lady member's death, as it is contended that the man should be able to look after himself.

The second point is that the Leader of the Opposition is correct when he says that members who have served in three parliaments but for less than eight years will have their existing rights protected. When they have served eight years they will of course be entitled to the same as everyone else. The third point relates to children and has been thoroughly considered. The pensions payable under the new scheme are so much higher for this State as compared with other States, even though greater contributions will have to be paid by the members—in my case I will have to pay more than \$3,000 a year—that it is thought the pensioner will be able to make provision for his children. Some of us might not be too keen on this change but we cannot pick the best pieces of our scheme and attach them to the best pieces of other schemes. I have no doubt that this scheme when it is studied carefully will be found to be quite reasonable.

Motion agreed to.

Bill presented and read a first time.

EMOLUMENTS OF STATUTORY AND OTHER SENIOR OFFICE HOLDERS, AND EMOLUMENTS AND ALLOWANCES AND THE FACILITIES AND OTHER BENEFITS OF MEMBERS OF THE LEGISLATURE OF NEW SOUTH WALES

Report by Committee of Inquiry tabled and on motion by Mr Askin, ordered to be printed.

## EGG INDUSTRY STABILISATION BILL

## SECOND READING

Debate resumed from an earlier hour.

Mr RUDDOCK (The Hills) [8.57]: Less than ten years ago there were 9,000 individual poultry farmers in this State. Today there are approximately 2,500. The reasons for this drastic reduction are not hard to ascertain. The poultry industry is one of the few unsubsidized primary industries remaining. Costs have forced one producer after another out of the industry. The family unit poultry farm has almost disappeared. Sons have not carried on their father's work. Most poultry farmers on the outskirts of the metropolitan area, even those whose land has not been re-zoned as residential or industrial, have disappeared. They have not been able to meet increased costs. It follows, therefore, that the industry itself wants stabilizing legislation. This was admitted by the honourable member for Castlereagh, leading for the Opposition. The industry wants this measure badly. Of course, there will be a poll among producers but I think we are all of the opinion that they will vote solidly to have an organized marketing scheme and a stabilization of the industry. I intend to limit my remarks to what I believe are the two controversial points in this bill. On all the other points I think the industry, the Government and the Opposition have agreed.

One controversial point is that New South Wales is proposing to go it, not alone, but without Victoria. Some producers say that we cannot do this, that it is dangerous and that the Victorians will over-produce and send their excess production across the border in to New South Wales. Victorian producers can do this now. Irrespective of whether we agree to this measure, it will not affect section 92 of the Constitution, which relates to interstate trade. I contend—and I put this forward by way of question in this House and I asked the Minister about it at the introduction—that New South Wales can give a lead. Victoria as a State has often said that it will not do something and then quickly it either joins in or tries to be the first. One example of this was daylight

saving. We in New South Wales were saying that we could not have daylight saving in this State unless Victoria came into the scheme. However, one fine day, after Victoria had said that it would not be in it, we found that Victoria had introduced daylight saving. Victoria wants to claim to have taken the first step. On this occasion let us take the first step: let us agree to the Egg Industry Stabilisation Bill. We shall find that it will not be long before the Victorian poultry farmers will put pressure on their Government to introduce similar legislation.

I shall give another example. New South Wales intended to be a little more severe about dental technicians. Victoria had even a more severe bill coming forward. Overnight another bill has passed through the Victorian Legislative Assembly, licensing dental technicians and giving them the right to practise under certain conditions. The bill has bogged down for the time being in the Victorian Legislative Council but it will eventually come forward. On the analogy of those two examples that I have given, we are doing the right thing in New South Wales by bringing down the Egg Industry Stabilisation Bill. I am certain that the producers will vote for the scheme. The Minister has been flexible in endeavouring to formulate a bill that will suit all sections of the industry. He has been most understanding and has had many discussions with people in the industry. I know that producers in my electorate, some of whom are in the gallery tonight, are grateful for the action taken by the Minister in introducing this measure which will be the first step in doing something to alleviate the plight in which egg producers find themselves. I come now to deal with the really controversial point in the bill. Clause 46 (4) provides:

The Licensing Committee shall not approve an application under subsection one of this section in so far as such an approval would increase the hen quota of a person, or the total of the hen quotas of the members of a partnership, to more than five hundred thousand.

The Minister has already foreshadowed that he will move in Committee for this figure of 500,000 to be reduced to 250,000. The

honourable member for Castlereagh, leading for the Opposition, said that the figure should be reduced to 20,000. This is the lowest figure that I have heard suggested. I know that one group of producers in my electorate have said that the figure should be 200,000. I understand that the Egg Marketing Board set 250,000. The United Farmers and Woolgrowers' Association has suggested 50,000. The honourable member for Castlereagh has reached rock bottom. He contended that the Government was at the upper limit at 250,000, but he has certainly gone to the lower limit—and I suggest a quite unpractical lower limit.

I shall explain why I say that. The sub-clause provides that the licensing committee shall not approve an application that would take the quota over a certain figure. It provides that no one can have a quota—even if he is able to buy a licence—of over 250,000. This is taking into account the Minister's foreshadowed amendment. The licensing committee need not necessarily approve any application. We are speaking of a maximum figure.

Mr RENSHAW: The honourable member does not mean that.

Mr RUDDOCK: Indeed I do. I assure the honourable member that if the figure were fixed at 20,000 it would be so unrealistic as to be impossible. Some producers in New South Wales could be over that figure and the loss that they would incur would be quite important.

Mr RENSHAW: It does not interfere with such a producer. The honourable member does not know what is in the bill.

Mr RUDDOCK: If a figure of 20,000 were fixed, it would be unrealistic. The Opposition should not forget that one producer has sheds to accommodate over 200,000 hens. He is a producer in an electorate represented by a member of the Opposition. That producer is Barters of Griffith. Possibly he has protection but let us suppose that Barters of Griffith wanted to go from 201,000 to 202,000 by buying out a licence from a small poultry farmer who wanted to sell because he could not carry on. The licensing committee would

say that this small farmer could not sell to Barters as they were well in excess of 200,000. This would lead to a degree of hardship. I strongly suggest that it is a matter of judgment—a matter of degree. The figure can be altered by subsequent amendment either way. Already the Minister has said that the figure will be reduced from 500,000 to 250,000. If that is the only controversial item in the legislation, the Opposition is not doing the poultry industry any great service by urging farmers to vote against the proposal at the poll. That figure might never have any realism at all.

Mr O'CONNELL: The Opposition is not saying that.

Mr RUDDOCK. I am glad to hear that the Opposition is advocating acceptance. The scheme will be agreed to at the poll of producers because the egg industry needs stabilization. The reduction promised by the Minister shows that he has agreed to suggestions from the industry. Perhaps, as Mr Roughley of the United Farmers and Woolgrowers' Association said, the figure should be lower but he agrees, too, that the bill is a good one. It is true that other producers in the outer metropolitan area believe that 250,000 is all right as a figure; probably 200,000 should be the figure as an upper limit. I stress again that the licensing committee need not approve an application. The committee need not approve any application if it believes that it is not good. One producer might have a licence for 30,000 birds and want another for 20,000 birds. The licensing committee might say that he cannot have them. The industry has complete protection if it wants to exercise it. As the bill has only one controversial point on which the Minister has promised an amendment, and bearing in mind that Victoria should follow, I am convinced that the legislation is accepted by all honourable members. It can do only good for an industry which has been suffering from cost pressures for quite a long time.

Mr O'CONNELL (Gosford) [9.10]: This bill has been looked forward to by the egg producers of New South Wales for approximately two years, ever since the

French committee made its report. Over-production and the necessity to sell surplus pulp overseas have caused the industry to be uneconomic for some considerable time. Production costs today are about 28 cents a dozen or more, and the projected return for 1971-72 is 26 cents a dozen. How long can one expect poultry farmers to carry on in those circumstances? It is estimated that 23,000 tons of pulp will be in store at the end of this financial year. Last year 4,000 tons were in store. The problems are compounding as the days go by. When it was indicated to the poultry industry that this measure would be brought down, the farmers were told that the cut-off date would be the end of November, 1970. All the fair-dinkum farmers in this State heeded the warning and restricted their flocks to about the number that they maintained at that time. Only five or six groups in New South Wales continued to expand, and I am pleased that the bill gives no recognition to them.

The spirit of the bill is good, but I am afraid that in two or three respects it fails to capture the first fine careless rapture. If this bill stabilizes the industry, as is intended, and leads to farmers with between 8,000 and 9,000 birds getting a good deal, that will benefit the country, it will be good for the egg-producing industry and it will be good for the rural community as a whole: it will be good in every respect. However, two or three provisions in the bill could militate against that situation. The first is that when the base quota has been established, increases will be made on a percentage basis. That means that the big will get big more quickly, and the small will remain about the same as they were: under this system it will take them years and years to approach a figure that will make them economic in the industry.

Why not introduce a sliding scale to allocate, say, 90 per cent of any increase in quotas to growers with fewer than 10,000 birds, with the remaining 10 per cent of increases to be allocated to growers with flocks above that figure? One could make the cut-off figure 20,000 birds and if an increase in demand made it necessary to increase quotas, in the initial stages

the increase would not be shared by anybody with a flock of more than 20,000 birds. I am sure that the industry would approve of such a suggestion. It would allow the small poultry farmer, who in the past few years has had to take a second job to make ends meet, to build up his flock without the expense of buying additional quotas, and would give him a chance eventually to become an economic poultry farmer.

Because of the economic situation in the industry in the past few years, the trend has been to larger holdings, larger poultry farms and larger flocks. It is time that trend was halted. I am pleased that the bill will attempt to do that, in the interests of decentralization and diversification of production. We do not want to see 12 or 15 growers controlling the industry. Even by reducing the maximum figure to 250,000 birds, one can still see a minimum number of producers finally operating in the industry. In my opinion, no person should be associated in any way with more than one licence. If that is not possible, no person should be associated with licences in respect of which his total interest exceeds the maximum provision under this bill, and I suggest the Government should make the maximum a pretty low figure of about 20,000 birds. Unless an attempt is made to reduce to a realistic figure of 20,000 to 30,000 birds the maximum size of a flock that one person may have, and to insist that no person be associated with more than one licence, or that his interest in any number of licences not exceed the maximum figure, in the future the whole industry will be controlled by perhaps a couple of groups only.

The interpretation of the words "person" and "partnership", as they are used in this bill, will depend on the Interpretation Act. If those words were defined in the bill itself, one of the greatest problems confronting the industry would be avoided. This failure will cause a lot more trouble in the future, and if anything makes the legislation fail, this will be it. The purpose of the bill is defeated by the failure to define those words in the measure itself. I am sure that we shall see partnerships formed between

managers and a corporation like Allied Feeds, which will set up various poultry farms, will put them under the control of a manager and will enter into a partnership with that manager in which he will have only a small interest. Because the bill is not specific, one group will be able to control as many licences as it likes—even all the licences in the State. As the bill stands, this criticism may appear to be answered by clause 18, but that clause applies only to flocks at any one place. It does not say that a person cannot have a similar number of birds or another licence at another place.

Honourable members have heard reference in the debate to clause 46 (4), and to the effect that it will have on the industry. That clause refers to the upper limit of flocks. It provides for a limit of 500,000 birds. The Minister has indicated that he intends to move an amendment to reduce that figure to 250,000. That will not overcome the problem. If one reads clause 46 closely, which apparently the honourable member for The Hills has not done, one finds that it speaks only of the purchase of quotas. Subclause (4) provides:

The Licensing Committee shall not approve an application under subsection one of this section in so far as such an approval would increase the hen quota of a person, or the total of the hen quotas of the members of a partnership to more than five hundred thousand.

Mr MASON: "... the members of a partnership": is not that clear enough?

Mr O'CONNELL: Why not shut up until I have finished, and I will tell you what it means. Obviously the honourable member for Dubbo does not know what it means. It means that a person can buy quotas up to the new limit of 250,000 but that will not be the top figure at all.

Mr CRAWFORD: It will not be possible to buy quotas up to that figure.

Mr O'CONNELL: Any increase in the quota previously allocated by the licensing committee will take the final total above the limit set in the bill. If there is a 3 per cent increase in a quota of 250,000 birds, the poultry farmer will immediately get another 7,500 birds. His base quota will be then 257,500 birds.

Mr RUDDOCK: That is another subject.

Mr O'CONNELL: The bill is not specific enough to cover that eventuality. The top figure should be the top figure and no poultry farmer should be able to obtain an additional quota when demand warrants it. He should not be able to increase his flock above 250,000, no matter what the reason. The bill is not specific on that point.

Mr CRAWFORD: I think it is specific. What the honourable member for Gosford is saying is correct. Any increase in the base quota or in the State hen quota could increase this figure to more than 250,000.

Mr RUDDOCK: That does not interfere with the principle of the bill.

Mr O'CONNELL: I think it does. Although the bill seems to be designed to stabilize a family industry, it could have the opposite affect. The bill will create a rural elite in an industry that at present is depressed. I do not mind that so long as the elite consists of the people who have been in the industry and have put up with bad times over the past few years. The bill intends that these people will have an assured income, that they will be given something that can be used as collateral, something that can be sold at a profit to offset the bad times experienced by them in the past few years. To promote the spirit of the bill, a more realistic limit must be placed on the size of farms. The creation of an elite will take the poultry industry out of the area in which a battler can start with virtually nothing and eventually prosper. That is a pity, but the bill seems to be the only way around a vexed problem. I do not condemn the bill; I am glad to see it introduced, but I am sorry that it does not make a tidier arrangement. I do not want to see one group in control of this industry. The industry will be protected, and I am disappointed that the bill does not prevent one group from controlling it.

Object (b), as shown in the explanatory note, does not seem to be achieved. Clause 16 (1) of the bill reads:

A person who, during a licensing season, keeps hens without being the holder of a license is guilty of an offence against this Act unless the hens are broiler breeder hens.

That means that everyone who keeps hens has to have a licence. It does not seem to make clear that people who keep less than twenty hens do not have to have a licence. The only clause that might cover what I am saying is clause 4 (1), which mentions the Commonwealth Levy Act and a person who is not liable to pay levy under that Act. I should like the Minister to state whether clause 16 means that everyone who keeps a hen has to have a licence or whether clause 4 overcomes what seems to be an anomaly.

Mr CRAWFORD: Clause 4 takes precedence. That clause in effect means that under the Commonwealth legislation a person keeping more than twenty egg-producing fowls and not having an exemption is liable to pay the levy.

Mr O'CONNELL: This is the licensing bill and clause 16 (1) refers to a person who during a licensing season keeps hens. That matter should be clarified. I support the bill and I agree with the spirit in which it is put forward. I hope that the poultry industry is kept as a family industry and that there are no take-overs by large groups. In Committee the Opposition will move appropriate amendments to ensure that the bill achieves its objects.

Mr CHAFFEY (Tamworth) [9.25]: Honourable members should appreciate that if they accept the general spirit of the bill, any amendments to it should be discussed in Committee. The principle of this bill is that in certain circumstances a referendum of enrolled and accepted poultry farmers will be held. I recognize that some observations made during this debate reflect the views of people in various areas. However, the problems of the poultry industry cannot be dealt with by the Marketing of Primary Products Act. There is a need to place restraint on over-production in an industry where surplus production cannot be absorbed on the home market and the only other outlet is the export market. If surplus production on an export market cannot produce a profitable return under the CEMA equalization plan, every person in the industry, big or small, will lose. Therefore, restraints or curbs must be

placed on the industry. To establish my own *bona fides*, I point out that 14,000,000 dozen eggs per annum are produced in my electorate.

Mr RENSHAW: That is a lot of eggs.

Mr CHAFFEY: And a whole lot of fowls—and no roosters. It is quite normal for a hen in a cage to lay eggs.

Mr FERGUSON: How do you get the chickens?

Mr CHAFFEY: That is the hatchery man's job. An infertile egg can be frozen and handled. A hen will lay many eggs. I believe that the average hen will lay sixteen dozen eggs a year. If 14,000,000 dozen eggs are produced at Tamworth in a year, in my electorate there are something like 1,000,000 hens—and that is a lot of constituents to have. By this bill, which limits the number of hens to 500,000, it would be possible for two people to control the egg industry in my electorate.

Some peculiar things occur in the metropolitan area, if one may believe some of the talk about what occurs in the poultry industry before the egg reaches the shop. However, there are two commodities sold in the metropolis on which the customer can always rely—whole milk and eggs. The milk that is placed on the doorstep has been pasteurized and is fit for human consumption. The householder can take it from the vendor and give it with confidence to children. Milk is available at a reasonable price by comparison with some other commodities that are sold in larger quantities. Then there is the humble egg that is distributed by the Egg Board of New South Wales. By a system of orderly marketing the egg moves through various channels of distribution. Eggs are delivered to depots where they are rigidly inspected. As with milk, which is the subject to close inspection from paddock to table, so it is with the egg, which receives intensive care from fowl to plate.

Some difficulties might be encountered in an industry in which the hatchery people have a commercial, vested interest. A person buys day-old chicks and rears them to the stage where the commercial egg producer takes them away and puts them in a cage.

Another interested segment is the broiler industry. It should not be forgotten that whatever is said and done in this Parliament, the people in the industry will have the final vote on whether they want this scheme. If honourable members vote in support of this bill they will not be ramming the scheme down the throat of the industry. They will merely be agreeing to give the industry a vote on it.

I recall that either in 1966 or 1967 some people in the egg-producing industry got carried away with enthusiasm over the virtue of licensing or the introduction of a quota scheme. I think this was the situation at a meeting of the Agricultural Council that met at Darwin at that time. Unfortunately some elements in the poultry industry are their own worst enemies. They have created a situation that has made it necessary for legislation of this nature to be introduced for their own protection. So much talk has been going on about licensing and the introduction of quotas that some people in the industry have kept hens in production for much too long so as to keep up their numbers in case a quota were fixed at a certain time. It does not matter what they do now; the quota will be determined on the position in November of 1970.

It is unfortunate that for a number of years some poultry producers have been over-producing. Figures released by the Australian Egg Board and the boards' forecast of production figures for the next couple of years are indeed frightening. Fears have been expressed that the big producer will become even bigger. I do not know where the 500,000-hen figure came from. There was an indication of accepting a figure of 250,000 hens, and I understood from what the honourable member for The Hills said that the honourable member for Castle-reagh had mentioned a figure of 20,000. My view is that 250,000 is too large a number.

This industry has been allowed to develop in a snowballing fashion. People have invested large amounts in their capital commitment. The industry is essentially a family type industry. It is a means whereby a man who has his ordinary job away from home might develop his backyard to undertake this industry. His wife and family

are involved in collecting eggs and feeding the hens. This industry can provide fruit for the sideboard for the little man, and at the same time provide him with a stake in his country. He should not be discarded. The small production unit has an important place in the community. This is the sort of industry that can fit into the family concept, using God's good earth to advantage. A man need have only a few sheds in order to keep fowls, and his wife and children can look after them through the week, leaving the hard labour to him when he returns from his normal daily chore. If these family units are to be completely swallowed up by the combines that will have 500,000 hens, the little family unit will be forced out of the industry.

I do not know whether members of this House appreciate the intensity of my own thinking on this subject and my personal association with a lot of people in this industry. I am able to see all sides of this question. On the family side I have no doubt that I am more intensely concerned with the provisions of this bill and what it means to the producer than any other member of this House. I should be interested if any other member could show that he has a bigger commitment to my constituents in regard to the commercial egg producing industry than I have in the Tamworth district. The latest figures from the Egg Marketing Board reveal that last year 14,000,000 dozen eggs were handled by the board's depot at Tamworth. Quite often statistics are boring but I think they are important and should be considered in conjunction with the provisions of this bill. The figure next after Tamworth is Newcastle where the board's depot handled 4,000,000 dozen eggs. Other figures are, Dubbo, 1,800,000 dozen; Wollongong, 2,600,000 dozen; and Young, 2,500,000 dozen. No one can get away from the fact that the figure for Tamworth is 14,000,000 dozen. The Egg Marketing Board has published figures for all egg producing areas. The honourable member for Wyong recently quoted figures but I think he was getting the New South Wales and the Australian statistics confused. Production in other areas is: Junee, 1,700,000 dozen; Wagga

Wagga, 900,000 dozen; and Orange, 1,000,000 dozen. Again I remind honourable members that the annual egg production in the Tamworth districts is 14,000,000 dozen.

The enormous production in the Tamworth district involves a lot of farmers and many people there have a stake in the poultry industry and the egg industry. This legislation provides that one organization might have 500,000 hens. With each hen capable of producing 16 dozen eggs a year, two people could take over the whole egg producing business in the Tamworth electorate. Egg producers in the Tamworth district are entitled to consideration. I ask honourable members when considering this legislation, not to think of egg producers in terms of voters at a parliamentary election but as voters participating in a poll to decide whether or not they should accept the provisions of this bill. Throughout the poultry industry there is an element of fear in relation to take-overs and the negotiability of quotas. We have seen this happen in recent times, particularly in the whole milk industry, where the dairy industry authority has intervened. Some people who previously wanted an authority are now dissatisfied with it.

The commercial egg industry is producing more eggs than the Australian market can absorb. The Council of Egg Marketing Authorities of Australia has evolved an equalization scheme to balance egg production between the States and producers generally. Some egg producers have gone berserk and are carrying more fowls than they should. Curbs and restraints must be placed upon these people. The ordinary sensible and realistic person in this industry knows that some restrictions are necessary. Nothing that we can do in this parliament will change that need, so we must provide machinery to do it effectively. With effective machinery to enable the industry to put the right person in the position of controlling it, licensing it, and adjudicating on appeals arising from problems in the industry, the concept of complete take-overs will be eliminated and the small producer will be preserved.

*Mr Chaffey]*

We should also discourage the smart aleck, in some cases, or the person who is financing a man into buying the nucleus of a poultry farm. This could be a banker or some other person. Men have come into the industry in the past twelve months who should never have been encouraged to enter it. This is the sort of complaint upon which we cannot adjudicate. Let us put the matter into the hands of a proper body. The bill must ultimately depend upon a poll of producers who are accepted as being eligible and qualified to vote.

MR ACTING-SPEAKER (MR COATES): Order! The honourable member for Tamworth has exhausted his time.

MR FERGUSON (Merrylands) [9.51]: Like other honourable members who have spoken on the bill I welcome the egg industry stabilization plan. It is rather ironic that Government supporters—the free enterprise parties in this Parliament—are putting forward a proposal to make the industry in New South Wales a closed shop. The Country Party does not mind a little socialism or control if it suits its own interests but it is rather surprising that the Liberal Party, the great free-enterprise party represented by the honourable member for Dubbo and the honourable member for The Hills, should propose, as Labor would, a closed shop in this industry.

Those honourable members who know of James Thurber's character, Walter Mitty, would appreciate that all of us dream at some time that we are doing the things that we should like to do. Walter Mitty would get on a train and dream that he was an airline pilot. My Walter Mitty dream has always shown that I should like to be a poultry producer. Under this proposal, unless I am willing to buy a quota from an egg producer, my Walter Mitty dream can never come to fulfilment. After looking at the bill and the economics of the poultry industry, Walter Mitty dreams or not, I should certainly not want to be a poultry farmer in the economic circumstances of today.

It is interesting to note that in 1970–71, recorded egg production for the mainland States of Australia rose by 19,700,000

dozen to over 209,000,000 dozen. Unfortunately the expansion in total egg sales was substantially smaller than the rise in production, and that meant a sharp increase in the number of eggs available for export. In 1970-71, exports of shell eggs rose to 4,000,000 dozen, which unfortunately was the same as the year before. The Arabian States and Hong Kong took more than 80 per cent of shell egg production from the Australian mainland States. Again for 1970-71, Australia exported 24,900 tons of egg pulp. The United Kingdom took 95 per cent of it. Even then we had 6,400 tons surplus overseas. That was unfortunate and that is why we had to have a stabilization scheme.

In 1970-71 the average return to the Australian primary producer on the export of shell eggs and egg pulp was 26.6 cents a dozen. The average cost of production rose to 28 cents a dozen. The sort of situation we are in cannot be allowed to continue. We have had some discussion about the number of poultry farmers in Australia. From 1965-66 to 1969-70 the number fell by 41 per cent to 9,948 poultry farmers. The interesting thing is that despite that 41 per cent decrease in the number of poultry farmers, egg production has increased by 19 per cent. The deductions from this are first that farms are getting bigger and second that they are becoming more efficient. Poultry farming today is a scientific operation. A man has to be enormously efficient to survive.

In 1960-61 the average price of eggs was 60.8 cents a dozen on the retail market. In 1969-70 the average retail price of eggs in Australia was 65.2 cents a dozen. We have seen inflation rampant in Australia in that time, yet the price of eggs has increased by only a little under 5 cents a dozen in a period of ten years. It is little wonder that the poultry farmers are turning in desperation to a stabilization scheme. The bill will guarantee poultry farmers an equity in the industry. We certainly hope to guarantee them a reasonable price above the cost of production.

Mr CRAWFORD: That is the object of the exercise.

Mr FERGUSON: I certainly hope the exercise achieves the sought-after results. Those in the poultry industry have intimated to me and to members on both sides of the House that though they welcome this stabilization scheme they have misgivings about some provisions of the bill. Clause 22 sets out the provisions in respect of appeals against cancellation of licences. The final appeal is to the Minister. I accept that the Minister for Agriculture at the table tonight would be fair, just and reasonable, but Parliament must remember when it is passing legislation that it should not matter who is the Minister charged with the responsibility of administering the Act. We may like the Minister at the table, but a sudden turn of fortunes in the Country Party might put the honourable member for Tamworth into the office of Minister for Agriculture.

When an appeal is made to the Minister the first thing he would do would be to seek information from his advisers. Who are they? They are the people who cancelled the licences. This is the matter that is concerning the poultry farmers. It appears to them that it would be an appeal from Caesar to Caesar. I understand the Minister has given certain assurances to members of the Opposition that the licensing committee will have one representative from CEMA and two producers who have no connection with the egg board.

Mr CRAWFORD: The licensing committee is the egg board.

Mr FERGUSON: It is an appeal from Caesar to Caesar. I should have said the review committee. The penalty is rather drastic and for that reason the poultry industry is seriously concerned. Poultry farmers viewing the dangers inherent in this clause say that the final appeal should lie to a judicial tribunal.

Not only should justice be done, but it must also appear to be done. I agree with the expressions of disquiet by a number of my parliamentary colleagues. The Minister provided in the bill that the maximum quota for any one producer would be 500,000 birds. It is pleasing to note that he has indicated his willingness to reduce that

to 250,000. What is the poultry industry? The honourable member for Tamworth and other honourable members have said that the poultry industry is based on the family unit. Any family unit that can run a poultry farm with more than 10,000 birds would be a big one; it would be receiving a lot of child endowment. In West Germany, for example, the legislation is specific: the quota is 10,000 birds. I admit that there is much more intensive farming in that country and the climate and other circumstances are different, but it is still ridiculous to fix a maximum quota of 250,000 birds in New South Wales.

The Government professes to be trying to save the small farmer, yet it sets about fixing such a high maximum. The honourable member for Tamworth spoke eloquently and said that he represented one of the biggest egg-producing districts in the State. Surely even the honourable member for Tamworth does not have many poultry farmers who would want a quota of 250,000 birds. The poultry industry is one rural undertaking that is not subsidized. Why? It behoves honourable members to look at the political reasons. Poultry farmers are small units dispersed throughout the State. In no electorate except Tamworth is there a heavy concentration of them. Therefore, they cannot use political power to exert pressure on the State or federal governments for the payment of subsidies. They are not like the wool-growers and the wheat growers, who can bring influence to bear through their parliamentary representatives to obtain subsidies. Poultry farming is one industry that pays a levy to subsidize exports. That levy is paid through CEMA. One hears a great deal about wheat, wool and dried fruits. Exports of those commodities are subsidized by the Government. How does the poultry farmer dispose of his production? He sells it at a loss overseas.

Mr CHAFFEY: That has been going on for years.

Mr FERGUSON: It is to the eternal disgrace of the honourable member for Tamworth, who just interjected, who said in this debate that he had the greatest number of poultry producers in New South Wales in

his electorate, that when he was Minister for Agriculture he did not have the courage of the present Minister for Agriculture to bring down legislation to assist poultry farmers. Let him not be heard to interject now. He failed the poultry farmers in his electorate, and irrespective of the sanctimonious speech he made tonight, he stands condemned before the electorate of Tamworth.

It is interesting to note that more than twenty years ago a family unit could subsist with 1,000 fowls. That is no longer the case. It is true that the poultry farmer can become highly efficient, but I ask the Minister seriously, despite this fact, to reconsider his proposition to set the maximum quota at 250,000 birds. I believe that it is highly desirable to have a quota system, and to have transferable quotas, which will give the poultry farmer some equity in the things for which he has slaved over the years. He will be able to sell his quota if it can be transferred. However, surely honourable members do not want to see a situation in which quotas will be transferred to persons whose interests will get bigger and bigger to the detriment of other farmers.

One of the problems in this industry, which is already highly complex, is that the feed manufacturer will want to control the outlet for his product. The best way he can do that is to buy up poultry farm quotas. I understand that Checkerboard, which is a subsidiary of Allied Feeds, has 125,000 birds at Wilberforce. Allied Mills, in a given set of circumstances, will be able to increase the size of its quota, even under this bill. Although the Minister has reduced his original proposal by 50 per cent, I ask him in the interests of small poultry farmers, whom he professes to help, to fix the maximum quota for any one man at 20,000 birds. Otherwise, I commend the bill and I shall support it.

Mr MASON (Dubbo) [10.7]: I support this legislation. Listening to the debate, I thought it became obvious that all honourable members conceded that the legislation was a genuine attempt to bring stability to the industry. I commend the Minister for what he has done despite some considerable

difficulty. For example, there is the reluctance of the State of Victoria to come to the party, and there are many other problems, of which the Minister has been most conscious, that have threatened this legislation and the industry. Another point is the likely effect of section 92 of the Commonwealth Constitution if Victoria does not act to control production. Despite all these matters of concern, the Minister has made a genuine attempt to give the industry stability.

It may well be that as these provisions begin to work themselves out, the need for amendments will become apparent. Doors may have to be closed, tighter restrictions may have to be placed on unscrupulous persons who seek to do the hypothetical things suggested by honourable members in this debate. However, this bill is a beginning, and the Minister for Agriculture is to be congratulated upon having gone ahead with it despite the many problems that could arise. I commend him for doing so, and I trust that honourable members will support the principle of the bill.

One of the ways in which stability, order and confidence will be brought to the industry will be by adhering to the cut-off date of 27th November, 1970. The Government gave a clear indication that it believed there was a need to say to some persons who are seeking to grow and to take control of this industry, that this provision will have to be observed. I am concerned about one point that has been put to me by many of the poultry farmers in my electorate. Most of them are small producers who have gone into this industry as part of the process of diversifying their small properties. They have said to me that since this bill was mooted by the committee that was appointed to consider the matter, and since suggestions were made about limitations, they have deliberately refrained from building up their flocks.

These producers have done what was asked of them. They have done what was suggested to be in the best interests of the industry. They have placed restrictions upon themselves, resisting the temptation to expand. In some ways they could suffer as a result of that, in that a right of review could be denied to them. I hope that when

the quotas are worked out these people will be protected. In Committee I propose to move an amendment to clause 12, which sets out the powers of inspectors. At the present time people are sensitive about this type of procedure.

I was delighted to hear the Minister express confidence and hope in regard to the operation of section 92 of the Constitution. Thoughtful leaders of the industry have been concerned about the effect on the industry if Victoria does not follow with this type of legislation. Those people have been concerned whether unscrupulous operators would move to Victoria and, by invoking section 92, try to infiltrate the New South Wales market. The Minister has suggested that one of the effects of this legislation will be a reduction in the price of eggs to the consumer in New South Wales. That would discourage people from trying, through manipulation of section 92, to undo this attempt at stability in the industry. Of course, we should be concerned about the consumers and it is encouraging that in the course of bringing about this stability in the industry there might be benefits for the consumer.

I support the bill. I believe the scheme will be a big step towards stability in the industry. I ask honourable members to reserve their judgment and to regard the bill as an important beginning. The legislation can be amended and safeguards added as found necessary. The bill should not be cluttered at this stage by attempts to meet hypothetical situations that might never arise, which I am sure is true of some of the suggestions that have been put forward. The bill should be accepted as a genuine attempt to bring stability to an industry that badly needs it.

Mr JENSEN (Wyong) [10.14]: Like the curate's egg, this bill is good in parts. The parts that are good are much better than the parts that are bad. Egg producers in the Wyong area will support the proposals in the legislation. I believe they would have supported it in its original form. For the first time since I was elected to this Parliament, there has been a measure of co-operation between Government and Opposition that merits emulation. I hope that

other Ministers will emulate the conduct of the Minister for Agriculture on this occasion. In this non-political measure the Minister has consulted with Opposition members, giving them on this occasion a better understanding of the Minister's motives than in respect of any other bill I have been concerned with. I compliment the Minister on this. Any critical remarks that I make about the bill are made only because there is some room for improvement. I believe the Minister will take heed of the suggestions that have been made because they are designed to overcome inherent difficulties in a complex measure. The Government has shown courage in introducing this bill in the face of Victorian non-participation. The Government could have more easily said that, in view of the operation of section 92 of the Constitution, it would not be possible to limit production of eggs in New South Wales. That would have been a plausible argument. However, the attempt is being made to limit production and I hope that it is successful.

The egg producing industry is an important one, producing a nutritious food, rich in protein, at low cost. Without an appropriate production of eggs, the standard of nutrition of the people of the State would fall. Most eggs are produced by poultry farmers with fewer than 10,000 birds; three-quarters of the eggs marketed in New South Wales are produced by farmers with flocks of from 1,000 to 10,000 birds. This is a desirable situation and I believe it is the Minister's intention to perpetuate it. The difficulty in maintaining such a limit in the industry relates to the fact that there are some who have aggregations of birds greater than that appropriate to a family operation. A few farms have 70,000 or more birds. One farm, which was previously engaged in broiler production, as indicated by the honourable member for Castlereagh, has been equipped to house 200,000 birds. This is why it has been necessary in this legislation to make provision for special circumstances. The Opposition has no objection to a reasonable need being met. Clause 46 (4), on page 33, provides that a hen quota shall not be more than 500,000. The Minister has indicated that he is willing to reduce that figure to 250,000. I should like

*Mr Jensen*]

to see the setting of the quota at the Minister's discretion. Then the Minister could take into consideration special and particular circumstances in the granting of the original quota. With quotas of 250,000 birds, there would be a tendency to aggregate quotas and to limit the number of producers. When production is limited, the usual result is an unwanted stimulus to price. There is evidence that on this occasion, although there will be limited production, the public will not pay more and the producers can expect to receive more for their produce. That is a desirable situation. If producers reached a quota of 250,000 birds, egg production would be in the hands of a few people.

If this happens, there is a likelihood that prices will be pushed up. This would be a consequence of control of the industry being gained by fewer people. That would be a real danger. I should like to refer also to clause 30 (1) (b), which provides:

... as far as practicable, but without affecting the operation of paragraphs (c) and (d) of this subsection, the proportionate variation is the same for all hen quotas;

It would seem from this provision that when future hen quotas are being allocated, after the demand for eggs increases and there is justification for allocating additional quotas, the proportionate variation will be in accordance with existing quotas. This means that if 1,000,000 hens are to be allocated, it will follow the basis of the existing quotas. For example, if one organization has a quarter of all the birds in the industry, that organization will get a quarter of the additional quota. This principle offends the concept of helping the small farmer, as the large farmer will receive an unreasonable percentage of the additional quota.

I suggest that paragraph (b) of clause 30 (1) be omitted and that action be taken to ensure that additions to the State's hen quota are allocated on the basis that holders of small quotas, rather than the holders of big quotas, shall be the principal beneficiaries. This principle should be enunciated in the bill. I agree that it would be difficult to lay down details like that in this measure but, if the principle were so enunciated, the

committee established by the bill should be given the responsibility of allocating additional quotas, whenever the time for that to be done occurs. This would seem to be more consistent with the intentions expressed by the Minister.

Despite Opposition criticism of the measure, I believe that, when egg producers have and opportunity to express an opinion on the scheme for which the bill provides, they will vote in support of it, although I believe that their enthusiasm for the scheme and their support for it would be stronger if the proposals that the Opposition has made were incorporated in the measure.

Mr CRAWFORD (Barwon), Minister for Agriculture [10.24], in reply: I thank every honourable member who has spoken on the bill. I am sure that each member has expressed his views in the earnest desire to make the bill as good as possible. As this is mainly a Committee measure, I do not intend to reply at length to the points that were raised in the debate. I appreciate the attitude of the honourable members who contributed to it. I hope that this bill will serve the purpose that all honourable members hope will be achieved—to create a stable, viable egg-producing industry based on the family unit.

Motion agreed to.

Bill read a second time.

#### IN COMMITTEE

The CHAIRMAN: Order! With the concurrence of the Committee, I shall take various clauses of the bill together.

Clauses 1 to 11 agreed to.

Clause 12

Page 16

(3) An inspector may be accompanied by and use such persons as he considers necessary to assist him in the exercise and performance of his powers, authorities, duties and functions under this Act.

Mr MASON (Dubbo) [10.26]: I understand that the inspection system for which the bill provides closely follows the practice that has been adopted in legislation affecting a number of other industries. However, I

feel that we are much more concerned and sensitive about powers of inspection today than perhaps we were when the precedents were set in other legislation. I am particularly concerned about subclause (3) of clause 12 which provides:

An inspector may be accompanied by and use such persons as he considers necessary to assist him in the exercise and performance of his powers, authorities, duties and functions under this Act.

It is wrong to give such wide, sweeping powers to an inspector, virtually leaving it to him to take whoever he likes with him when on inspection. Therefore, I move:

That at page 16, all words on lines 11 to 14 be left out.

Amendment agreed to.

Mr CHAFFEY (Tamworth) [10.28]: I understand that the honourable member for Dubbo has moved an amendment that is acceptable to the Government. I did not hear any explanation of the reasons for the Government's acceptance of it and no background history has been given for the inclusion of this provision in the bill. Although the wording of subclause (3) does not seem acceptable on the face of it, there must be a background history for its incorporation in the bill. Perhaps the purpose is to make administrative machinery function more effectively. That is the sort of explanation I seek. I acknowledge that at times the Crown law authorities commit some boo-boos, and I suppose that we must make allowance for them. I do not know whether that is the explanation for the incorporation of this subclause that the honourable member for Dubbo seeks to have omitted on the basis that it does not sound right. I should hope that the reason for this form of drafting is that the Department of Agriculture feels that there is some merit in the incorporation of this subclause in the bill. I should like to have the Minister's explanation.

Mr CRAWFORD (Barwon), Minister for Agriculture [10.30]: In reply to the honourable member's query, this provision was taken from old legislation. In the past it was the practice for an inspector to take with him an accountant or someone to help inspect the books or count the fowls.

Inquiries were made at the egg board and we were informed that when two people are assigned to a job they are both inspectors appointed by the board. The egg board felt that this particular provision is redundant as it now has sufficient inspectors. The deletion of this provision precludes a person who is not an appointed inspector from being on a property inspecting books or counting the number of fowls. That is the reason why the Government has accepted the amendment.

Mr CHAFFEY (Tamworth) [10.31]: I have no wish to be difficult but I am curious about this matter, arising out of my own experiences.

The CHAIRMAN: Order! I invite the attention of the honourable member for Tamworth to the fact that the amendment has been accepted by the Committee. I have allowed reasonable latitude for the honourable member to make his inquiry and for the Minister to answer him but the fact is that the amendment has been disposed of by the Committee.

Mr CHAFFEY: With the greatest respect, Mr Chairman, you had your head down and did not recognize me when I sought the call. However, subsequently you allowed me to speak and the Minister to reply. You have allowed the debate to go on and therefore I wish to clarify what the Minister has said.

The CHAIRMAN: Order! On many occasions I have stated that it is the responsibility of members of the Committee to attract the Chairman's attention when seeking the call.

Mr MASON (Dubbo) [10.33]: An amendment that flows on from—

Mr CHAFFEY: On a point of order. This is still the same clause as amended?

The CHAIRMAN: Correct.

Mr CHAFFEY: The clause has not yet gone through the Committee?

The CHAIRMAN: Correct.

Mr CHAFFEY: Mr Chairman, with respect, you are allowing the honourable member for Dubbo to bring out another

point on the same clause. You allowed me to speak prior to that and the clause has not yet been passed. I believe I am entitled to pursue the point which I asked the Minister to clarify. I wish to pursue this point further before the honourable member for Dubbo is permitted to take the matter further.

The CHAIRMAN: Order! It is not my intention to prevent the honourable member for Tamworth from making any comments. He is quite entitled to speak to the clause now before the Committee in an amended state. The point the honourable member was making earlier in the preliminary discussion, which I allowed and the Minister subsequently replied to, concerned the particular amendment which had already been passed by the Committee. The honourable member will be quite in order, at the conclusion of the remarks of the honourable member for Dubbo, to speak further to this clause.

Mr CHAFFEY: On the point of order. I have fought this point on a previous occasion when I sought the opportunity to indicate what I had in mind. On that occasion another member was speaking and subsequently, when I wanted to take the action I had in mind, I was told that the other member had the prior call and therefore I was too late to speak. I want to protect my own position on this occasion.

The CHAIRMAN: Order! The honourable member may seek the call when the member for Dubbo has concluded.

Mr MASON: I move:

That at page 16, all the words on lines 26 to 29 be left out.

This simply has the same effect as the previous amendment.

Amendment agreed to.

Mr CHAFFEY (Tamworth) [10.36]: Earlier I did not realize the possible significance of this amendment or I am always suspicious about changing something that must have been written into a statute for good reason. There is something in the back of my mind that causes me to make

this inquiry. The Minister, through his advisers, should be able to produce the answer to my query. What were the circumstances and the peculiarities associated with the prosecution and subsequent establishment of the validity of the State law in regard to Marrickville margarine and the right of inspection and a person being able to go into premises to inspect books and so on? Was this provision in the legislation that covered that matter? I cannot pluck it out of the air but I should like to know whether this provision was in that legislation or has been put into some legislation for the special purpose of allowing certain officers to go into premises to inspect books and so on? By the deletion of the words in this subclause we could be frustrating good law. I ask the Minister to consult his officers and let me know the result. I know that a particular officer had to be appointed as a special inspector in order to be able to do things in the Marrickville margarine case.

Mr CRAWFORD (Barwon), Minister for Agriculture [10.37]: That is exactly what this clause does. Anybody accompanying an inspector must be specially appointed as an inspector by the board. I can add nothing more to that. Nobody can go on a property to inspect books or poultry unless he is an inspector appointed by the egg board.

Mr CHAFFEY (Tamworth) [10.38]: That is good and the matter has now been clarified. The honourable member for Dubbo moved an amendment and the Minister has clarified it, though he did not reply to the amendment when it was moved. We now have it perfectly clear that anybody appointed as an inspector can do these things. There is no question about that?

Mr CRAWFORD: No.

Mr CHAFFEY: And nobody who is not authorized as an inspector can go into premises for inspection purposes?

Mr CRAWFORD: That is so.

Clause as amended agreed to.

### Clause 18

[Conditions and restrictions relating to licences]

Mr O'CONNELL: (Gosford) [10.39]: Clause 18 (2), which defines the responsibility of a member of a partnership as to the number of hens that may be kept in a particular place, causes me some concern. Nowhere does it mention the responsibility of a member of a company. This would indicate that the interests of poultry farmers might be best served if they form themselves not into a partnership but rather into a company, and so dodge some of the provisions of the bill. This seems to be an anomaly. Perhaps it calls for a definition in the bill of person and partnership.

Mr CRAWFORD (Barwon), Minister for Agriculture [10.40]: I am not exactly sure whether the honourable member for Gosford has a point. I should imagine that the partnership would be registered and the licence accordingly would be issued to the partnership. I cannot see that this would necessarily stop a company from holding a licence. I assume that this would be so. I am informed by the legal officer that under the Interpretation Act a person means a company, so that this is the reason for the use of those words.

Clause agreed to.

### Clause 28

Page 24

28. (1) Subject to section twenty-nine of this Act, the 10 hen quota of a Group I or Group II poultry farmer in respect of the first licensing season shall be calculated in accordance with the formula—

$$15 \quad a = \frac{bc}{d}$$

Mr CRAWFORD (Barwon), Minister for Agriculture [10.41]: I move:

That at page 24, line 15, the formula "a =  $\frac{bc}{d}$ " be left out and there be inserted in lieu thereof the formula "a =  $\frac{bd}{c}$ "

This is a typographical error in the formula to be used to calculate hen quotas. It is meaningless in the form that appears in the bill.

Amendment agreed to.

Clause as amended agreed to.

Clause 30

[Variation of State Hen Quota]

Mr RENSHAW (Castlereagh) [10.42]: I refer to subclause (b). This comes back to the argument submitted at the second-reading stage by the honourable member for Wyong and others. I understood from the Minister's discussion with some honourable members on this matter that, before this comes into operation in practical terms, a period of two or three years may elapse. This applies to the variation as distinct from the first quota. If my recollection is correct the Minister said that time would be available to study the situation with a view to working out a progressive method. With the flat rate of increase, a quota of 20,000 gives a 10 per cent figure of 2,000; with 250,000 it is 25,000. The smaller man with a quota of a couple of thousand gets only 200 on that basis. When we discussed this matter we were of the opinion that there would be time to work out a formula. I should like the Minister to work out a graduated increase that would allow a small man to attain a more substantial quota more rapidly than by purchasing quotas on the market.

Mr CRAWFORD (Barwon), Minister for Agriculture [10.44]: I intimated to honourable members who discussed this with me that I should be willing to examine this question again, when it is intended to increase the hen quotas. We shall certainly have to reduce them in the first instance but in due course, as consumption rises in New South Wales and sales grow, we shall have to increase the quotas. I shall be only too happy to examine any scheme to change the present flat rate. Whether a scheme can be evolved is a different matter.

Clause agreed to.

Clause 36

Page 29

20 (2) Where the Review Committee has required an applicant to it to furnish information under section fifty-seven of this Act, it may refuse to deal with the application until the information has been furnished.

Mr CRAWFORD (Barwon), Minister for Agriculture [10.45]: I move:

That at page 29, line 22, the word "seven" be left out and there be inserted in lieu thereof the word "four".

This is a typographical error. It should have read section 54 of the Act, but it inadvertently appeared as section 57. This of course will be changed again when clause 41 is eliminated. The review committee may require information under section 54 of the Act.

Amendment agreed to.

Clause as amended agreed to.

Clause 41

[No right to personal appearance before the Review Committee]

Mr RENSHAW (Castlereagh) [10.47]: I think it is agreed that we vote against the provisions of the clause. To remove the clause it is necessary only to vote against it.

Clause negatived.

Clause 46

Page 33

(4) The Licensing Committee shall not approve an application under subsection one of this section in so far as such an approval would increase the hen quota of a person, 30 or the total of the hen quotas of the members of a partnership, to more than five hundred thousand.

Mr CRAWFORD (Barwon), Minister for Agriculture [10.48]: I move:

That at page 33, line 31, the words "five hundred thousand" be left out and there be inserted the words "two hundred and fifty thousand".

This is probably the main bone of contention between me and honourable members who represent poultry producing areas. It is not really an area of disagreement; it is only a difference of approach to the problem. I should have been happy to reduce the figure much lower than this, had we had time to draft a suitable substitute subclause. It is unfortunate that at least one family partnership has sheds to accommodate more than 200,000 birds and probably has over 200,000 laying hens on the property. If we were to reduce the figure to

below 250,000, then for all time that partnership cannot increase its hen numbers up to its shed capacity. That is why I picked on 250,000, but I am not wedded to it.

I agree to examine closely any trends that take place when hen quotas are allocated and when they are in the course of being transferred. If any sign emerges that the industry is being taken over by one or more large companies then we shall certainly act to stop it. At the moment, and with the problem in the drafting office of the Parliamentary Counsel, it would be foolish to fiddle about with this in an attempt to achieve something that everybody wants to ensure—that the industry is not taken over by a large company or by large companies.

We shall have time to look at this in the future. There must be time for a review and for consideration of various factors of which we are not aware at the moment. As far as I know, the suggested maximum quota of 250,000 birds covers all existing situations. If in due course it is felt that this provision is not serving the purpose of ensuring that, in the main, the industry remains based on the family unit, we shall take appropriate action to amend it. I should not like to see the maximum figure reduced below 250,000 at this stage, for that could be most embarrassing to one family partnership, and perhaps to others of which I am not aware. There is no magic in the figure of 250,000. I concede that, if possible, the industry has to be kept in the hands of family units, and therefore I cannot accept any change in the figure that I have indicated is acceptable to the Government.

Mr O'CONNELL (Gosford) [10.51]: Under the provisions of this bill the partnership referred to by the Minister will qualify for group I and also for group II. What is wrong with setting the maximum figure at the level suggested by the Opposition and giving the person to whom the Minister refers a quota in both classifications?

Mr CRAWFORD (Barwon), Minister for Agriculture [10.52]: That is not possible. A poultry farmer will be in either group I

or group II. The partnership that I have in mind will be in group I: it was in operation for more than twelve months prior to 27th November, 1970. It cannot in any circumstances be in group II also. I concede the point taken by the Opposition, but I should not like to make the amendment proposed without having it properly drafted. I agree that a quota of 250,000 could be increased on a percentage basis if there were an increase in the State hen quota. This is a point, and I would ensure, if I could, that that did not happen. However, unless the amendment is properly drafted, it could be meaningless.

There is no way by which the State hen quota could be fixed before March, April or May next, and due notice has to be given. There is, therefore, ample time to have an amendment properly drafted to cover the situation envisaged by honourable members on both sides of the House—if it is felt necessary to make that amendment before the scheme comes into operation—and to fix a limit beyond which a grower cannot go by acquiring quotas, and so on. I should not like to accept any proposal now unless it were properly drafted. To do so could spoil completely what the Government is trying to do.

Mr RENSHAW (Castlereagh) [10.54]: As I said at the outset, we thank the Minister for his courtesy in his consultations on this matter, but the Opposition still agrees to disagree with the Government about this clause. The Minister spoke of one family partnership with more than 200,000 birds. The time to deal with that situation is at the stage of initial application. Poultry farmers could be classified as being in group I and in group II, although the bill requires them to go into one group only. Clause 46 relates to the surrender and re-issue of licences as distinct from the initial application. Subclause (4) provides that:

The licensing committee shall not approve an application under subsection one of this section in so far as such an approval would increase the hen quota of a person, or the total of the hen quotas of the members of a partnership, to more than five hundred thousand.

The Minister now intends to substitute 250,000. For reasons that were outlined at the second-reading stage, I suggest that those who know a good deal about the industry would say that only a handful of producers in the State are likely to want a quota of more than 20,000 birds. They would be limited in their numbers in a total poll. From the information available to the Opposition, it would seem that caring for 10,000 birds is a full-time job for a family unit. No doubt labor would have to be employed if the family unit expanded beyond that stage.

It is all very well for the Minister to say that he will do something about this matter at a subsequent date. He may find at that stage that some persons have obtained quotas of perhaps 100,000 or 200,000 birds, and it will be too late to retrieve the position unless the Government is willing to pay compensation. I understand that already some persons, in anticipation of this legislation, are making offers to buy quotas from poultry farmers who will be entitled to them under this bill, in order to add substantially to their existing quotas.

The person to whom the Minister referred a few moments ago will have the bank manager breathing down his neck as a result of this bill, urging him to get back into full production, in view of all the advances that have been made by the bank, and that producer may have to go on to the market as a forced buyer, and to pay a lot of money for quotas, which he would not have to pay in normal trading. The Minister has accepted that the poultry industry is based on a family unit. In the midst of all these problems it would be better if the Minister accepted the lower maximum quota suggested by the Opposition and then enlarged it if necessary. However, if the Minister leaves the figure open, his difficulties later if he tries to retrieve the position will be insurmountable. The Government can legislate, of course, but it may have to pay compensation to the farmers it has inconvenienced and to the industry it has disorganized.

The Opposition knows from its canvass of a great number of poultry farmers, and even from the decisions of the United

*Mr Renshaw*

Farmers and Woolgrowers Association, that a lower figure would be acceptable. The United Farmers and Woolgrowers Association thought that 50,000 would be a suitable figure, and said that it could not go much under that when the Minister had set 500,000 in the bill. It was a decent sort of a jump in one leap. I suggested a figure of 20,000 in my consultations with them, and the United Farmers and Woolgrowers Association said they would be happier still with that limit. If the industry is to remain based on the family unit, the maximum quota should be 20,000 birds. As it is impossible for the Opposition to move that that be the maximum, we shall vote against the Minister's proposal to amend clause 46 (4) to provide for a maximum of 250,000 birds, in order to register a protest on that aspect of the bill.

Mr CRAWFORD (Barwon), Minister for Agriculture [10.59]: I could not agree to a figure of 20,000. Quite frankly, I think that is a ridiculous suggestion. Members of the Opposition must realize that with a figure like that there would be mushrooming companies coming from the same source.

Mr RENSRAW: What will they do with a figure of 250,000?

Mr CRAWFORD: The honourable member for Castlereagh is suggesting 20,000. I am not married to 250,000, except for one reason that I have made clear. It seems to be assumed that quotas will be readily saleable. I do not know that they will be. Perhaps they will be in the initial stages but, if the bill is the success hoped, quotas will be valuable property because egg-producing will be a financially rewarding undertaking. A reduction of the figure to 20,000 would be an unfair limitation. There would be many producers in the 40,000 to 90,000 bracket. The Opposition is saying that people might like to expand but that there should be a ceiling of 20,000. I would never accept a figure of 20,000. A limit of 50,000, which has been suggested by the United Farmers and Woolgrowers Association and other organizations, is more realistic. That is one of the things to be observed in the operation of the Act for eighteen months or two years. To put a figure of 20,000 in the legislation would

be just crazy. If we can sort out this problem, perhaps the figure can in the future be reduced to 100,000 or 150,000. At the moment I could not accept a figure lower than 250,000.

Mr CHAFFEY (Tamworth) [11.3]: The limit in the bill as drafted is 500,000. The suggestion that the figure should be reduced to 250,000 is an admission of fault. Obviously the original figure is now accepted as being wrong by 250,000. I am concerned about this matter, but not for the same reason as the honourable member for Castlereagh. The bill provides for polls to be taken for the establishment of a licensing committee which will administer the legislation. Some breeds of cattle have a panniculus nerve which, if touched, causes a ripple all the way down the spine. It is a matter of conjecture whether other animals have the same nerve. I understood the Minister to say that if the figure 250,000 is inserted, it can be adjusted later. If those on the polling list vote for or against, it is still not an industry decision and it can be altered. I am curious about this 250,000 and I should like to know the reasons for it. If the gate is opened, someone can get through. The gate should be closed early and people drafted out unless they show *bona fide* reasons for being allowed in. I would not go back to 20,000.

Mr O'CONNELL: What would you go to?

Mr CHAFFEY: Toss up between 50,000 or 100,000. The figure of 250,000 is too big. In the broiler industry they had a poll and left the gate open.

Mr O'CONNELL: Will you vote with us if we make it 50,000?

Mr CHAFFEY: The Minister has said the original 500,000 is excessive and has cut the figure by half to 250,000. I think the Minister ought to cut it down a bit more. It is worrying the industry.

Mr RENSHAW: You can vote against the figure of 250,000.

Mr CHAFFEY: The real problem we are trying to solve, and what we want to protect the industry from, is excess production which cannot be sold on the export market. The small man has just as much to lose

as the big man, perhaps more. The small man is likely to become hostile because he is frightened of being swamped on the internal market. I do not know the extent to which the honourable member for Castlereagh wants to pursue his argument. The Minister has reduced his bid from 500,000 to 250,000. The honourable member for Castlereagh has gone down to 20,000. They are the two extremes. I am not suggesting that the Committee get into arbitration over this, but surely there is room for compromise between those two extremities. Surely the Minister and the honourable member for Castlereagh can get together and strike a reasonable compromise. I suggest around 100,000, but I do not like 250,000. Although there is an amendment before the Committee I should like to move that the figure be amended to 100,000; or I foreshadow such an amendment.

The CHAIRMAN: Order! The honourable member does not need to foreshadow it. He can vote against the question now before the Committee and he can move a subsequent amendment, after the blank has been created, suggesting any figure he desires.

Question—That the words proposed to be left out stand—negatived.

Question—That the words proposed to be inserted be so inserted—put. The Committee divided:

AYES, 44

Mr Askin	Mr Jago
Mr Barraclough	Mr Lewis
Mr Jack Beale	Mr McCaw
Mr Brown	Mr McGinty
Mr Bruxner	Mr Mackie
Mr Cameron	Mr Maddison
Mr Clough	Mr Mauger
Mr Coates	Mr Mead
Mr Coleman	Mr Morris
Mr Cowan	Mr Morton
Mr Crawford	Mr Mutton
Mr Darby	Mr Ruddock
Mr Doyle	Mr Singleton
Mr Duncan	Mr Stephens
Mr Fife	Mr Taylor
Mr Fischer	Mr Viney
Mr Fisher	Mr Waddy
Mr Freudenstein	Mr N. D. Walker
Mr Griffith	Mr Willis
Mr Healey	
Mr Hughes	<i>Tellers,</i>
Mr D. B. Hunter	Mr Brewer
Mr Jackett	Mr Mason

## NOES, 44

Mr Bannon	Mr Kearns
Mr Barnier	Mr L. B. Kelly
Mr Bedford	Mr R. J. Kelly
Mr Booth	Mr Mahoney
Mr Cahill	Mr Mallam
Mr Chaffey	Mr Mulock
Mr Coady	Mr Neilly
Mr Cox	Mr Nott
Mr Crabtree	Mr O'Connell
Mr Day	Mr Paciullo
Mr Degen	Mr Quinn
Mr Durick	Mr Ramsay
Mr Earl	Mr Renshaw
Mr Einfeld	Mr Ryan
Mr Flaherty	Mr Sloss
Mr Gordon	Mr J. J. T. Stewart
Mr Haigh	Mr K. J. Stewart
Mr Hills	Mr Wade
Mr M. L. Hunter	Mr F. J. Walker
Mr Jackson	
Mr Jensen	<i>Tellers,</i>
Mr Johnstone	Mr Ferguson
Mr Jones	Mr Petersen

The CHAIRMAN: Order! Ayes, 44; noes, 44. The votes being equal, I give my casting vote with the ayes.

Question so resolved in the affirmative.

Amendment agreed to.

Clause as amended agreed to.

## ADOPTION OF REPORT

Bill reported from Committee with amendments, and report adopted on motion by Mr Crawford.

MARGINAL DAIRY FARMS  
RECONSTRUCTION SCHEME  
AGREEMENT RATIFICATION BILL

## SECOND READING

Mr LEWIS (Wollondilly), Minister for Lands [11.20]: I move:

That this bill be now read a second time.

Honourable members have had the opportunity of perusing the agreement as set out in the schedule to the bill. As the title indicates, the object of the bill is to ratify an agreement between the Commonwealth and this State in relation to the marginal dairy farms reconstruction scheme. Section 4 of the Commonwealth Dairy Farms

Agreements Act, 1970, empowers the making of agreements between the Commonwealth and the States for the purposes of a marginal dairy farms reconstruction scheme.

It provides also for amending agreements. The Commonwealth has approved of advances totalling \$25,000,000 for the States to implement the scheme over a period of four years, commencing 27th July, 1970. Half these advances will be by way of non-repayable grants and half by way of loans bearing interest at the rate of 6 per cent per annum over a period of twenty-five years.

The Commonwealth will make the money available as needed by the States up to the amount of \$25,000,000. Interest only is payable on the loan component of the advances for approximately the first two years, and then the loans, with interest, will be repayable by 46 equal half-yearly payments, the first of which is to be made on the 15th July of the second financial year that wholly occurs after the relevant loan was made. Subsequent payments are to be made on succeeding 15th January and 15th July thereafter until the full amount of payment, including interest, has been made. The scheme has two objectives: first, to enable low income dairy farmers who wish to do so to leave the industry and to receive a fair price for their land and improvements; and second, after writing-off of redundant improvements, to make the land and useful improvements available to other farmers so as to build up their properties to viable family farm units and, where possible, diversifying the pattern of land use.

The Commonwealth Act sets out requirements with which a scheme is to conform and specifies provisions that shall be included in an agreement. This State entered into the agreement with the Commonwealth on 1st June, 1971. For the purposes of the agreement it has been necessary to define, among other things, a marginal dairy farm. Taking the definition contained in clause 1 and the specification of a marginal dairy farm in clause 5 of the agreement such a farm has the following characteristics: it must be a rural property; it must have at

least twenty lactating cows; at least half of the gross income of the farm must be derived from the production of milk or cream sold at the manufacturing price; and if used wholly for dairying or incidental purposes, it is not reasonably capable of producing an equivalent of 13,600 lb of butter fat per annum, or such other level as may be from time to time agreed by the Commonwealth Minister and the State Minister.

The reason for requiring that at least half of a marginal dairy farm's gross income must be derived from the sale of milk, or cream, sold at the manufacturing price is that the scheme is aimed essentially at assistance to the low-income farmer in the manufacturing sector of the industry. Low export prices for dairy products, combined with increased costs, have severely affected the net income of the dairy farmer who does not have a whole milk quota, or who has one that represents only a fraction of his total production. On the other hand, the dairy farmer who has a whole milk quota, representing a substantial proportion of his production, has an almost inbuilt protection against rising costs, in that there is provision for adjustment of prices from time to time. Such prices are about double those of milk produced for manufacturing purposes.

Further, when the whole milk producer exceeds his quota, at certain times of the year, his excess production is diverted to manufacture, thus further aggravating the position of the producer in the manufacturing sector. Again, the quota holder, even though he is a relatively small producer, generally may sell his farm or quota without loss. When the dairy farmer in the manufacturing sector wishes to leave the industry he usually can do so only at a substantial financial loss. The possession of a milk quota does not necessarily exclude a producer from participation in the scheme. He is, however, subject to the same tests of eligibility as a farmer in the manufacturing sector. For a marginal dairy farmer to be eligible to apply to have his land acquired under the scheme he must have been working the property as a dairy farm for at least two years. This condition may be relaxed

in exceptional cases where, for instance, the farmer is prevented from working his property because of ill health or other disability. If his application is approved, the authority will acquire the dairy farmer's land, together with structural improvements, at the fair market price. He may, if he wishes, and where this is practicable, retain his home and a small area of land.

The authority will not acquire livestock, plant, cash crops or milk quotas. Clause 1 of the agreement defines the authority as the State or the instrumentality designated by the State to operate the scheme on behalf of the State. It is anticipated that a bill will be introduced shortly to constitute a rural assistance board. When constituted, this board will be the authority which will operate the scheme on behalf of the State. In the meantime, on the recommendation of the Closer Settlement Advisory Board, freehold lands are being acquired in the name of Her Majesty and Crown land tenures in the name of the Minister. Successful applicants for land are given possession under a tenancy agreement. Upon constitution of the rural assistance board, lands acquired for the purposes of the agreement will vest in the board and will be disposed of by it in accordance with the Agreement. The scheme is a voluntary one and when a farmer wishes to acquire additional land he must find a vendor who wishes to sell his marginal dairy farm. When the land is to be used primarily for dairying purposes the amalgamation of the original and additional lands must result in the constitution of at least one economic unit but may not constitute more than two economic units.

An economic unit for the purposes of the agreement is a rural property that, in the opinion of the authority, when used for dairying, has the continuing capacity to produce an average of at least 17,000 lb of butter fat per annum, or its equivalent, under average efficient management. That is, it must be able to produce, on the average per annum, at least 25 per cent more than the maximum production of butter fat specified for a marginal dairy farm under clause 5 of the agreement. The reason for this is to avoid the built-up farm from, in

the near future, falling back into the category of a marginal dairy farm under the continuing cost-price trends in the industry. The agreement makes provision also that, where necessary, farms that are larger than marginal dairy farms, but less than economic units, may be acquired but only if both the State Minister and the Commonwealth Minister are satisfied that there is a good reason for this. Again, but only in most exceptional circumstances, and also with the consent of both Ministers, a farm with a production above the minimum specified for an economic unit may be acquired under the agreement.

The agreement sets out clearly that the authority is not compelled to acquire any particular marginal dairy farm. The State does not wish to acquire lands which it cannot dispose of and it is because of this that there must be a willing purchaser and a willing seller. An applicant for additional land for dairying must already hold sufficient land, so that the addition of a marginal dairy farm, or part of one, will result in his having at least one, but not more than two, economic units. The applicant need not be engaged in dairying but, if it is intended to use the combined farms for dairying, he must have owned his land for at least two years.

Where the farm will not be used for dairying the authority will determine the standard that should apply for the use proposed with the object of ensuring a reasonable level of income. The land to be purchased must be the whole of a marginal dairy farm, subject to the proviso that the vendor may retain his home and a small area of land. This condition is to ensure that the purchase of the farm will result in the owner withdrawing from the dairying industry but not so that he will have to leave the area in which he may have spent most of his life.

The land and fixed structural improvements are purchased and full market value is paid on settlement. Any structural improvements which are of no use to an applicant for additional land will be sold or

otherwise disposed of and the value of the property adjusted. Similarly, improvements which are of limited use will be written down to an agreed value. The successful applicant for additional land is required to pay a deposit of 6½ per cent of the capital value of the holding, plus *ad valorem* stamp duty, before the farm is allotted to him. At the end of the first year of title, interest only at the rate of 5 per cent per annum is payable on the outstanding balance of purchase money. At the end of the second year of title, and each year thereafter, an annual instalment of 6½ per cent of the capital value of the holding is payable, including interest of 5 per cent per annum on the reducing balance. If all payments are made on time, the purchase will be completed in approximately twenty-five years. The balance of purchase money may be paid at any time.

Although the State has to pay 6 per cent interest on loan moneys under the scheme, the Government has decided to extend a concessional rate of 5 per cent to participants in the scheme. This is possible because half of the advances to be made by the Commonwealth will be by way of non-repayable grants. The grant portion should also be sufficient to cover losses incurred by writing off or writing down of the value of redundant improvements or improvements which are of limited use only and the costs of administration of the scheme. The Commonwealth has agreed to protect the States against any overall losses incurred as a result of circumstances beyond their control. The holder's original land and additional land may not be transferred separately from each other while any moneys remain unpaid on the purchase, except with the consent of the Minister or his delegate.

It will be noted that clause 5 (6) empowers the Forestry Commission to purchase land under the agreement for the purpose of a State forest. Private undertakings may also acquire land under the agreement for forestry or other purposes. The agreement is due to expire on 30th June, 1974, but the Commonwealth Government is aware that the task of reconstructing marginal dairy farms will not be completed by that date.

That Government has undertaken to consider, at the appropriate time and in the light of experience gained in the implementation of the scheme, what further action it should take. The scheme is, in effect, a continuation of the dairy farm build-up scheme under the Closer Settlement Acts which this Government has pursued, with the limited finances available, since it came to office. However, under the closer settlement scheme the farmer had thirty-three years to pay for his additional land whereas he has only twenty-five years under the Commonwealth scheme. The provision for writing-off unsuitable improvements and writing-down improvements that are of only limited use to the farmer will have the effect, in most cases, of minimizing this relative disadvantage. I commend the bill to the House.

Mr DAY (Casino) [11.31]: I recognize that this bill ratifies an agreement between the Commonwealth and States, which for all practical purposes is already in effect. Though recognizing also that the bill provides assistance to help people out of the dairy industry I admit that it provides assistance in certain circumstances for dairy farmers, who do not own sufficient land to operate economically, to acquire on reasonable terms such land as is necessary for economic operation. The bill lets New South Wales off the hook as far as any financial contribution is concerned. As the Minister explained, the Commonwealth provides the State with a share—I do not think that it is really set out anywhere—of the \$25,000,000 set aside for the scheme in all States over the next four years. Only half of the amount allocated has to be repaid, and that half is to be repaid with 6 per cent interest at forty-six half-yearly intervals, over twenty-three years.

As properties are to be both purchased and disposed of at market value and 5 per cent interest is charged on the full price commencing from the first year of purchase, the State is well covered for its administrative costs involved, the writing off any improvements that have no value in the eyes of the purchaser and for bad debt losses or for some reason unforeseen. Whereas in the

past the State contributed towards this sort of thing through closer settlement policies and so on, it is now asked to make no contribution at all. Administration costs are paid for by the half of the amount advanced by the Commonwealth Government which is non-repayable.

In the schedule of the bill a reference appears in these terms:

the Commonwealth and the State mutually recognize that there is a serious low income problem within the dairy industry, particularly in the case of producers relying on the sale of milk or cream for manufacturing purposes;

Though we support the bill because it deals with this problem to a limited extent it is in itself almost valueless to the dairy industry outside the metropolitan milk zone—unless the real objective of this Government and the Commonwealth Government is simply to dismantle the industry and eliminate the problem that way.

Mr MORRIS: There is no metropolitan milk zone.

Mr DAY: The Minister should read the Dairy Industry Authority Act which describes a geographical area having the same boundaries as the metropolitan milk zone. It is commonly known as the old milk zone or the metropolitan market but it is a geographical zone and it is prescribed in the Act. I am not particularly fussy whether the Minister calls it the metropolitan milk zone or anything else: it is a define line dividing one set of dairy farmers from another within the State. I am hopeful that the real objective of the bill and the Government's intention in respect of the dairy industry—as well as the Commonwealth's objectives—are not simply to get these uneconomic dairy farmers off the land and somehow urbanized.

I can see some faults in the bill. I cannot see why some provision has not been included in this scheme for suitable young people without any land at all to be settled on two uneconomic properties, which could be merged into one property. Why should there not be provision for a suitable young person without land to be settled?

Mr LEWIS: Without money, too?

Mr DAY: Not necessarily without money. Plenty of banks and plenty of lending authorities have started young people in certain undertakings when they have had the required proportion of assets.

Mr LEWIS: The young couple would have to buy a dairy farm and wait two years under this scheme.

Mr DAY: If the Minister likes to buy a dairy farm and wait two years on the sort of returns one gets for milk used for manufacturing purposes, that is his affair.

Mr LEWIS: Why encourage young people to go into it in the first place?

Mr DAY: Let us get down to it. Getting rid of uneconomic farmers is one aspect, but the improving of the whole industry is a responsibility of government. I do not see why an existing uneconomic farmer cannot buy suitable non-dairy land. The honourable member for Lismore said during the introductory debate that it is the aim of virtually every farmer to acquire additional land and to improve his economic stability. This bill does not provide for this person to improve his economic lot by purchasing land other than land being used for dairying. If the measure is genuinely designed to uplift the dairy farmer and give him an economic property, provision should be made for a property that is not now being used for dairying to be acquired and sold to him on these terms. There are many properties that have been used for dairying and are suitable to be used again for that purpose.

Mr LEWIS: Why not apply under the ordinary rural reconstruction build-up in that case?

Mr DAY: He could apply as a dairy farmer under the rural reconstruction scheme?

Mr LEWIS: He is not eligible for this.

Mr DAY: He could, if he is a dairy farmer, apply under the ordinary rural reconstruction to purchase that property? I accept that. I do not see why he has to own land for at least two years and have

all the finance for stock, plant and cattle. The basic problem, however, is not necessarily the size of the farm but rather the price that the producer obtains for his product. The obligations of the Government extend beyond the simple provisions of this bill. Some of these obligations, I believe, are to amalgamate dairy factories and where necessary to provide some financial assistance to this end. This in itself will assist to rationalize production. Some dairy factories are competing with each other in manufacturing virtually the same product. If they were amalgamated production could be rationalized. Production would be more economic and the producer would get a better return. Other States should be consulted, so that dairy registrations could be rationalized between States and manufacturing between the States could be rationalized. This is a Commonwealth-State agreement but we have not yet reached the stage at which we have Commonwealth-wide agreement between the States on the rationalization of dairy registrations and dairy factories.

It should be the function of this Government and of other governments to get together on the problem. There should be additional research to discover new manufacturing uses for milk. We must mount an export sales drive, for I believe that profitable markets can be obtained. At the moment there is no sign of them. I agree with a former member of the Legislative Assembly who indicated his belief that we have an imperial philosophy. We have such a philosophy in the dairy industry: we consume what we can, and rely on good old mother England to take the balance.

Mr LEWIS: What about getting back to the bill?

Mr DAY: I am referring to a matter from which this bill springs, and that is the need to recognize the problem of the low-income earners. I am suggesting that perhaps additional measures might be taken to supplement this bill, which is totally inadequate to overcome the serious problem of low-income earners. In dealing with the schedule, one must look at alternatives, or at

supplementary things that might be done to help achieve the objects of the bill. It is not economic to produce milk for manufacturing. One has only to ask the milk zone dairyman: he is selling a proportion of his product for about 18 cents a gallon, and he will tell you how uneconomic it is. If you ask him to acquire more land to produce more milk for manufacturing purposes, he will reckon you have gone mad.

One certainly must try to achieve economic stability for these people, many of whom are too small, but one cannot do that without giving them a price for their product. One way of doing that is to give them a larger share of the metropolitan milk market. The people on the north coast—and it is the north coast dairy farmers I am referring to in particular—believed that the Dairy Industry Authority would end the old milk zone. It did not. The milk zone was built into the new Act, and was perhaps even more strongly entrenched and protected from outside participation. I believe that the parliamentary representatives of north coast electorates should have spoken up about the retention of the zone and about the fact that 104,000,000 gallons of milk were reserved for it as a base market quantity.

Geographical boundaries should be eliminated. In tackling problems of an industry on a State-wide basis, there should be no geographical considerations. Section 92 of the Commonwealth Constitution allows manufacturers in Melbourne, Brisbane and Perth to sell the watches, the transistor radios or whatever else they make, anywhere in Australia. Yet the Government of New South Wales has built into one of its Acts a provision under which one section of the population of the State cannot sell their products in another part of the State. Basically, that is wrong. I believe that the people of the north coast have been let down in this matter. They were certainly led to believe when the matter of the Dairy Industry Authority was first raised that they would get a better deal. Freight charges for milk should be averaged, and they should be averaged also for milk products.

Mr SINGLETON: Who said they should not? I have been battling for that.

Mr DAY: Let us get together at least on some things. It has been stated time and time again on the north coast that the Labor Party opposed utterly the introduction of the Dairy Industry Authority Act. That is not true. I want to make it clear here and now that the Labor Party did not oppose the introduction of that Act. The honourable member for Raleigh went on record this morning in the Grafton *Daily Examiner* as saying:

Any recognition of the North Coast dairymen by Labor would be in direct contrast to the attitude shown by Mr Hills and his party when the Dairy Industry Act was debated in parliament last year.

On this occasion the Labor Party, led by Mr Hills, and supported by all members of his Party, opposed the legislation in the strongest way possible.

That is absolutely not so, and to prove it is not so, I took the trouble today to check with *Hansard*. The member who led for the Opposition in the debate on the Dairy Industry Authority Act in 1970 was the honourable member for Castlereagh. He is recorded at page 4478 of *Hansard* as saying on 18th March of that year:

I make it clear that while the Opposition opposes the bill we do not oppose the principle of many if not all its provisions. They are designed to streamline and assist the dairy industry in this State. Let the House understand quite clearly what I am putting. It is an old trick of the Government that if the Opposition votes against the bill, next week at Timbuctu or somewhere else, people are told that the Opposition was totally opposed to the legislation. Members of the Opposition will vote against this bill because we feel it leaves the dairy industry in New South Wales wide open to legal challenge under section 92 of the Constitution.

Mr LEWIS: That has proved wrong.

Mr DAY: The Act has not been challenged yet, and perhaps when the Act is extended down to the Victorian border and along the Murray, challenges may come. The old Milk Act was challenged twice, and unsuccessfully. As a result of highly qualified legal opinion, the Opposition opposed the introduction of the Dairy Industry Authority Act and instead wanted to substitute amendments to the old Milk Act.

Mr SPEAKER: Order! I do not want to restrict the honourable member for Casino unnecessarily, but I think he has gone a little way away from the bill now.

Mr DAY: I am dealing with the economic circumstances of some people, and that is tied in strongly with the Dairy Industry Authority Act and the provision of some greater access to the whole-milk market. This bill deals specifically with dairy farmers who receive the greater part, or at least half, of their income from manufacturing milk. I am suggesting that in addition to this bill what we need to improve the economic lot of these people is to give them a better deal under the Dairy Industry Authority Act as an alternative, or to give them additional assistance to overcome the problem that is recognized initially in the schedule. I wanted to say a little more on that aspect.

Mr SPEAKER: Order! I am not restricting the honourable member in developing that line of argument. He was debating whether or not the Opposition opposed the establishment of the Dairy Industry Authority. That was irrelevant. Anyhow, the honourable gentleman has made his point.

Mr DAY: I will leave that because it is obviously not challenged in this House.

Mr SPEAKER: Order! You have made your point, anyhow.

Mr DAY: The Leader of the Opposition, the honourable member for Campbelltown and I were in the electorate of Raleigh the other day. We were invited there by farmers supplying Nestles factory. They were upset about their economic circumstances and held a large meeting at Kempsey. They said they were getting about 42 cents per lb of butterfat. They were required to operate their dairies under the Dairy Industry Authority Act, which they maintained vehemently was penalizing them economically. They said that the share of the metropolitan milk market averaged to the people at the meeting only .7 of a gallon a day. They certainly want something done to assist them. I do not believe that this marginal dairy farms reconstruction scheme

will be sufficient. The Clarence district average supply to the metropolitan milk market is a little over two gallons a day, but to obtain this and share the local market the farmers have to abandon a payment for milk for manufacturing purposes of 49 cents from Peters and accept 41 cents from the co-operative appointed as agent for the Dairy Industry Authority.

The problem exists because these conditions exist, and if it were not for these conditions there would not be the marginal dairy farm problems. The fact is that these producers are losing 8 cents per lb of butterfat in order to acquire the small amount made available by the Dairy Industry Authority for milk for human consumption. This is another reason why the Government should assist in the amalgamation and rationalization of dairy factories. Obviously in Grafton the co-operative and Peters are at cross purposes. One has been dealing extensively with milk manufacturing and the other has been dealing almost exclusively with milk for human consumption.

Mr SINGLETON: How could the Grafton co-operative force Peters to drop their price?

Mr DAY: They did not force Peters to drop their price. If the farmers supply Peters at 49 cents per lb they get no share of the local whole milk market or the metropolitan market.

Mr SINGLETON: When did Peters pay 49 cents? At present they are paying only 46 cents at Coramba, and that is the highest they have paid for a long time.

Mr DAY: Perhaps that included a winter bonus at Grafton. I have been informed by these people that if they continue to supply milk to Peters for manufacturing purposes they have to forgo their share of the local milk market and whatever they get out of the metropolitan milk market. If they accept a share of the local milk market they have to supply their surplus milk at 41 cents a pound of butterfat.

There is a need to investigate and rationalize the whole industry and to amend the Dairy Industry Authority Act so that the artificial division between two lots of

farmers will be ended forever. If the Government is going to make sense of a decentralization programme, it has to encourage more, not fewer, farmers. The bill does not set out what is going to happen to displaced farmers. The Minister said that a displaced farmer can keep his house and a small part of his land. How will that farmer earn a living? In the rural reconstruction programme a farmer can undergo re-training and learn to be a carpenter, if that is what he wishes. However, the fact is that there are no jobs available in the country. When people are taken off the land, unless they are of retiring age, they will have to go to the cities to look for jobs. There is no point in the farmer's retaining his house if he cannot get a job. Jobs are the scarcest commodity in the country.

The scheme contemplated in this legislation will be of no use to the industry as a whole. It might help in individual cases, but by itself it is going to be of no real value to the industry and will not assist decentralization by protecting family farming units. Earlier tonight we talked about the protection of the family unit in the egg producing industry. Every day, by allowing the sale of quotas and by allocating additional quotas, the Government is permitting huge quotas to build up, far beyond a family economic unit, while many dairy farmers are receiving a pitifully small return. The correction of this situation is long overdue.

The Government would achieve much more if it carried out what the Opposition promised at the last election—the provision of \$50,000,000 over a period of three years with interest subsidized down to 3 per cent. The Opposition pointed out at that time that the cost to the Treasury would be only the amount necessary to subsidize the interest from the bond rate to 3 per cent. The \$50,000,000 does not have to be provided by the Government, it need only be guaranteed from normal lending sources. Then farmers could be given real assistance in improving pastures, increasing and mechanizing plants, building new dairies and so on. If that \$50,000,000 were made available

over a long term, all the things sought to be achieved by this legislation would be achieved, and much more effectively.

Although the Opposition supports the bill, we recognize that by itself it is totally inadequate to deal with the problems that face dairy farmers outside the old milk zone. I hope that in the near future the Government will amend further the Dairy Industry Authority Act so that real assistance can be given to dairy farmers.

Mr DUNCAN (Lismore) [12.1 a.m.]: I do not propose to dwell on the meaning of the word "amalgamation" in relation to this bill for I believe that in no way does it imply anything in relation to the Dairy Industry Authority. They are two completely separate entities. The only comment I should like to make about the Dairy Industry Authority is that the authority has the interests of a large, worthwhile industry at heart and I am sure that in the coming years it will introduce measures to improve the incomes of farmers on the North Coast and throughout New South Wales.

This bill is virtually designed to assist the dairy industry outside the milk zone. Indeed, it includes a clause to the effect that to qualify something like 50 per cent of a farmer's income must be derived from commodities manufactured from milk. Farmers with big quotas within the old milk zone will not be eligible for assistance under this bill. Only farmers who are producing butter or big quantities of manufactured milk will be able to participate under this Commonwealth scheme.

It would be better for honourable members, instead of straying from the purpose of this measure, to look back at the State scheme that was introduced in 1962 or a couple of years earlier. I am referring to a scheme that was known as the New South Wales farm build-up scheme. During Labor's term of office nine uneconomic units on the North Coast were built up. The Minister might correct me if I am wrong, but I understand that, in his term of office, over a period of some six years he has been responsible for building up more than 150 uneconomic dairy units on the North Coast, representing something like 3 per cent of land sold as dairy farms in that

period. It must be recognized from the figures in relation even to the peak of sales for farm build-ups, that the scheme has not had much effect upon land sales. However, the scheme was implemented for only one purpose—to permit the farmer with an un-economic property to approach the Government through the Department of Lands with a request that he be permitted to buy a neighbouring property in order to build up his property into what he terms a home-maintenance area.

It should be borne in mind that during Labor's term in office, under the old State scheme the few farmers who participated in it were permitted to acquire land under closer settlement lease or a lease in perpetuity. The farmer was required to pay an interest rate of something like 5 per cent of the actual value of the land and he had to purchase the structural improvements, or the redundant buildings as they are now called in the bill, and to pay for them over a period of twenty-four years. He was not called upon to make capital repayments over the first four years. However, he had to meet the interest charge of 4 per cent and to repay capital and other interest payments over the balance of the period. At no stage under that scheme did a man on a closer settlement lease ever gain title to his land from a Labor government. If he wanted to sell his property he had to approach the Minister for his consent. I shall deal with that aspect later. Under that same scheme he could build up his property to only something like 10,000 lb of commercial butter production. Let us face it, that production level could scarcely be looked upon as that coming from a reasonably viable unit.

I pay tribute to the present Minister, who has been responsible for some important improvements in this State's build-up scheme. For example, he introduced settlement purchase so that a farmer who participated in the amalgamation scheme would be able to pay for the property over a period of thirty-three years or earlier than that if he did well, as he would expect to do. He gained freehold title to his own property, his basal holding for the build-up.

*Mr Duncan]*

Not one farmer in New South Wales would not prefer freehold title. If I were required to obtain a neighbouring property on a closer settlement lease or on a lease in perpetuity and I had to obtain the Ministers' consent to the transfer, with my knowledge of the difficulties that were encountered in these transactions during Labor's term in office—it often took three months to six months to get a transfer through, and many applications were refused—I certainly would not participate in it. For this reason I pay tribute to the Minister. In addition, he has been responsible for increasing the home-maintenance area up to 15,000 lb of commercial butter production with the right to exceed that amount by 25 per cent.

The Minister for Lands received Cabinet approval to introduce into the State scheme something that is now available in the present scheme—for farmers to have an opportunity to write off redundant structures rather than to be required to pay for them. Many farmers are now doing this under the old State scheme. Then the Commonwealth moved into the field and, in a blaze of glory, announced that \$25,000,000 would be made available for farm amalgamation schemes. The federal scheme was along the same lines as the one that had been successfully implemented in New South Wales by the present Minister for Lands.

Honourable members should not overlook the fact that some most valuable negotiations have been conducted between this Government and the Commonwealth. Having referred to the record of statements that have been made on this matter, I have no doubt that the man who led the fight is the present Minister for Lands. Do any honourable members realize that when the Commonwealth first offered this money it was not, as it is now, on the basis of 50 per cent grant and 50 per cent loan, but 75 per cent loan and 25 per cent grant? The purpose of the grant was to cover the cost of redundant buildings, which generally worked out at about 25 per cent of the value of land and buildings. If honourable members care to check those figures with the Closer Settlement Advisory Board, they will find that they are close to the mark.

Even more, Big Brother—the Commonwealth—wanted the State to repay the money in fourteen years. The Government would have found it virtually impossible to do so. Thanks to the negotiating skill of the Minister for Lands, the Commonwealth amended its proposal to a 50 per cent grant and a 50 per cent loan, with repayments over a period of twenty-five years. The State is able to handle that proposal and to service the debt adequately. In all sincerity I feel that I should pay tribute also to the Closer Settlement Advisory Board, which has been responsible for administering the farm build-up scheme since 1965.

I know quite well that at times there were differences of opinion in relation to values, but the board was always willing to look at the problem. I believe that the build-up scheme has been effective. Speaking exclusively on the amalgamation scheme, three things give me cause for concern. First, a great deal of consideration must be given to the ability of a farmer to manage additional land. The North Coast is subject to differing climatic conditions and has a severe weed problem, too. I believe that the board, under the amalgamation scheme, could find a property capable of producing annually something like 32,000 lb of commercial butter. The board must look closely at the way an owner works his holding and his ability to work additional land. Second, we must recognize that there is a social problem. Many farmers today might be deemed to have uneconomic holdings, but they cut their teeth on a dairy farm and have no knowledge of any other industry. This brings to mind a need for us, as the State Government, to impress upon the Commonwealth that it should get cracking with the retraining scheme that has been announced. This will ensure that farmers who leave the land, or whose properties have been purchased under this agreement, are able to take up some form of training so as to find useful employment.

Mr KEARNS: Where?

Mr DUNCAN: In this State. We must recognize that land alone is not the means of making an uneconomic unit into an economic one. In fact, it might be said

that the acquisition of more land alone quite often tightens the financial noose around the neck of a farmer. If a farm is uneconomic and the farmer owes half of his basal holding in terms of mortgage to a bank, merely to give him extra land will undoubtedly make him considerably worse off financially. He must find finance to develop the property. The bank will probably say he already has quite enough debt to service on the mortgage on his basal holding. As a result, in several cases that I know of and on which I am working at present, problems that have arisen since the farmers became involved in the State scheme have made things worse for them. Representations should be made continually to the Commonwealth to grant to these farmers who gain additional land some access to reasonable finance to enable them to develop the property. To my mind that is a most desirable requirement.

I do not want it construed from these remarks that every farmer who has participated in the State scheme has not been successful. In fact, only a minority of them have run into problems. However, many farmers who had finance on their own basal holdings are today immeasurably better off than they were before build-up. They have been able to purchase stock in their normal financial operations. They have put down new pastures and have fenced them. Apart from increasing their returns, many have participated in diversification and now run a few head of beef cattle, rear vealers and become involved in rural reconstruction projects. That is the reason why this agreement is before the House this evening. It is not only to improve the dairy farmer's lot but also to increase his production and at the same time give him the opportunity to diversify if he desires to do so.

I repeat the thoughts I expressed at the introductory stage: honourable members should not get the idea that there is anything compulsory about this scheme. It is completely voluntary and it is there for the farmer who wishes to participate. The Commonwealth Government has introduced it primarily to help small farmers who want to sell and leave the industry with dignity,

and at the same time to help the farmer who wants to buy additional land. As I said at the introductory stage—and the honourable member for Campbelltown should be the first to agree—there would not be one farmer in this State, commencing operations in dairying or beef, who has not said on the first day that he has taken over his property that his objective is to buy the property next door. That does happen, and if it were not so I would not have been a dairyman since leaving school.

Amalgamations are the wish of most people in the industry today. I support the bill and believe we must ratify the agreement. Six farmers have approached me asking for assistance to acquire build-ups under this scheme. However, I believe that we should look closely at the matter of finance so that those who might be deemed uneconomic and have difficulty in getting capital to put these build-ups into good operation will not become further involved. We should make representations to our federal colleagues to devise a scheme whereby some assistance can be made available to these people.

Mr MALLAM (Campbelltown) [12.18 a.m.]: I could not support this bill which I think will lead the dairy farmer into a lot more trouble than he now faces. I have never heard a more muddled and foolish argument than I heard tonight from the honourable member for Lismore. I understand why dairy farmers are in so much trouble. Merely talking about amalgamating farms will not correct the matter. It is a wonder that a member of the Country Party does not get to the nub of this problem. As the honourable member for Casino pointed out a little earlier, it is a matter of—

Mr LEWIS: The honourable member for Casino supports this bill.

Mr MALLAM: I do not support it and I shall not oppose it, but I doubt that the Minister could understand that. I wish to explain what the Government is doing to the dairy farmers in New South Wales. Slowly the Government is ringbarking the cocky on the North Coast by enacting measures such as this. Consider what the

rougher, tougher Country Party members in the federal Parliament did when the wool subsidy came into being. They demanded of the people of Australia the cost of production; that was the basis of their claim. Even if you gave a man twenty farms on the North Coast, if he could not get the cost of production he would go broke quickly.

The arguments put forward by the honourable member for Lismore are ridiculous and certainly could not solve the problem. If you give an uneconomic farmer another farm, he will go broke a lot quicker. Why does not the Government have an overall look at this matter? It should closely analyse the industry. I am a milk producer in the zone and I know what happens. The inner zone producers maintain their quotas and supply also a tremendous surplus of milk, lest they lose their quota. However, when they produce surplus milk they lose at least 10 cents a gallon. This is used as a weapon to flog the North Coast men to supply cheap milk, and this suits the processors. I was at Kempsey the other day. Anyone can see how disturbed the people are up there when they invite a Labor leader to visit a Country Party stronghold.

Mr BARRACLOUGH: A Labor leader?

Mr MALLAM: The people of Kempsey invited the Leader of the Opposition to go there. The hall was filled; people were looking in through the windows. There must have been 500 people there. Had we called a Labor meeting in Kempsey a few years ago we would have been lucky to get five at the meeting. I want to point out these facts that I have taken out in an attempt to assist the House. I have collected a lot of figures about this industry and I hope that everyone will take them to heart. The honourable member for Lismore should be vitally concerned about them. The trouble with this industry is that the huge monopolies have moved in. They have tied the farmer down to a price below the cost of production. The dairy industry in New South Wales is controlled by firms with headquarters outside this State. The biggest is Petersville, the Victorian mammoth which swallowed up Peters Ice Cream and

owns most of the butter factories in Victoria, one of the biggest being Holdenson and Neildon, as well as factories all over north eastern Victoria. It has also acquired Birds Eye Foods and several frozen food organizations.

Mr LEWIS: What about getting back to the bill?

Mr MALLAM: This is the crux of the bill. This is why this measure will do nothing for the dairy farmer. If we want to do something for the dairy farmer we must look at what is going on in the industry. In 1969 Petersville moved into New South Wales and took over Consolidated Milk Industries which had bought Peters Ice Cream and was heavily involved in milk distribution in the metropolitan area of Sydney. In addition it has a string of butter factories on the North Coast of New South Wales. The manufacturing milk processing in this State is largely in the hands of Nestles, an Anglo-Swiss company with its headquarters in Switzerland. It dominates the condensed milk, powdered milk and infant food field and keeps the industry down to an uneconomic price. The cheese section of the industry is dominated by the Kraft company with headquarters in Chicago. Recently I was in Martin Place and I happened to buy a copy of the *New York Times* which carried a report of the Kraft company. It said that one of the most profitable sections that the company had was the cheese manufacturing section in Australia, and New South Wales in particular. A copy is available in the library for anyone to see.

Mr MAUGER: What is wrong with that?

Mr MALLAM: These people have a monopoly over the dairy industry. Unless we are to be big enough to undertake a complete survey of the costs in this industry, amalgamating farms, as is proposed under this bill, will not save the industry. The Government is driving people off the land. Whenever a farmer goes off his land on the North Coast people are driven out of the town. They can find no work and they have to move to Sydney. So it goes on. Does it not strike honourable members as ridiculous that at this late hour we should

be debating a bill that the Government claims will save the dairy farmer but we do not have a cost analysis of the industry? If the farmer produces 100,000 lb of butterfat and does not receive his cost of production, where will it put him?

The wool industry demanded that the subsidy paid to it should cover the cost of production. We are spending Commonwealth money by this measure and the honourable member for Lismore is praising the Minister for sending people off the land. The honourable member for Lismore is quite proud of the Minister for Lands; he says that he is a great man. If the Minister were to say that he would ensure that the farmer would get a fair price for what he produced, it might be something. That is all that the farmer wants. He can be kept on the land if he gets a reasonable price for his product. What kept dairymen in the inner city zone? The workers paid the cost of production for the inner city zone dairymen. That kept the milk zone viable and it made all the difference. Then the monopoly came along and acted as agents for the board.

The price of milk to the farmer has not risen for sixteen years. I still get 15 cents a gallon for my over-quota milk but 3 miles away in Campbelltown I have to pay 14 cents a pint. Does not that show that we should have a good look at the industry? If the honourable member for Lismore were fair dinkum, dropped his parsonical manner and tried to make sure that these people get a decent price for their product, he would not be driving people off the North Coast. The Government is killing the North Coast. The Minister knows that by this bill he is offering only a weak sop to the farmer on the North Coast. The bill will only drive him off the land. Vealer production on the North Coast cannot pay. I took with me to Kempsey records for five years of vealer sales at Homebush. Vealers are no dearer than they were five years ago. Wages and all other costs are going up and the price of vealers remains the same. Switching to vealer production will not save the North Coast.

These towns have been geared to dairy production. Once a farmer moves into vealer production, he will get his cheque

once a year. That will not keep the farm or the town going. The Government is driving the people out. The honourable member for Lismore, or the Minister when he is speaking in reply, might tell us why this proud dairy State in five years of Liberal-Country party administration has lost dairy farmers at the rate of 1,000 a year and how this bill will stop that loss. Let the Minister tell us why New South Wales imports 20,000 tons of butter from Victoria and Queensland. Why is it imported? Because Petersville, which controls the industry in Victoria, ensures that it gets the cost of production. The Minister for Lands could not do even one job properly. He was considered by anyone who knows him to be the biggest mug poultry farmer in the district.

I should like the Minister to say something in defence of the dairy farmer on the North Coast. How will the dairy farmer get a fair price? Will the Government have the courage to do for the dairy industry what it did for the wool cocky who lives in his 85-square home out west? Some of these huge woolgrowers are making \$30,000 a year. The Liberal-Country party coalition gave those men the cost of production for their product but refuse to give the dairy farmer in this State his cost of production. The Government is allowing oversea monopolies to milk the industry and soak up all the profits. In Kempsey I quoted figures to show that in August of this year we imported \$10,700 worth of powdered milk from the United States of America and \$76,000 worth from Great Britain.

Mr FERGUSON: That is a disgrace.

Mr MALLAM: Of course it is. The Minister said in answer to me that we imported 1,000 tons of cheese from New Zealand.

Mr MAUGER: What is wrong with that?

Mr MALLAM: It is bad because the dairy farmer is not being paid enough. This sort of thing is forcing his prices down. The inner milk zone is being used to force down prices for the North Coast farmer. Whatever is done by this bill will be only a waste of time unless the Government takes a comprehensive look at the industry and

gives the dairy farmer a reasonable price based on cost of production. Unless he gets a price based on cost of production he will only go further into the red.

If the Government persists in its attitude as disclosed by this bill, it will produce on the North Coast of New South Wales huge squalid areas where once there were prosperous farms. I said in Kempsey that I could remember when boats came twice a week from Byron Bay loaded to the gun-wales with butter. I pointed out that last year we imported 20,000 tons of butter because we are in the grip of monopolies that control the industry. The Government has not the courage to face those monopolies: it is satisfied to see the dairy farmer slowly ring-barked and killed. Everybody concerned with this bill should be ashamed of it. It is a stop-gap, and a sop to the dairy industry, but it will not solve the problem that it purports to solve. Nothing will solve that problem until the dairy farmer gets a return greater than his cost of production.

The Minister will achieve nothing by talking about the quantity of butter produced, whether it be 17,000 tons or 50,000 tons, while dairy farmers are receiving a return below their cost of production. Until the farmer gets a proper price for his product, no attempt to help him will be successful. There will be great changes in the dairy industry. Today 5,000 growers in this country are producing oil seed. There are 2,900 dairy farmers outside the milk zone. Some of the best dairy farmers are on small holdings. Probably the most prosperous dairy farmer that I know of is operating on seventy-six acres of land. That is Glenmore dairy at Kellyville, which the Minister probably knows well.

I ask the Minister to undertake to get more money into the hands of dairy farmers, especially on the North Coast in order to keep the towns of that area alive, and to retain dairy farmers in their industry. I ask the Minister to do what he can to see that they get a return greater than the cost of production. Any unionist who goes to court seeking an increase in his wages does so in order to get a profit on his activity.

Unless the dairy farmer gets a profit, nothing can be done to help him. We ought to be ashamed that the Americans can come to this country and control great sections of our rural industry, including our vital milk industry, and can force this State to be begging for butter. We need 40,000 tons a year, and produce only 20,000 tons. We import 20,000 tons. All this happens because the price structure is wrong, and we have fallen into the hands of oversea monopolies. I repeat, this measure will not do any good unless we deal also with the matters to which I have referred.

I hope the Minister can tell the House what he can do to help dairy farmers to get a better price for their butterfat and milk. The dairy farmers in Kempsey wanted to know how the Government would make their industry pay. The farmer in the milk zone asks the same question. He has a surplus of milk, and he must dispose of it at give-away prices. If he has too great a surplus he must go broke. If a farmer on the North Coast were given 10,000 acres of land, he still could not make dairying pay under present conditions. He might be able to make a profit out of beef, but that would do nothing to preserve the dairy industry, and would get us further into the red for our imports of cheeses and butter.

Mr SINGLETON (Clarence) [12.35 a.m.]: I support the bill. The Government's legislation has helped the dairy industry on the North Coast and this bill will continue to help that industry. Much has been said about the run-down in the dairy industry in the past few years. As far as I am aware, the greatest single problem confronting the industry in today's affluent society is a social one. No longer will people work seven days a week. This is seen in dairy production throughout the world, especially in Europe, which has provided a tremendous amount of the world's dairy produce needs for a long time.

I believe that this bill will give the family unit an opportunity to continue in the dairy industry if it wishes to do so. One or two sons in a family may wish to stay on the land with their parents. If so, the opportunity will be there for them to acquire extra land, and to remain in dairying.

Members of some families would want to do that. I know of young chaps in my electorate who are quite happy to accept the social disadvantages of dairying because they are interested in cattle and in farming.

Mr MALLAM: They are not happy about the price they are getting for their product.

Mr SINGLETON: The price will be all right pretty soon now. When those young fellows can get extra land with only a small capital outlay and can pay it off at a reasonable rate of interest, I am sure they will be anxious to make a go of it. The problems of the dairy industry were never recognized until the Government came to power.

Mr DAY: The dairy industry did not have any problems until the Government came to power.

Mr SINGLETON: If the problems of the dairy farmer had been recognized at the time, he would not have been required to pay for compulsory TB testing of cattle.

Mr FERGUSON: There were charity hand-outs.

Mr SINGLETON: To whom? I am talking about something that is done for the community generally and is paid for by only a section of the community. On that occasion the North Coast dairy farmers were selected for the pilot scheme for TB testing of cattle. The present Government made TB testing free of charge.

A lot has been said about the dairy industry running down, and about the things this Government is trying to do to overcome that problem. On 25th January, 1947, the *Sydney Morning Herald* contained an article in these terms:

An increase in the price of butter to two shillings a pound was urged by the PDS general manager, Major J. R. King, yesterday. It would be many years before the pre-war level of production in Australia was reached of 200,000 tons per year.

Experts were then saying that the post-war boom was over and prices were on the way down. On Tuesday, January 8th, 1947, the *Sydney Morning Herald* contained an article by Dr Buckingham, an eminent dairying authority of the day, who said in Orange that the Government was selling butter to

Canada for 1s. 8d. per lb, while Canada was selling her butter to the United States at 5s per lb. Nothing was said about which government was in power at that time. One shilling and eight pence per lb is equivalent to 16 cents per lb for butterfat or 13 cents per lb for commercial butter. The headline of the day was in regard to dairy farmers being forced to leave the industry.

MR DAY: They have been leaving rapidly ever since you people went to Canberra.

MR SINGLETON: The run-down on farms has continued and in that twenty years there has been no help from the Government to the people who have been left behind.

MR DAY: For twenty-two years the honourable member's federal colleagues have been looking after the people on the north coast.

MR SINGLETON: In this State in 1945-46 there were 15,204 dairy farms, including mixed dairy and dairy grazing properties. In 1959-60 the figure was down to 11,000, a large number being mixed farms. In this period beef prices rose to a lucrative level. By 1969 the number of dairy farms had fallen to 9,400. Virtually all dairy grazing mixed units had gone into grazing or had amalgamated with other dairy farms. Good prices for land on the north coast have saved the farmers. The great majority of them who have gone out of dairying have reached the retiring age, sold their farms and gone to more congenial surroundings. The great industrial boom in this country, coupled with the general increase in the standard of living and the social problems confronting people endeavouring to operate dairy farms, has contributed most of all to the run-down of the dairy farmer. What helped them most were the high prices obtained for the land, but the high capital cost has precluded other dairy farmers from buying.

I am sure this legislation has helped many a dairy farmer to increase his holding and to continue as an economic unit. I heard an honourable member say tonight that it was not many years ago that 1,000 hens was

an economic unit, but that is no longer so. This is the position in every field of enterprise, whether industrial or rural. A unit has to be bigger to be a success, and this applies to the dairy farmer. I congratulate the Minister upon pursuing this matter. I know many difficulties have been placed in the way of raising the funds necessary for this scheme. I am sure that the scheme has already achieved much and will achieve a lot more in the future.

MR LEWIS (Wollondilly), Minister for Lands [12.43 a.m.], in reply: There has been very little from the Opposition to reply to. In fact, members of the Opposition spoke very little about the bill. However, I cannot allow the honourable member for Campbelltown to make the outrageous statement that vealer production has not increased and that the price of vealers has not increased over a period of five years, or that the dairy industry is a monopoly. I challenge the honourable member to start a cheese factory. There is no problem to it. If the honourable member has the courage, let him start a cheese factory. A large proportion of the cheese imported comes from New Zealand. The other day that great union leader, acclaimed by the Labor Party, Mr R. J. Hawke, suggested that Australia should be importing butter from New Zealand because it would be 10 cents a pound cheaper. That is Mr Hawke's policy. He wants to introduce butter from New Zealand.

For 25 years cost analyses have been made of the dairy industry, particularly on the North Coast. I suggest that honourable members look at some of the papers produced for the Department of Agriculture by Messrs Gruen and Faulding in about 1950. Since that time a series of analyses of the dairy industry on the North Coast have shown that many of the men trying to leave the industry were sick or elderly. As the honourable member for Lismore said, the scheme proposed is a voluntary one. If a farmer does not want to participate, he need not do so. Another great union leader, John Lewis, said in 1945, of the mining industry, that he would rather have 10,000 well-paid miners than 100,000 badly paid miners. It is far better to have a successful

dairy industry with a limited number than to have many peasant farmers, as has been proposed by the honourable member for Campbelltown and the honourable member for Casino. This Government does not believe in peasant farming. We do not believe in the type of closer settlement scheme that the Labor Government introduced with many people put on small blocks who are now needing support. This Government is trying to avoid the peasant type of settlement that the Labor Government imposed on the State. Not size, but efficiency, brings about success. I know of successful dairy farms of a limited acreage. I know of others of large acreage that are unsuccessful. The efficient farmer will succeed. If the rural assistance board considers that a man needs more land to make an economic unit, and that the man can manage the land successfully, then it will be acquired for him. I see nothing wrong with that. Not one primary producer organization has opposed this legislation. In fact, such organizations were trying to force me to accept previous schemes of the Commonwealth. As the honourable member for Lismore said, I fought and got a better deal for everyone. I have not received from any dairy farmers any objection to any part of this scheme. In 1963 the Labor Government altered the Closer Settlement Act to permit build-ups. To May, 1965, the total number of build-ups was nine. Since then 157 farms have been built up on the North Coast, at a total cost of approximately \$2,071,000. No one objected to that scheme.

I thank the honourable member for Clarence and the honourable member for Lismore for their support of the scheme. I should like to spend a short time answering some questions put by the honourable member for Casino. Of course, one criterion for the rural assistance board in accepting a farmer is not only whether he needs additional land but rather whether he is capable of managing it and whether he is an efficient manager. If he is not, he will be refused the additional assistance. The honourable member for Casino also mentioned the social problem involved. As I have said, the analyses that have been done have often shown that many people selling land are

elderly and want to get out, but there is no buyer. This could be explained by the lack of finance in the rural sector. I see nothing wrong with the Crown's relieving an elderly couple or an elderly man, or perhaps a widow, from the responsibility of a dairy farm which has probably been inefficiently managed.

If elderly people want to retire to a nearby village or to continue in the home that they have occupied on the farm for a number of years, possibly this can be arranged. If they are younger people and in financial difficulty, it is better for them to move out, even to go to the city. In any event I would not deny them the right to do that. There is plenty of work available in my electorate. It is a pity that a few country members do not attempt to stimulate employment in their areas instead of knocking the Government. If they did, I am sure that more job opportunities would be created in the country. The Commonwealth has introduced a training scheme for farmers who have been displaced and wish to be trained for other work.

Another point made by the honourable member for Lismore related to lack of finance. Inability to raise sufficient finance could militate against the chance of an applicant's succeeding even when he obtains the extra land he seeks. I fully appreciate the honourable member's point, and I am sure all members do. It does not necessarily follow that because a farmer has additional land, he must necessarily succeed. He has to care for that property, to fence it, to stock it and to go to a lot of other expense. A farmer in this situation is usually able to handle the position. It all comes under the heading of good management. After all, the Closer Settlement Board would not approve his application lightly.

To illustrate my point I shall jump across to the wool industry, in respect of which the Government also has a build-up scheme. A grazier in the Western Division who has a property on which he is running 4,000 sheep might want to build up his property in order to run extra sheep. He is reminded that he might have to take on another man, and that with an extra 2,000 sheep he will earn only enough to finance the wages of

that extra employee. Much the same is true in any industry. There is a critical point when extra labour must be engaged. In other words, an analysis must be made of the situation. A farmer might need more capital to pay for additional employees, for extra stock, and so on.

Either this week or next week I shall inquire to determine whether extra money can be made available for this purpose. An advance of \$3,000 is now available from the advances to settler agency of the Rural Bank at 4½ per cent interest under the dairy promotion scheme. This money may be used to purchase stock. I assure the honourable member for Lismore that I shall inquire whether this sum can be made more realistic, in line with present-day values. If the Labor Party opposes this bill I shall indeed be surprised. The Government is proud of this rural reconstruction measure to build up or reconstruct farms.

Motion agreed to.

Bill read a second time.

#### COMMITTEE AND ADOPTION OF REPORT

Bill reported from Committee without amendment, and report adopted on motion by Mr Lewis.

#### THIRD READING

Bill read a third time, on motion by Mr Lewis.

#### ADJOURNMENT

##### PENRITH HIGH SCHOOL

Mr LEWIS (Wollondilly), Minister for Lands [12.57 a.m.]: I move:

That this House do now adjourn.

Mr MULOCK (Nepean) [12.57 a.m.]: I take this opportunity to draw attention to a continuing running sore in my electorate. I am referring to the accommodation situation at the Penrith high school. The Minister for Public Works, representing the Deputy Premier and Minister for Education and Minister for Science will know that in 1968, before the general elections held in that year, the accommodation problem at this school was a vital issue in the Nepean electorate. The position was

so bad that parents withdrew their children from school for a day, and their action spot-lighted the accommodation situation. Since then the position has not been greatly improved with the use of temporary, portable classrooms. A science library block has been constructed from funds provided by the Commonwealth. It is significant that when the first federal funds were made available for science library blocks in this State, Penrith high school was one of the twenty-seven schools considered to be most in need of this sort of accommodation.

The school now has twenty-two portable classrooms of wood or aluminium and three temporary classrooms forming a manual arts block. Included in the temporary and portable accommodation there are two art rooms, six manual art rooms and two needlework rooms. It is imperative that the standard of accommodation be improved. The metropolitan west area director has intimated that it should be done in two stages. I suggest to the Minister that the first stage should consist of a new manual arts block, two art rooms, an extension to the canteen and a shelter area. Planning for the work should proceed and the work should be implemented as early as possible. It should be undertaken without further delay. In the past there has been too much delay and too many promises have not been fulfilled.

I invite the Minister's attention to the following statement which appeared in the *Penrith Press* on 11th March, 1970, under the heading "New Rooms for Schools":

New metal work accommodation at Penrith High School has been approved by the Minister for Education and Science, Mr C. B. Cutler.

. . . this decision followed a tour of the Nepean electorate by Mr Cutler.

Tenders are expected to be called during 1971.

There is certainly no indication that even the plans have been prepared, let alone tenders being called for the job. The accommodation in the manual arts room is very cold in winter and very hot in summer, with the extremes of temperatures in the Penrith climate. I suggest to the Minister

that stage two might be the completion of a classroom and provision for a needlework area and a senior studies block for fifth form and sixth form students. At present the high school uses rooms in Penrith primary school grounds and I am led to believe that there are about eighty students on the waiting list to attend the Penrith primary school. They are unable to be accommodated.

Three portable classrooms at the southwestern end of the primary school, used to accommodate students from Penrith high school, are known as Siberia because they are far away from the primary school and even farther from the high school. In 1972 there will be eight incoming first forms at Penrith high school. There is every indication that a similar number of first form classes will be necessary at the Nepean high school and at Kingswood high school. These three high schools will have about forty second form classes between them. Areas north and south of Penrith and Kingswood and Emu Plains are fast developing residential districts. In fact, areas north and south of Penrith represent a substantial portion of the early release areas set aside for residential accommodation under the Sydney region outline plan. From time to time the Minister for Local Government makes announcements about thousands of acres being released for this purpose. It is to be remembered that when this land is released it is used for package housing deals, with houses being erected immediately and the land not being offered as vacant blocks. Hot-box house type development is taking place, with people ready to move into the houses almost immediately.

In addition to the improvements that I have suggested should be made in stages at the Penrith high school, I ask the Minister for Education to give favourable consideration to the establishment of a free-standing gymnasium, in collaboration with the National Fitness Council, for the benefit of the many young people seeking exercise and enjoyment in this fast-expanding area. I understand that already there is a similar development at Sydney high school. This type of amenity is much needed in outer areas. Another matter which might be referred to as a running sore is

the need for the implementation of a bus route plan, which has been outstanding for some time. In the interests of safety it is important that buses be diverted off the highway, where they have been picking up children, to the southern side of the school in Lethbridge Street. I ask the Minister to do everything he can to ensure that this request is implemented at the beginning of the next school year.

The school accommodation position has been aggravated by the cut-back in the number of classrooms at the Kingswood high school, which will put an additional strain on the Penrith high school. Classrooms that were to be ready in 1973 will not now be completed. I invite the Minister's attention to the grave situation existing at Penrith high school and look forward to some early relief to the problems to which I have referred.

Motion agreed to.

House adjourned at 1.5 a.m., Wednesday.

---

## Legislative Council

Wednesday, 1 December, 1971

---

Egg Industry Stabilisation Bill—Motor Vehicles (Taxation) Bill—Motor Traffic, Transport and Main Roads (Amendment) Bill (third reading)—Wild Dog Destruction (Amendment) Bill (third reading)—Pilotage Bill (third reading)—Questions without Notice—Transport Employees Retirement Benefits (Amendment) Bill (second reading)—Library (Amendment) Bill (second reading)—Land Tax (Amendment) Bill (second reading)—Police Regulation (Amendment) Bill (second reading)—Workers' Compensation (Amendment) Bill—Commonwealth Places (Administration of Laws) Amendment Bill (second reading)—Statutory Salaries Adjustment Bill—Parliamentary Allowances and Salaries (Amendment) Bill—Local Government (Appeals) Amendment Bill (second reading)—Factories, Shops and Industries (Amendment) Bill—Special Adjournment.

---

The PRESIDENT took the chair at 4.28 p.m.

The Prayer was read.

### EGG INDUSTRY STABILISATION BILL

#### FIRST READING

Bill received from the Legislative Assembly and, on motions by the Hon. J. B. M. Fuller, read a first time and ordered to be printed.