

## Legislative Assembly

Wednesday, 29 September, 1976

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Honourable Member for Byron (Personal Explanation)—Petitions—Questions without Notice—Administrative Changes Bill (third reading)—Department of Agriculture (Repeal) Bill (third reading)—Land Commission Bill (Int.)—Public Works and Other Acts (Interest Rates) Amendment Bill (second reading)—Miscellaneous Acts (Transport Legislation) Amendment Bill (second reading)—Constitution (Ministers of the Crown) Amendment Bill (second reading)—Ministers of the Crown (Amendment) Bill (second reading)—Acts Reprinting (Amendment) Bill (second reading)—Restraints of Trade Bill (second reading)—Bills Returned—Wheat Industry Stabilization (Amendment) Bill (second reading)—Appropriation Bill—Joint Committee on Pecuniary Interests (Message)—Bills Returned—Young Men's Christian Association of Sydney Incorporation (Amendment) Bill (second reading)—Friendly Societies (Amendment) Bill (second reading)—Second-hand Dealers and Collectors (Amendment) Bill (second reading)—Adjournment (Cootamundra Sewerage Works)—Questions upon Notice.

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Mr Speaker (The Hon. Lawrence Borthwick Kelly) took the chair at 2.15 p.m.

Mr Speaker offered the Prayer.

### HONOURABLE MEMBER FOR BYRON

#### Personal Explanation

Mr Boyd: Last evening in the House the honourable member for Casino made a statement in which he said: "Colonel Boyd, the false colonel from Byron. He was a corporal." The facts are that I was a private in 1940, a corporal in 1940, a sergeant in 1942 and I was commissioned in 1943. I was appointed lieutenant-colonel in 1956 commanding the Byron Scottish Regiment—at the age of 34 years, the youngest colonel in the army.

### PETITIONS

The Clerk announced that the following petitions had been lodged for presentation and that copies would be referred to the appropriate Ministers:

#### Sunday Hotel Trading

The Petition of the undersigned Electors in the State of New South Wales respectfully sheweth:

1. A referendum on Sunday Trading in hotels was held in New South Wales in the year 1969 which showed an overwhelming majority voting against Sunday Trading in hotels.

2. It is considered by the undersigned that any changes in the law allowing extension of Sunday Trading in liquor in hotels or in any shop selling liquor will increase the acknowledged evils associated with the consumption of liquor including particularly danger in road travel and in crime, and in damage done to domestic life of wife, husband and children in many cases.

Your Petitioners therefore humbly pray that your Honourable House:

1. Will not pass any legislation which will allow any extension of Sunday Trading in liquor in hotels or in any other place where the sale of liquor is permitted.
2. If nevertheless it is intended to submit legislation to the House this should not be done until a further Referendum is held to ascertain the wishes of the people as was previously held and which as stated showed an overwhelming majority against such legislation.

And your Petitioners, as in duty bound, will ever pray.

Petitions, lodged by Mr Arblaster, Mr Lewis and Mr Pickard, received.

#### Gambling Casinos

The Petition of the undersigned electors in the State of New South Wales respectfully sheweth:

1. There are at present sufficient legal gambling outlets in the State of New South Wales.
2. During the last recently recorded period of a year the amount spent or invested in gambling exceeded the sum of \$4,000 million.
3. The operation of Casinos will enlarge this expenditure and will create further inroads upon the amount available to families for the conduct of their domestic life and will thus cause hardship to parents and children in the home and will also, as experience has shown, be an incentive to crimes of stealing, embezzlement and fraud in order to make up for moneys that have been lost through gambling or which are intended for gambling.

Your Petitioners therefore humbly pray that your Honourable House will not legislate to legalise casinos in New South Wales.

And your petitioners, as in duty bound, will ever pray.

Petitions, lodged by Mr Crabtree, Mr Pickard and Mr Singleton, received.

#### Abortion

The humble petition of the undersigned citizens of New South Wales, respectfully sheweth:

1. That as taxpayers we object to the use of funds for abortions under the guise of health payments and/or benefits.
2. That no pressure should be brought to bear to hinder the prosecution of those participating in criminal abortion.

Your Petitioners humbly pray that the Honourable House takes such steps through the appropriate channels to stop the misuse of taxpayers' money and to ensure that the law prohibiting abortion in New South Wales be properly enforced.

Petition, lodged by Mr Arblaster, received.

## QUESTIONS WITHOUT NOTICE

### MOTOR VEHICLE TAXATION

Sir ERIC WILLIS: I address my question without notice to the Minister for Transport. In his policy speech last April did the Premier say that a New South Wales Labor government would give priority to reducing motoring charges, the most onerous in Australia? Is it correct that there have been no increases since then either in this State or in Victoria? Did the Minister, last Thursday, when announcing a one-third increase in motor-vehicle registration taxation say that after the increase the cost of motor registration in New South Wales would still be below that of Victoria? If so, was the Premier telling lies last April or is the Minister telling lies now? In any event, is this increase the fulfilment of the Premier's promise to reduce motoring charges?

Mr F. J. Walker: On a point of order. The Leader of the Opposition knows better than to couch a question in unparliamentary language. Allegations of lies made in a question by an honourable member have been ruled upon time and again in the House as being out of order. My submission is that the language is political, coloured and is not permissible under the standing orders.

Sir Eric Willis: On the point of order. This very point was taken by me only a few months ago when I was on the Government side of the House and your illustrious predecessor, Mr Speaker, ruled that it was quite unparliamentary to call another honourable member a liar but it was quite permissible to say that he told lies.

Mr SPEAKER: Order! In relation to the remark by the Leader of the Opposition that was referred to by the Attorney-General, it had been standard practice not to permit an honourable member to call another honourable member a liar but he can say that he has told a lie or an untruth. However, I am more concerned with the point of order taken by the Attorney-General that, under Standing Order 151, no member shall use offensive or unbecoming words or impute improper motives or make personal reflections on members of this Chamber. The question by the Leader of the Opposition is couched in those terms and I therefore rule it out of order.

Sir Eric Willis: On a point of order. With great respect, you, Mr Speaker, have previously ruled——

Mr Einfeld: The Leader of the Opposition is canvassing a ruling by Mr Speaker. He cannot canvass a ruling.

Mr SPEAKER: Order! The Leader of the Opposition is speaking on a point of order.

Sir Eric Willis: t h a t a matter cannot be offensive to an honourable member unless the honourable member in question takes offence at it. I submit that I did not say anything in any way offensive concerning the Attorney-General, or anything concerning him that was non-offensive; I did not even mention him. Therefore, I submit that the Attorney-General is not permitted to take a point of order in respect of the matter that he raised.

Mr SPEAKER: Order! The question asked by the Leader of the Opposition was addressed to the Minister for Transport and Minister for Highways and it made reference to policies announced prior to the last elections and included a query whether they were lies. A number of other matters were also mentioned. I have drawn the attention of the Leader of the Opposition to the fact that questions directed to Ministers must abide by Standing Order 151. I have ruled the question by the Leader of the Opposition out of order.

### FIRE-FIGHTING FACILITIES

Mr FLAHERTY: Has the attention of the Minister of Justice and Minister for Services been invited to the urgent need for improved fire-fighting facilities in the Yennora-Smithfield industrial area? Is it a fact that a number of fires have occurred recently in this locality, the most recent being the disastrous fire at Stahl-Armstrong, a chemical factory in the heart of this industrial area? Are there only two fire stations in proximity to this area, one permanently staffed and the other staffed by voluntary firefighters? Will the Minister discuss this problem with the Board of Fire Commissioners with a view to providing a new fire station in the area, equipped to handle the particular problems of chemical companies and other fire-risk industries?

Mr MULOCK: I am aware of the concern in relation to the matter raised by the honourable member for Granville. There is general concern about the fire-fighting facilities in the southwestern and western sector of the metropolitan area, in particular in relation to industrial areas that have chemical industries similar to those mentioned by the honourable member. I undertake to the honourable member and to the House to take up the matter personally with the chairman of the Board of Fire Commissioners, which has the responsibility to oversee the provision of fire-fighting facilities including the provision of fire stations.

A few months ago I inspected the headquarters of the New South Wales Fire Brigade and observed there a plan of the metropolitan area which showed the location of the various fire stations. It was quite obvious that if one drew on the plan a line in a north-south direction through Granville it would roughly separate into equal proportions the population of the metropolitan area. There were more fire-fighting facilities to the east of that line than there were in the west and southwestern sectors. I commented on this fact to the chief fire officer and to the chairman of the board. I have a particular interest in this matter as I represent an electorate west of the line to which I have referred. I know many honourable members would share the view that there should be an equal distribution of fire-fighting facilities across the whole of the State.

### EXPRESSWAYS SURVEY

Mr McDONALD: My question without notice is directed to the Minister for Transport and Minister for Highways. Has there been adverse publicity and news media condemnation of a recent survey in northside suburbs of Sydney that was commissioned by the Department of Main Roads to seek facts about community attitudes towards expressways? As the Minister responsible for that department, will he advise me and this House why he allowed this survey to be conducted?

Mr COX: It is true that a survey was authorized by the Department of Main Roads to study the effects of expressways on the community. That survey was approved by a former Minister for Transport, but not the last one. The department authorized a particular company to conduct the survey, which was to be funded two-thirds by the Australian Government and one-third by the New South Wales Government. The matter was brought to my attention at 9 o'clock in the evening by a metropolitan newspaper. I was informed that the survey had commenced and I was given some details of the questions that were being asked, some of which were: Did residents belong to any religious, political or resident-action groups? How would they spend an extra \$1,000 income—on house improvements, their family or entertainment? That was the first knowledge I had of the survey—simply because it had been approved by a Minister in the previous Government. He was not the last Minister to hold the position.

*[Interruption]*

Mr SPEAKER: Order! The honourable member for Kirribilli has asked a question and the Minister is endeavouring to answer it.

Mr COX: I am endeavouring to give the honourable member a reply. In fairness to the Minister, I would say that all he got was a request for approval that this survey take place. Any responsible Minister would have authorized the survey. The trouble was that the department did not bother to submit the proposed questionnaire to the Minister. I have now instructed departments under my administration that if surveys are to be undertaken, the questions to be asked are to be submitted to me as Minister so that I can consider the type of question that it is desired to direct to the public. Let me say that the survey in question clearly indicated to me that information was being sought for other than transport needs; obviously it could have been used for other than marketing processes. That is the concern that I have about this type of survey. The questions to be asked in any future survey undertaken by a department under my control will be referred to me before it commences.

#### BLUE MOUNTAINS TOWN PLANNING SCHEME

Mr R. J. CLOUGH: My question without notice is directed to the Minister Assisting the Premier, representing in this House the Minister for Planning and Environment. Is the Minister aware that, more than three years after the exhibition of its town plan, the Blue Mountains City Council has not yet resolved objections to the plan, including many of its own? Is he aware that more than 2 000 landowners are at present compelled to pay rates, yet they cannot build upon or sell their land? Will the Minister inform the House what action he will take to have the town plan finalized and whether he will introduce a special residential zoning to cover building blocks now zoned as non-urban?

Mr HAIGH: I appreciate the concern of the honourable member for Blue Mountains who states that the town planning scheme for the Blue Mountains has not been concluded and prescribed, and that 2 000 landowners are suffering some disability in relation to the development of their land in that they are paying rates on land that cannot be utilized and developed for residential purposes. Having had inquiries made into this matter, as I have in relation to other matters involving planning principles, I note that in the Blue Mountains planning scheme, which was submitted by the council to the State Planning Authority, there are a large number of lots that fall within these zones. The zones are 1A, which is a 2-acre lot; 1B, a 5-acre lot; 1c, a 5-acre lot; 1D, a 25-acre lot; and 1E, a 50-acre lot. These blocks have been put into a zoning which in certain circumstances would permit the development of buildings that would be known as country dwellings. I accept the figure of 2 000 landowners as given by the honourable member. Some of these areas do not meet the minimum requirements for these zonings, and as a result the owners are not permitted to build dwellings upon them. They are paying minimum rates on these areas of land, but unfortunately the minimum rate is very close to the actual rate that would be paid having regard to the value of the land.

The planning scheme was exhibited and a number of appeals have been lodged by owners of land in relation to it. Some appeals have also been made by the council against the scheme. It appears that the only way this matter can be resolved quickly is by the council expediting the hearing of objections. I note that owing to the zeal and interest of the honourable member for Blue Mountains and his approach to the State Planning Authority, correspondence was directed from that authority to the council proposing that certain amendments be looked at in relation to the ordinances in regard to the planning scheme that was exhibited, and suggesting that this would

in some way overcome the present problem. I shall be happy to refer this matter to the Minister for Planning and Environment for further consideration, as I know he is most concerned about it.

#### LEVER'S PLATEAU

Mr FISHER: I direct my question without notice to the Premier. Did he advise this House that I, as Minister for Lands and Minister for Forests, had approved a road on Lever's Plateau? Did he advise the House that he would table the relevant paper to support that statement? Will he now table the papers that purport to indicate that I approved that road prior to the election in May?

Mr WRAN: I will give the matter due consideration.

#### AIR POLLUTION

Mr BANNON: My question without notice is directed to the Minister Assisting the Premier who represents in this House the Minister for Planning and Environment. Has the Minister's attention been drawn to a report on the environment of Sydney released yesterday in Canberra by Professor Butlin of the Australian National University in which it is stated that the air in Sydney, especially around Botany Bay, is seriously degraded and often significantly exceeds air quality goal limits of the World Health Organization? Does the finding go on to state that air pollution in Sydney is getting worse and the seriousness of the situation is approaching that of Tokyo? In the light of these dramatic conclusions, will the Minister request his colleague to ensure that this report is brought to the notice of Mr Simblist, *Q.C.*, to assist him in his environmental inquiry into proposed developments in Botany Bay?

Mr HAIGH: I saw in the media an account of a report that had been published by the Australian National University relating to air pollution problems in Sydney, particularly in the Botany Bay area. The Minister for Planning and Environment has been most concerned about the report that has appeared in the media, and has made numerous requests to the Australian National University for a copy of its report to be made available to him. It is hoped that the report will be received today.

I appreciate the marked concern that the honourable member for Rockdale must have in relation to the publicity in the media concerning air pollution levels in the Botany Bay area, and I shall certainly invite the attention of the Minister for Planning and Environment to his request that this matter be considered by Mr Simblist while he is undertaking the inquiry into Botany Bay and the proposed development of its foreshores.

#### LOCAL GOVERNMENT FINANCE

Mr MCGINTY: I ask the Minister for Local Government whether he would agree that the increased Commonwealth Government's untied grants to local government this year will allow councils to keep rate increases to a minimum. Will the Minister consider giving ratepayers an even greater break, by honouring his party's election promise to relieve local government of compulsory contributions to statutory bodies, such as the Planning and Environment Commission, the fire brigades and the Metropolitan Waste Disposal Authority?

Mr JENSEN: It is true that the amount of money made available this year from the Commonwealth to local government for direct assistance grants is \$51 million compared with \$29 million last year. It is true that the total amount made available last year from the Commonwealth to local government was \$45 million higher than the \$51 million total it has been giving in direct grants.

Sir Eric Willis: For specific purposes.

Mr JENSEN: Yes, but the total amount of money received by local government at this stage is \$45 million less. If the Leader of the Opposition can persuade his colleagues in Canberra to provide additional sums, he can be assured that local government will put them to great use. I have no doubt that when the Treasurer brings down his budget tonight there will be indications that the Government's undertaking to eliminate the requirement for councils to contribute to State bodies will receive appropriate consideration. The level of rates that will be applied to ratepayers in 1977 will be less than it would have been, because the Government intends to introduce into the House within the new few weeks a measure that will result in limiting the extent to which councils may increase rates, and the totality of the funds made available to them and other factors will determine the extent to which rates may be levied.

#### LAND BOARD OFFICES

Mr MURRAY: I ask the Minister for Lands whether he intends to close either the Moree, **Armidale** or Tamworth land board office. If he does not, will he ensure that a district surveyor is appointed to each of these offices? Will he ensure also that the **staffing** of the three centres is brought up to **full capacity**?

Mr CRABTREE: I am pleased that the honourable member for **Barwon** asked this question; I thought it might have been asked by a Government supporter. It is not true that the Government has any intention of closing the land board offices at Moree, **Armidale** or Tamworth. I point out to the honourable member for **Barwon** that the Government he supported had this matter under consideration, even to Cabinet stage on a number of occasions. A proposal to close those offices could not have been in accord with the decentralization policy of the Liberal and Country parties, unless that policy was false. I shall have a look at the staffing of these land board offices as requested by the honourable member and let him have a further reply at a later date.

#### RESUMPTIONS FOR EXPRESSWAYS

Mr MAHER: My question without notice is directed to the Minister for Transport and Minister for Highways. Have thousands of cottages throughout Sydney been threatened for years with resumption for expressways? Will the Minister inform the House when a decision will be announced to abandon the expressway proposals or otherwise?

Mr COX: A Cabinet subcommittee is looking at all expressway proposals. It is true that thousands of homes have been zoned for resumption to provide expressways. For example, the western distributor affects more than 600 properties and the north-western distributor affects 2 017 properties. That is a massive problem for the people who own the properties concerned. As a Cabinet subcommittee is looking into the matter, I hope it will not be long before some **firm** proposals are submitted to Cabinet and then, of course, to the parliamentary caucus and to the House.

### AUSTRALIAN ASSISTANCE PLAN

Mr TAYLOR: I direct a question without notice to the Minister for Youth and Community Services. Did the Minister tell this House that the Australian Assistance Plan was not the responsibility of the State Government? Did the Minister express his Government's support for this welfare scheme? Is the Commonwealth withdrawing its funding from the scheme at the end of this financial year? What action is the Minister taking to maintain the scheme?

Mr JACKSON: The Australian Assistance Plan was established in 1973 by the Whitlam Labor Government. It is being abandoned by the Fraser Government. The Labor Party has always supported the Australian Assistance Plan. I have now had the pleasure of addressing eight of the nine regional councils for social development established under the plan in New South Wales. I have had the privilege also of opening and addressing the annual conference of the regional councils in New South Wales, which was held a few weeks ago. The Australian Assistance Plan is not being abandoned by the State Government; it is being abandoned by the federal Government. The State Government was never part of the Australian Assistance Plan or of the regional councils, although it supported the plan and the councils and assisted the councils in every way possible. The seventy-one district offices of my department and the personnel associated with them gave the councils every assistance and co-operation.

I do not believe that the regional councils should have been funded in the first instance by grants made under section 96 of the Constitution. The Commonwealth should have funded the councils through the State government departments responsible for social welfare, and in this State that is the Department of Youth and Community Services. Those departments were better equipped to allocate funds to areas of need. However, that was not done.

On 29th July this year the Premier wrote to the Acting Prime Minister, in the absence of the Prime Minister overseas, drawing attention to the concern of the New South Wales Government and of all sections of the community as well as of the regional councils themselves that the Commonwealth was abandoning its responsibility for the Australian Assistance Plan. The Commonwealth is following the same line in this respect as it has followed in many other fields of social welfare and community development. In April last, prior to the conference of State Ministers responsible for these matters, which was to be held in Darwin on 21st May, Senator the Hon. Margaret Guilfoyle, replying to a question asked in the Senate, said that there would be no interference with the Australian Assistance Plan until she had had a full-scale discussion with the State Ministers concerned.

Just two days prior to the conference I, as the Minister representing this State in this sphere, became aware that despite what Senator the Hon. Margaret Guilfoyle had said earlier the Commonwealth had made a decision. At the conference I led on behalf of the States. When we reached the agenda item dealing with the Australian Assistance Plan Senator Guilfoyle interrupted me and said, "You may as well know what the position is; we are funding out of the Australian Assistance Plan and as from 30th June, 1977, we will no longer be interested in the Australian Assistance Plan". That was not the end of it. The senator, on behalf of the federal Government, again misled the States and the thirty-nine regional councils throughout Australia, including the nine regional councils in this State. The Commonwealth did not increase the allocation to allow for inflation or the devaluation of money. Most regional councils will be without funds by March or April of next year. In fact, after next year most of the councils will not have any funds at all and the situation will not be as Senator Guilfoyle said that it would be.

I repeat here what I told the regional councils. The New South Wales Government supports the principle of the Australian Assistance Plan. I hope that what has been said by members representing the political parties that control the federal Government will be brought to fruition and that the Government will not abandon the Australian Assistance Plan but that from time to time special allocations will be made to the States to enable the funding of regional councils set up under the plan. Indeed, Senator P. E. Baume, chairman of the federal Government's social services committee, said recently when opening the annual conference of regional councils at Sydney University, that Senator Guilfoyle had assured him that the federal Government would provide special finance to local government and to the State governments to enable them to continue with the plan. New South Wales has not yet received any advice to this effect. The Premier has not been informed what is to happen.

This Government has made its concern well known to the federal Government. In fact, all sections of the community are concerned at the Commonwealth's attitude, particularly the wonderful people who are associated with regional councils and spend hundreds of hours of their time serving the community in a voluntary capacity and providing welfare assistance, information and all the other associated help offered to the underprivileged of our community. If the Commonwealth is not now aware of what is happening I doubt that it will ever know of the concern held by these people who work in the regional councils. The New South Wales Government will support the Australian Assistance Plan to the utmost of its financial means.

#### OCCUPATIONAL THERAPISTS

Mr WILDE: My question without notice is directed to the Minister for Health. Is the Minister aware that recently a national conference of occupational therapists was held in Perth and that in 1978 Sydney is to be the venue for the tenth conference of occupational therapists? Will many specialists from overseas countries attend this conference? Will the Minister acknowledge the valuable work performed by occupational therapists in public and private hospitals as well as in the Government's community health programmes? Will the Minister ensure that the organizers of the Sydney conference are given every possible form of support by the Health Commission of New South Wales?

Mr STEWART: I commend the honourable member for Parramatta for the interest he has shown in this paramedical group which, year in and year out, performs dedicated service among the aged, on behalf of psychiatric patients and assisting in the rehabilitation of certain categories of accident victims and people who have suffered a stroke. I do not think the medical profession gives nearly enough recognition to the support its members get from paramedical groups such as occupational therapists. I am sure that members of the legal profession would like to have the assistance of similar groups of people and facilities as those available free of charge to members of the medical profession.

I inform the honourable member that I was aware that the 9th Australian conference of occupational therapists took place recently in Perth and was most successful. I know too that a wide range of topics bearing on occupational therapy was discussed at the conference. One topic in particular was the difficulty that old people, disabled people and indeed people generally, experience in opening packages of various products which often are impregnable if one does not have a pair of multi-grips or a hacksaw in the kitchen. This discussion, in fact, received wide publicity at the Perth conference and showed that the matters of concern to occupational therapists are also of concern to the public generally.

I am aware that Sydney is to be the venue for the Tenth Australian Conference of Occupational Therapists and that it will have a substantial international content as many specialists, as the honourable member says, will be coming here from overseas. This evening I am presenting the Sylvia Docker Memorial Award for the person who over the year has performed the most meritorious service to occupational therapy. Miss Docker was the first director of occupational therapy training in Australia.

The presentation is to be made in conjunction with the annual meeting of the New South Wales Association of Occupational Therapists which will be held next door, in Sydney Hospital. The honourable member for Parramatta will be glad to know that as a result of his representations I shall assure the association that the Health Commission of New South Wales will do everything it can to assist the organizers of the Tenth Australian Conference of Occupational Therapists. It will do everything possible to ensure that the conference is a resounding success for not only its participators from abroad and interstate but also those who are doing such valuable work in this State.

#### EXPRESSWAYS

Mr J. A. CLOUGH: I ask the Minister for Transport whether it is a fact that during the time that the Hon. W. C. Fife was Minister for Transport, the Hon. Charles Jones, then federal Minister for Transport, authorized federal funding in respect of future research into New South Wales community attitudes towards expressways. Is it a fact also that when the Hon. M. S. Ruddock was Minister for Transport he directed the Department of Main Roads not to proceed with that survey? Did the Minister, on 11th June, re-apply to the federal Government for funds to carry out this expressway research and was he told that because of economies imposed by the May mini-budget no funds could be made available? Did the Minister then authorize the research to go ahead at State expense? If these are facts, why has the Minister told the House that the survey was approved by a former Minister for Transport?

Mr COX: I am unaware of much of the information contained in the honourable member's question. The plain fact of the matter is that approval for the survey was given by a former Minister for Transport, the Hon. W. C. Fife, who was acting in co-operation with the federal Government. The survey was to be funded on a two-thirds: one-third basis. I am not aware that any changes have taken place in connection with the funding of that survey. However, in the interests of the House and all honourable members, I shall have inquiries made and give a detailed reply to the House as soon as possible.

#### JOCKEY INSURANCE FUND

Mr MALLAM: I ask the Minister for Sport and Recreation and Minister for Tourism whether it is a fact that owners pay to the Australian Jockey Club for the jockey insurance fund \$3.50 each time their horses race in New South Wales. Does every race club pay \$30 to the same fund in respect of each meeting it conducts? Does the Australian Jockey Club collect approximately \$200,000 each year for the jockey insurance fund? In the past twenty years has this insurance fund been misappropriated on at least two occasions? Has the Australian Jockey Fund made any effort to recover money lost from this fund? Is it a fact that on many occasions the Australian Jockey Fund has refused the jockeys association requests for details of the insurance fund? Will the Minister ask the Australian Jockey Club to supply

balance sheets of the jockeys insurance fund covering the past twenty years? Is it a fact that a battling jockey, Ray Markey, who broke his leg over twelve months ago, had to refund over \$400 to the Australian Jockey Club when it found that his wife was making a few dollars a week sewing race colours in her spare time?

**[Interruption]**

Mr SPEAKER: Order! The honourable member's question is far too long. I ask him to condense his question and I shall give him the call again later.

#### SHIPBUILDING INDUSTRY: PAYROLL TAX

Mr MUTTON: My question without notice is addressed to the Treasurer. In view of the great crisis in the shipbuilding industry, particularly the threat to hundreds of jobs at the State dockyard, the severe impost of the State Government's payroll charges of 5 per cent on that industry and the Government's expressed intention to help that industry, will the Treasurer now remove the penalty of payroll tax on employees at the dockyard and in the shipbuilding industry generally? Would this make it easier, as a result of financial considerations, for the men to keep their jobs and for employers to keep their staff employed? Would such an exemption be similar to that given by the previous Liberal-Country party Government to local government by virtue of section 10B of the Payroll Tax Act?

Mr RENSHAW: The incidence of payroll tax will be dealt with in the budget this evening.

#### BREAD PRICES

Mr O'CONNELL: I address my question without notice to the Minister for Consumer Affairs and Minister for Co-operative Societies. Is bread manufacture in New South Wales largely controlled by big multi-purpose organizations which can determine the area of operations in which they make their profit? Have these organizations been waging a campaign to eliminate independent bakers? Have they recently asked for an increase in the price of bread? Has the Prices Commissioner announced a price freeze on bread? Will that adversely affect small independent bakers? If the effects can be overcome by other action open to the Minister will he take that action in order to protect the interests of independent manufacturers and prevent absolute monopoly control of this important commodity?

Mr EINFELD: I agree without reservation that bread manufacturing is a vexed industry and presents the Government with many difficulties. From May, 1974, until March of this year no fewer than nine increases in bread prices—totalling a considerable sum of money—have been granted on the application of bread manufacturers in New South Wales. The price of bread rose in that period by about 55 per cent, although the figures of the Commonwealth Statistician show that as a consequence of the general inflationary spiral wages rose by just over 20 per cent. The reports of the Commonwealth Statistician also reveal that prices of other commodities rose by a little more than 20 per cent. Thus, the rise in the price of bread was almost double that for other areas covered by the Commonwealth Statistician in his report. There has been great competition by the five major bakeries in New South Wales in the discounts they give to supermarkets. In evidence before Mr Justice Kelleher one bakery was shown to have given 50 per cent discount to a supermarket. Many bakeries give discounts to supermarkets of 30 per cent or 33 per cent—to the disadvantage of smaller bread manufacturers and smaller retail stores.

The bread manufacturers of New South Wales applied in July to the Prices Commissioner for a further increase in the price of bread based on what were said to be rising costs. That application had not been determined by the Prices Commissioner but yesterday at my request, and on behalf of the Government, that officer froze the price of bread at the amount fixed last March. The result is that the price of bread has not increased since the Government came to office; and it will not increase in the near future. As the honourable member for Peats has rightly pointed out, the price freeze would appear to do some injustice to small bread manufacturers in country areas. Numbers of big bakeries send bread as far as 50 or 60 miles to small towns and allow large discounts to shopkeepers so as to compete with the smaller bakers to the disadvantage of the smaller manufacturer and the consumer. The prime concern of the Government in regard to bread is the interest of the consumer. The Government has taken action to hold down the price of bread in order to help consumers and to prevent further price rises of this important staple diet item. The matter has received the continuous attention of the Government and the Premier. We will continue to give it as much attention as possible to make sure that justice will prevail in this industry, as it does in other industries.

#### DRUG ADDICTION

Mr DOYLE: My question without notice is directed to the Premier. In the past six months has there been a significant deterioration in the drug scene of New South Wales? Has this become manifest by increased convictions in the children's court and an alarming increase in the number of young people addicted to hard drugs? Do those who are in a position to be aware of the availability of drugs claim that heroin is now as readily available in New South Wales as marihuana? If these are facts, when will the Premier make up his mind on the future of the Parliamentary select committee upon drugs, the sittings of which have been suspended for some months? Also, when will any of the Premier's Ministers be doing something more constructive than merely blaming the parents of addicts?

Mr WRAN: *The* joint Parliamentary select committee upon drugs will be reconstituted in the next few days. No doubt the honourable member for Vaucluse, with his close interest in the matter, will be well aware that there were certain deficiencies in the terms of reference of the committee as constituted by the former Government. This came about because of limitations under the Poisons Act in regard to drugs described as drugs of dependence. It was necessary to formulate terms of reference that would include drugs of dependence other than those included in the schedule to the Poisons Act. The draftsmanship problem has now been overcome and Cabinet has determined the terms of reference of the committee, which will be reconstituted. I expect that a short time will elapse before the committee continues the inquiry. I do not say it in any critical sense of the former Government or of the former committee but the reconstituted committee, because of its wider terms of reference will perform a much more valuable and lasting function than the one constituted by the former Government.

As to the proliferation of drug use in New South Wales, it is correct, as the honourable member for Vaucluse has said, that there is growing concern over the increased use of the so-called hard drugs in this State. Apparently the most readily available of the hard drugs is heroin. Since the Government assumed office I have had many conferences, in my ministerial capacity in respect of the police force, with the responsible members of the police force about widening the activities of the drug squad and of instituting regimes which might lead to prevention of drug taking. It is an extraordinary proliferation. Only recently honourable member would have read of a number of arrests made on the snowfields in respect of allegations that involve the

peddling of heroin. It seems that no place is excluded from the villainy of the parasites who play upon the misfortune of addicts and potential addicts. For that matter, no section of the community is free from them.

I assure the honourable member for Vaucluse, who asked a serious question in a serious vein, and other honourable members that shortly the parliamentary committee upon drugs is to be reconstituted. Indeed, only this week the final terms of reference were decided upon. Further, while that committee is conducting its investigation, the Government, the police and all other law enforcement and preventative agencies will leave no stone unturned to combat what must be regarded by all sections of the community as a real threat, particularly to our younger and more gullible citizens.

#### JOCKEY INSURANCE FUND

Mr MALLAM: I ask the Minister for Sport and Recreation and Minister for Tourism whether it is a fact that each time a racehorse races in New South Wales its owner pays \$3.50 to the Australian Jockey Club to be used for the jockey insurance fund. Does every race club pay \$30 to the same fund for each meeting that it conducts? Does the AJC collect approximately \$200,000 each year for the fund? Is it a fact that in the past twenty years this fund has been misappropriated on at least two occasions? Is it a fact, also, that no AJC member is provided with a balance sheet of the jockey insurance fund? Is Mr Blake R. Pelly, the vice-chairman of the AJC, the former Liberal member for Wollondilly, who, in September, 1953, made grave allegations against the Labor Government? If the loss of funds through the letting of false contracts and misappropriation of the jockey insurance fund are facts——

Mr Barraclough: On a point of order. Mr Speaker, I submit that the honourable member for Campbelltown has defied your ruling. You asked him to shorten the question. In my opinion he has lengthened it.

Mr SPEAKER: Order! I understand that the honourable member is very close to the end of his question.

Mr Barraclough: On a further point of order. I was going to ask you, Mr Speaker, how you know that the honourable member is near the end of his question.

Mr SPEAKER: Order! Because I understand he has almost finished rephrasing it.

Mr MALLAM: Will the Minister recommend to the Premier that he place an administrator in charge of the Australian Jockey Club?

Mr BOOTH: I acknowledge that the honourable member for Campbelltown has a deep interest in the administration of the Australian Jockey Club. Some weeks ago when the honourable member asked a question in relation to the administration of that club I undertook to have an inquiry made and to seek information. I understand that within the next day or two I shall be able to provide him and the House with information in reply to his previous question.

Sir Eric Willis: You will tell him when you are at the races on Monday.

Mr BOOTH: It is not Monday. They give you everything there but winners. I undertake to seek the further information the honourable member for Campbelltown requires. Also, I shall discuss with the Premier the question that he has asked.

ADMINISTRATIVE CHANGES BILL

Third Reading

Bill read a third time, on motion by Mr F. J. Walker.

DEPARTMENT OF AGRICULTURE (REPEAL) BILL

Third Reading

Bill read a third time, on motion by Mr F. J. Walker.

PUBLIC WORKS AND OTHER ACTS (INTEREST RATES) AMENDMENT BILL

Second Reading

Mr FERGUSON (Merrylands), Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing [3.9]: I move:

That this bill be now read a second—

Sir Eric Willis: On a point of order. The Deputy Premier has moved that the bill be now read a second time. Mr Speaker, I submit, with great respect, that the bill has not yet been introduced. There has been no leave granted to introduce the bill and therefore it cannot be read a second time. I know that the Government is trying to ram everything through and to treat the new Parliament as a rubber stamp but I will not agree to the second reading of a bill before it has been introduced, presented and read a first time.

Mr SPEAKER: Order! I am sure that the Deputy Premier will rectify the position.

Mr Ferguson: Mr Speaker, there is an explanation. There are two bills with which I am concerned today and I began by referring to the other bill, for which I apologize to the House.

LAND COMMISSION BILL

Introduction

Mr FERGUSON (Merrylands), Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing [3.10]: I move:

That leave be given to bring in a bill to constitute the Land Commission of New South Wales; to confer and impose on the Commission responsibilities, powers, authorities, duties and functions with respect to the acquisition, development and disposal of land for urban and public purposes; and to amend the Statutory and Other Offices Remuneration Act, 1975.

The bill that I seek leave to introduce arises from the Government's concern about the cost of land for all purposes, but particularly for home building, and fulfils a promise made by the Labor Party during the last election campaign. It is intended that the Land Commission will market lower priced land, reduce the rate of inflation in land prices, achieve a more equitable and efficient development of urban land in the cities and towns of New South Wales, achieve a better co-ordination of the development of the cities and towns of the State and retain some of the unearned

increment in land values for the community. It is expected that the programme undertaken by the commission will result in the retardation of any current or future escalation in land prices and a reduction in the relative proportion of the cost of land to overall home and land cost, and that this will substantially assist the Government's express desire to bring home ownership once more within the financial reach of the younger and less **affluent** people in the community.

To achieve its purpose the bill provides, among other things, that the Land Commission will have powers of compulsory acquisition. Also, it is to have the ability to buy, sell, lease or otherwise trade in land for both the private and public sectors and to plan, develop, service and subdivide land for all urban and related purposes necessary for the proper development of the cities and towns of New South Wales. The bill sets out that the commission will consist of a full-time chairman and two part-time commissioners, supported by a small permanent staff of experts **who** will engage and supervise the services of existing public and private organizations and consultants **skilled** in land planning and development operations. It is not the Government's intention that the Land Commission should monopolize the land industry in New South Wales. Its work is to complement that already being done both in the private and public sectors. It will introduce a new element of healthy competition for the private sector, which will then need to look to its laurels and develop and market land in a more efficient and attractive manner at a cost that people can **afford**.

As provided in the legislation, the Land Commission will be empowered to promote research and investigation into matters connected with urban development. As well, it can be expected to look closely at the co-ordination of servicing activities by the various authorities to ensure a continuous supply of serviced sites, orderly development and production at minimum cost to buyers. In this respect it will work in close co-operation with the Planning and Environment Commission, the Metropolitan Water, Sewerage and Drainage Board and all other supply authorities. It is proposed that this new statutory authority will be subject to ministerial control. The staff will be appointed under the Public Service Act of 1902. The principal functions of the commission will be to acquire land for present or future urban development and for public purposes, to develop and make available, or to make available for development by others, land so acquired for urban development and for public purposes, and to carry out or promote research and make reports and recommendations in relation to urban development.

As I mentioned previously, in exercising its functions, the commission will be making land available at the lowest price practicable and promoting orderly and economic urban development within the State. The legislation provides that the commission will be able to include, in contracts for the sale of land, provisions requiring building to be undertaken within a specific period, specifying the conditions on which land may be resold and giving the commission first option to repurchase in certain circumstances. These provisions generally will be designed to prevent speculation in vacant land. The bill provides also that the Registrar-General shall endorse on the title any such restrictions contained in contracts and the Registrar-General shall not register a dealing in the land while such covenants are in force. This means that until the commission lifts the covenant it has control of the resale position within the terms of the contract of sale. [*Quorum formed.*]

The Government is of the view that from time to time there may be occasions when the development of a prescribed growth centre will be helped by the participation of the Land Commission. Accordingly, provision has been made that, with the agreement of the Minister responsible for growth centres, the commission may operate within such centres. Similarly, it is felt that in some circumstances local government authorities

**Mr Ferguson]**

may be unable to provide the expert staff and finance to facilitate some aspect of the urban development of its area which the Land Commission wishes to achieve in pursuing orderly and economic development. The legislation provides that with the permission of the Minister administering the Local Government Act of 1919 and by order published in the *Government Gazette*, the commission may assume and exercise relevant powers of the council. The purpose of this power is simply to facilitate the work of the commission and to be helpful to councils in those areas where they are unable for reasons beyond their control to provide the required finance or expertise.

An organization like the Land Commission must necessarily have powers in relation to the borrowing and investment of funds, and these are set out at some length in the bill. Briefly they authorize the commission to invest money in certain approved securities and to borrow on overdraft from banks or by way of loans from the Treasurer. Schedule 3 contains detailed provisions relating to loans raised by the commission. Provisions are contained in the legislation to enable the commission to delegate its functions to a commissioner or a servant of the commission in appropriate circumstances. Schedule 1 covers in detail such matters as the terms and conditions of office of the chairman and commissioners, remuneration, conduct of meetings, keeping of minutes of the commission's proceedings, protection from liability in appropriate circumstances and other incidental matters. The bill includes also, provision for the making by the Governor of regulations in connection with the administration of the Act.

During my second-reading speech I will elaborate on a number of other provisions in the bill that are of a minor, consequential or ancillary nature. I believe that the establishment of a Land Commission in New South Wales, particularly at this time, is a most necessary measure to promote order and economy in the land market. I commend the bill to the House.

Mr ARBLASTER (Mosman) [3.18]: I listened with interest to the remarks made by the Minister when he introduced this bill. They had a familiar ring. Many of the words contained in this legislation are similar to those used in a bill which was introduced in South Australia. I think that I can best sum up this measure in the words of a man who was probably the greatest statesman this world has ever seen—Sir Winston Churchill—when he said:

If you destroy a free market, you create a black market.

*[Interruption]*

Mr ARBLASTER: That is a typical socialist way of going about it. The Opposition's view of this bill, and of other bills that will be introduced by this socialist Government, is that they must be carefully scrutinized. We believe that governments are basically bad managers of people. They are particularly bad managers when, on their own, they enter into what is predominantly a private enterprise competitive venture. We believe this field should be left to the private sector where the efficiency is, not taken over by a giant bureaucratic organization. We shall examine the bill to see whether it is workable. We want to see whether we can assist in overcoming the bureaucratic approach, this bureaucratic and socialist way of going about things. We shall examine the bill to see whether, when implemented, it will reduce the price of land as the Premier promised in his policy speech, when he said that the Government would reduce the average price of land by \$2,000 a block. We shall see whether that can happen under the terms of the legislation. We shall see whether it is another socialist dream that will turn into a nightmare for landseekers in this State.

The key to land prices in this State is the supply of raw land. It is useless for the Government to say that it will go in and do this. It has no expertise in the marketing and development of land on a competitive market. If the proposed Land

Commission is to reduce land prices, it will have to put on the market over 4 000 blocks in any one year. If it enters the competitive side it will have to do that to break even. We believe that the supply of land is the key factor. Governments have a part to play in providing raw land, but they have no part in the development of land and the construction of dwellings. Inevitably, Government activity in this field is inefficient and in the long run proves to be extremely costly.

We shall examine the bill to see whether it is not merely a mass of words. We expect it to give details of how the aims set out by the Minister can be achieved. We want to know why it is necessary to establish a Land Commission when there is already an urban land council within the Housing Commission. On our information, the urban land council has enough power to do what the proposed Land Commission is supposed to do in the future. We want more details. One thing about the bill that frightens us is that it will control the price of land. In South Australia when the Land Commission bill was introduced, the Minister introducing it, immediately after making his second-reading speech, asked that the debate on it be adjourned and then brought in the Land Prices (Control) Bill, which now controls the price of land in that State. We will not have a bar of that.

*[Interruption]*

Mr ARBLASTER: The socialists ride. The flag is up. We know the man with the red flag, Chairman Mao. Will he control land prices? Government supporters, as usual, are showing themselves in their true colours. The Minister for Lands made two statements in this House after notice of motion for leave to introduce the bill was given. He said that his colleague would introduce a bill into this House that would control the sale of land throughout New South Wales. From what we have heard, that is not included in the bill. We shall be looking to see that it is not included in the bill. This legislation must not give too much discretionary power to the commission or the Minister. We want all details spelt out. We believe that the affairs of the Land Commission should be under the close scrutiny of this Parliament. We want to know where the funds will come from, how the money will be raised to buy and service the land, the amount of land that will be needed if prices are to be reduced, at what price the land will be sold, whether details of sale will be included in the legislation, whether the land will be sold at cost price and how that cost price will be calculated.

The Government must safeguard the rights and privileges of owners of property that is being resumed. They must be fully compensated for the loss of their land. The rights of purchasers must also be fully protected. The rights of the individual who owns his own home must be protected, once he owns that piece of dirt that everybody wants to buy. The land is theirs by right. All the privileges pertaining to freehold land must be retained by them, not passed over to the State.

If the land is to be sold at a low price, we want to know how this will be done. If a means test is to be applied, is the taxpayer's money to be used to provide a subsidy for this scheme? We hope that the bill will set out details of a genuine partnership between the private sector and the public sector. The scheme will be successful only if they compete on equal terms or on a partnership basis, with the Land Commission paying local government rates and not screwing councils by not paying rates. Only in this way will the legislation go part of the way towards achieving the aims.

I believe this bill is extremely important. Its ramifications go far beyond what the Minister has said. I hope that enough time will be available for submissions and suggestions to be put forward by all interested parties who want to examine the details of the bill. Time must be allowed to the people of the State to look in detail at the bill and to try to make it workable. We look forward to seeing the bill.

Mr HATTON (South Coast) [3.28]: I listened with interest to the Minister and the honourable member for Mosman. I know that on occasions there is a lot of difference between the aims of a government, no matter what its complexion, and the results that flow from its legislation. Many of the arguments of the honourable member for Mosman were conflicting. Let us examine the situation over the past eleven years. Land development was left to private enterprise. What happened? Even the federal Liberal Government had to take action to dampen down the speculative climate in the community. Let us consider the effects and, in this context, let us talk about free enterprise. The Minister said nothing about monopoly; he talked of free and healthy competition with private enterprise. What is wrong with that? It is one of the key roles of government. It is needed at a time when land in New South Wales is the most expensive in Australia. The honourable member for Mosman talked of free enterprise. We have seen large companies involved in real estate development. We have seen controlled release and monopoly, but not free enterprise. All the land surrounding some towns has been bought up.

In these matters local government and the landowner are powerless. Restrictions on planning and the lack of power by councils are very real. We hear talk about supplying raw land. Is it not the Government's function to assist in this respect? The Crown owns the majority of land in the State. Therefore, it belongs to the people of the State. When governments talk about helping the people they should start talking about using this tremendous resource for the benefit of the people. Governments and local government have planning problems, but there is no reason why they should not use their controls for the benefit of the majority.

The honourable member for Mosman raised some questions that were right on the line, and I shall expect some answers to them. For instance, he spoke about the rights and privileges of landowners. There is no doubt that they should be protected. However, I believe that it is absolutely necessary for the Government to become involved in this area, because at various times in the past ten years—in particular in 1973–74—land prices skyrocketed. These greatly increased costs were reflected in a high level of activity and a very speculative climate. The rises led to greater activity and greater rises. The federal Liberal Party Government that now talks so glibly about inflation should realize that few things are more inflationary than the increasing price of land. When skyrocketing takes place in this field, with price increase following price increase, practically nothing is added to the gross national product. That is the essence of inflation. What does the skyrocketing of the prices of land produce in actual goods? I admit that land development does lead to the provision of some kerbing and guttering, sewerage and other services, but speculation in land, and the profits made from buying and selling it, are wholly inflationary.

It is no good saying one thing and meaning another. It is no good talking at the federal level about inflation and then talking nonsense here about leaving land sales to free enterprise in New South Wales. Let us see some changes. Diversion of capital is a major matter that affects my electorate, where timber workers are unemployed, directly because money is being channelled into the prices of blocks of land and not into timber. The money does not go into bricks and mortar and so into employment. The price of land is reflected by much hardship in the community, because it results in high rents, increased rates, and reduced home ownership. Crown land belongs to the people and should be used like other resources for the welfare of the people. Homesites and home ownership are fundamental to the Australian way of life. Any Australian will tell you that he takes great pride in being able to own his own land and his own home. Home ownership is fundamental to the stability of the family.

I realize that the Opposition argues that, because land is an asset of the people, the maximum price should be obtained for it, and so it should be put up at general auction to get the best price. I ask honourable members to consider the effects of this course and to offset the advantage of getting the best price against the problems that this system creates. One must consider the social problems that are created. High rents, high rates, increased unimproved capital values and a lack of homes all create real problems in communities, especially among people who are trying to survive in retirement and having to pay rates based on high unimproved capital values. People have great problems when they are trying to survive in a poor standard of accommodation because they cannot afford the rents for better housing. The cuts by the federal Government in housing funds are criminal. The forecast is that rents will rise even more savagely in the next two years. What will this do to fundamental family life?

If we are looking for other clear advantages, let us consider town planning. The release of major Crown land lots will mean that the Government and local government will be able to negotiate rezoning when supplying the market; they will have proper controls, and this system will bring the Government into the planning field, in partnership with local government, in a real sense. In some areas planning cannot be easily controlled, although in other areas it is possible for the Government to control it. If the Government owns the land it can do just that little bit extra, by providing a proper layout, sewerage, water services, adequate recreation areas, and so on. Although these are catered for in existing planning schemes, it is possible to go that extra mile if the planner also owns the land. In these circumstances the planner can provide extra recreation areas, and not take what is left after private owners carve up a piece of land and offer a bit of swamp or creek for its contribution, whether it be 10 per cent or 12 per cent of the total area, for recreation use. It would be possible to plan regional shopping centres, develop transport patterns, and cater for transport needs. The Government could even look at the integration in its plans of such things as school and community centre sites. This freedom of control is not available when the land is owned by private enterprise.

I am not trying to rubbish private enterprise. Some developments are first class, and the people concerned have every right to be proud of them. I was disgusted when the parties that are now in Opposition would not release Crown land to the Housing Commission, but at the same time were bleating about the inability to provide enough houses. Surely they should have put that money into bricks and mortar. Surely there should be the partnership of which I spoke. I hope to see one.

I lived in a garage for two years and started my married life with £50. I know that if I had not been able to get a block of land under suburban leasehold, and my wife and I had not built on it stick by stick, we would not today have a home that we are proud to call our own. If the Government can bring that about, I am right behind it. I am keen to examine the bill in detail at the second-reading stage. If there are elements in the measure that I feel will restrict the freedom of individuals, or if there is an over-involvement by the Government, I shall be the first to criticize. Addressing myself to the basic aims and principles of the legislation as outlined at this stage, I am wholeheartedly behind it.

Mr PETERSEN (Illawarra) [3.37]: It is important that this bill comes before the House, and I think it is most relevant that it should have raised the ire of the honourable member for Mosman, the champion of free enterprise.

Mr Arblaster: *Vive la difference.*

Mr PETERSEN: Yes, *vive la difference* is the appropriate way to put it. We on this side of the House stand for the interests of the people—the homeowner, the homebuilder, the people who want to have their own homes without being ripped off by the developers and cut to pieces by the land sharks. In my area new blocks of land are available for between about \$8,000 and \$15,000. When one looks at a quarter-acre of land and sees the value put on it, one wonders how the price is made up. I concede that a certain contribution is included in it for the cost of kerbing and guttering, and the cost of road works. There might even be a contribution to the cost of sewerage, or even for electricity or telephone extensions—though this is not usual. But when one adds together all those costs, in no way does the total reach anything like \$8,000. The land, as agricultural land, is worth at best \$500 an acre, so one wonders who is getting ripped off. [*Quorum formed.*]

While we were waiting for a quorum to be formed the honourable member for Wollondilly demonstrated the depth of the intelligence for which he is renowned by asking where it was possible to get agricultural land for \$500 an acre. He suggested that it might be worth \$1,000 an acre. Even if the land in question were worth \$1,000 an acre, it would still cost only \$250 for a quarter-acre block, and that amount, even with the added cost of providing services, shows clearly that a great number of people in our community are having a great ripoff from land development. We are now getting to the stage where it is almost impossible for the ordinary worker to buy a block of land and to build a house on it. Just after World War II, when I was building my first home, the cost of a block of land was estimated to be 10 per cent of the total cost of the land and dwelling. The cost of a block of land is now between 40 per cent and 50 per cent of the total cost of the land and dwelling.

Mr Haigh: It can be more than 50 per cent in my area.

Mr PETERSEN: The Minister Assisting the Premier points out that in his electorate the cost of a block of land might be more than 50 per cent of the total cost of obtaining a home. At one time it was a simple matter to build a house on a block of land. The word allotment meant exactly that: a person who wished to build his own home was given an allotment of land on which to do so. In the days of my parents and grandparents land was virtually free. Since that time we have come to expect more facilities. We have come to expect that we will be provided with electricity, telephones, kerbing and guttering, public transport, and so on. If growth were uncontrolled, ribbon development would occur, and that would make the cost of providing essential services excessive. We therefore instituted a system of town planning, but under capitalism town planning has a major defect, in that it creates an artificial scarcity of land. When that happens owners can charge excessive prices for land.

I congratulate the Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing for proposing the legislation for which leave to introduce is sought. It will be an attempt to get round the situation in which we find ourselves, where artificial scarcity of land is caused by town planning and, as a result, land prices have gone sky-high. Despite what the honourable member for Mosman said, when a person buys a block of land he does not buy a piece of dirt. What he buys are essential services, provided mostly by government instrumentalities, and in effect he is paying his share of the cost of providing those essential services. The cost of the block of land itself is negligible. It represents only a delineated area for which essential services are provided. [*Quorum formed.*] As the Government is providing most of these essential services, it is up to it to intervene and to take increasing responsibility for the development of land.

We should look at exactly how land has been developed in Canberra, and adopt what has been done there as something of a model. It is an anachronism that in our society we have allowed only one city in the whole of Australia to be properly

planned, and that happens to be a city where the Government owns all of the land and does all the town planning. What was done in Canberra attracts the **great** cry of socialism, as though socialism were some bogey of which workers should be afraid. The price of land and the provision or otherwise of essential services under private capitalism indicate that we need a lot more socialism for the proper development of town planning and the making available of land.

The proposed bill will be essentially modest. It will be an attempt to deal with only some of the worst excrescences of private enterprise in land development under capitalism. We have now reached the stage where it is difficult for a worker to own his own home. More and more people are applying for Housing Commission accommodation, and for two reasons, neither of which is the cost of actually building the house. Actually, the cost of housing in relation to wages generally is probably cheaper now than it has ever been, but the cost of land is sky-high and interest rates are sky-high. We cannot do a great deal about interest rates, which are the responsibility of the Fraser Government that caused them to go sky-high, but we can do something about the price of land. I have much pleasure in congratulating the Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing, and Cabinet upon their initiative in proposing such a desirable piece of legislation.

Mr GRIFFITH (Cronulla) [3.47]: My remarks at this stage will be brief. I doubt whether any reasonable honourable member would disagree with a bill that he believed would result in the provision of cheaper land for the construction of houses. I do not think that the establishment of a land commission will achieve that purpose. I want to put this question to the Government at the beginning of the debate on the subject: what need is there for a land commission in New South Wales? Already we have two authorities with the powers proposed to be given to a land commission, as the Minister would be well aware. One is the Urban Land Council, which can fulfil all the functions intended to be exercised by the proposed land commission; the other is the Housing Commission of New South Wales, which has full authority to acquire land, to develop it, to sell it, and to do all the things envisaged by the proposed bill.

A land commission is not necessary, and the Government will not be able to convince me or members of the Opposition that what it proposes, though starting out as a small group consisting of a commissioner, a couple of assistant commissioners and a small casual staff, will not finish up a great bureaucratic octopus that achieves nothing. The fundamental consideration is the availability of land and the cost of land. Before anything can be done with land for housing, it must be bought, serviced with water, sewerage, transport, and all the other things that people demand in a modern society, and all sorts of local government conditions must be met. These vary from area to area. In the process various government instrumentalities must be dealt with, some of whom operate efficiently and some do not. The cost of all these processes are added, and that gives the price of a block of land.

No matter what the Minister says, there is nothing he can do, as far as I know, to achieve immediately what many people have been trying to achieve for more than fifty years. He thinks that by the mere introduction of a piece of legislation into this House he will solve problems that experts—and I repeat, experts—have for a long time sought to overcome. I should like to comment upon the attitude adopted by the honourable member for Illawarra and by the Government generally. Members who sit on the Government benches have an almost class-conscious hatred of land developers and business people.

Mr Petersen: We have plenty of reason to hate **them**.

Mr GRIFFITH: The honourable member may think so. Government supporters hate businessmen who engage in land development and they assume that everyone who engages in that type of activity is a robber, a liar and a rogue. For the benefit of the honourable member for Illawarra and his colleagues, I should like to inform the House that earlier this year, when I had the privilege of being Minister for Housing, I saw private enterprise developers on the fringe of Sydney in the desirable region of Blacktown and Richmond building 3-bedroom brick-veneer homes, fully developed with paths, fences and everything one might require, including underground services, within three minutes walk of a railway station which offered an electrified service of less than an hour's travel to the heart of the city.

Mr Johnson: How much?

Mr GRIFFITH: That is what I am about to tell honourable members. These houses were on the market at prices ranging from \$27,000 to \$28,500. I defy any instrumentality or organization, public or private, to cut prices below that figure. That is the sort of thing being done by private developers. The only thing that prevented young people from going into these homes immediately the builders walked out was lack of money. People are not able to get the finance to purchase homes. This is, I believe, the real problem in housing. Land is only part of housing, though admittedly it is an important part. The basic problem is the availability of money. The setting up of a land commission will not solve that basic economic problem. Somewhere, sometime and somehow, we must provide money cheaper than is now available so that young people may purchase their own home. The Government will not convince members on this side of the House that the establishment of a land commission will do anything but set up a great bureaucratic empire which the economy of this State can ill afford. I shall certainly study the bill with great interest.

Mr FERGUSON (Merrylands), Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing [3.55], in reply: I express my appreciation to honourable members who have shown an interest in and contributed to a discussion on what I believe is an important piece of legislation. The honourable member for South Coast and the honourable member for Illawarra displayed a keener understanding of the position with regard to land prices in New South Wales than particularly the honourable member for Mosman, who set out to attack the South Australian Land Commission. The honourable member for Mosman said he hoped that the proposed land commission would not be an operation similar to the South Australian commission. I can tell him now that it will be a similar operation to the South Australian commission.

South Australia, by the establishment of its land commission, is able to put land on the market for the people of that State at a price considerably less than comparable land in Victoria and New South Wales. The honourable member for Mosman is a supporter of free enterprise and his real concern is the competition that free enterprise will have to meet. The New South Wales Government proposes, on the establishment of the Land Commission, to go into competition with free enterprise. I assure the Opposition that this Government intends to control the price of land and will do so by putting land on the market at prices cheaper than land offered by private developers. That is the way to control the price of land. The Government will create competition in land sales. I appreciate and value the role played by private enterprise in developing land, but in my opinion privately developed land is too expensive for homeseekers.

The honourable member for Cronulla is a former Minister for Housing. He used to go in with the tide and out with the tide; it depended upon who was Premier whether he was in or out of the Ministry. The honourable member spoke of the

difficulties encountered by people seeking home finance. That does not reflect great credit upon his own efforts when he administered the housing portfolio. The honourable member gave the House a dissertation about his visiting the outskirts of Sydney and inspecting a private enterprise development which offered houses at a minimum of \$27,000. However, the deposit would be \$7,000 and the repayments \$220 a month. That is the sort of private development the honourable member was referring to. He referred also to the Urban Land Council. I do not know whether the honourable member for Cronulla was the Minister who set up that council, though he obviously knows something about it. The former Government stands indicted for its lack of co-operation and lack of concern in putting land on the market at reasonable prices. I remind the honourable member that he was a Cabinet Minister of the former Government which, because of its delay and procrastination and utter hostility to the Whitlam Labor Government, deprived the people of New South Wales of millions of dollars of cheap money that could have been used for the purchase and development of home sites.

Mr Lewis: Bull.

Mr FERGUSON: The ex-Premier interjects. I shall be kind to him and give him some facts, though his stupid interjection does not deserve such treatment. [*Quorum formed.*] Lack of action by the previous Government cost New South Wales an enormous amount of federal money which could have been used for land purchases, with no repayments for ten years and then repayment over thirty years. The South Australian Government co-operated with the Whitlam Government and got \$47 million to enable it to build up a stock of land suitable for homesites. The former New South Wales Government, because of its procrastination, received only \$11.7 million last year and only \$820,000 the year before. I am proud to say that this bill is based upon the South Australian Land Commission Bill and this Government proposes to do what has been done in South Australia—stabilize the price of land and if possible bring down the price of land. I commend the bill to the House.

Motion agreed to.

Bill presented and read a first time.

## PUBLIC WORKS AND OTHER ACTS (INTEREST RATES) AMENDMENT BILL

### Second Reading

Mr FERGUSON (Merrylands), Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing [4.0]: I move:

That this bill be now read a second time.

At the introductory stage I explained that this bill was presented in the previous Parliament and that on 16th March it passed all stages in this House. However, the measure was not reached in the Legislative Council prior to the election. As the bill is a machinery measure that was debated fully on the previous occasion, it is presented again so that the amendments which flow from the Public Works (Amendment) Act, 1975, may be introduced.

Honourable members may recall that the bill seeks to clarify further certain matters dealt with in the Public Works (Amendment) Act, 1975. I draw the attention of honourable members to the explanatory note to the bill, which shows that the position in respect of rates of interest payable on compulsory acquisition of land that took effect on or after 18th December, 1975, has been dealt with and clarified further.

It will be recalled, also, that the 1975 Act made several provisions to update the procedures under the Public Works Act, 1912, in connection with the payment of compensation and interest.

The bill before the House sets out the same formula for the payment of rates in respect of acquisitions of land from 18th December, 1975, and onwards as are included in the 1975 Act. The rate for the first year from the date of acquisition is 4 per cent and for the period after the first year it will be such rate or rates as may be declared by the Treasurer. Any disadvantage a claimant considers he may have by reason of the 4 per cent rate is offset by the power given to the constructing authority by the bill and the 1975 amendment to the Public Works Act, 1912, that is, to advance part or parts of the compensation claimed while final settlement of the claim is being arranged.

The major part of this bill is the amendment to numerous Acts that are set out in the schedule. This illustrates how over the years the Public Works Act has been incorporated in many Acts for specific purposes. These consequential amendments were not carried out in the 1975 amendment Act, because of the imperative need to clarify the position as to the correct rates of interest that should be paid on compensation payable under the Public Works Act, 1912. It will be noted that thirty Acts require amendment; these include specific amendments to the Local Government Act, 1919. The bill does not alter any principle set out in either the 1975 Act or the previous 1976 bill; the things that require attention and are included in this bill are machinery matters only.

I shall now deal with the bill in detail. Clause 1 contains the short title. Clause 2 gives the commencement date which, as honourable members will see, is the date of the commencement of the 1975 Act. This, of course, is retrospective. In this bill retrospectivity is necessary, as all the consequential amendments to the Acts referred to in the schedule must take effect on the day of the major amendment. Clause 3 sets out the interim rates in respect of compensation arising out of the taking or acquisition of land after 18th December, 1975, and is on the same basis as is set out in the 1975 Act. It sets out also the particular amendments required to the Local Government Act. Clause 4 refers to the schedule which enumerates the Acts affected and the amendment required. This is a short procedural bill. I commend it to the House.

Mr ARBLASTER (Mosman) [4.5]: As the Minister has said, the bill has been debated fully on another occasion. The Opposition has no intention of opposing the passage of the bill—in fact, we support it.

Mr LEWIS (Wollondilly) [4.6]: I shall not delay the House. Through you, Mr Speaker, I should like to ask the Deputy Premier a question because my brief reading of the bill does not make the position clear. In the past one of the difficulties of the constructing authority has been that if the owner of a property being purchased does not lodge an appeal or apply for compensation, no action is taken; in other words, the Crown cannot initiate action in regard to payment. An individual can make a claim to the Land and Valuation Court against the Crown for payment, but the Crown cannot initiate such action. I can remember clearly asking a former Minister for Public Works, then the Hon. Davis Hughes, now Sir Davis Hughes, whether it would be possible to introduce an amendment that would allow the Crown to take action in these matters.

I have known of a number of cases in my own electorate where a person's land has been resumed and he did not accept compensation because although he wanted a higher sum than that offered to him, he did not apply for compensation or appeal to the Land and Valuation Court against the determination. The Deputy Premier may be interested in one case that I dealt with when I was Minister for Lands. This matter,

strangely enough, concerned the Rose Bay Convent. In about 1910 or 1911—at any rate at the introduction of the Public Works Act by, I think, the first Labor government in this State—certain land was resumed on the foreshores of Rose Bay. However, the resumption was not made the subject of an approach to the Land and Valuation Court. Some officers of the Department of Lands were interested in the matter. However, fifty-five years later, after a solicitor representing the Catholic Church and the Rose Bay Convent came to see me, the Government had to pay compensation to the Rose Bay Convent. Though the Department of Lands was the constructing authority under the Public Works Act, it could not go to the Land and Valuation Court for a determination. If the Catholic Church, the Rose Bay Convent or any person whose land had been purchased, acquired or resumed, did not apply for a determination, no determination as to the value of the land was made. In consequence, no payment was made in respect of this acquisition. I think that fifty-five years is about the longest time that anyone has waited to be paid in respect of an acquisition of land. As I recall, an *ex gratia* payment was made, representing the loss of interest over a period of fifty-five years.

I should like to ask the Minister to say in his reply whether the Crown can now initiate action so that valuation can be determined and compensation paid at the time and at the rate determined by the Land and Valuation Court or a higher court.

Mr FERGUSON (Merrylands), Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing [4.8], in reply: I thank both Opposition members who have spoken on the bill. For the information of the honourable member for Wollondilly, consideration is being given to the whole question of amending the Public Works Act, including the specific matter he raised.

Motion agreed to.

Bill read a second time.

Mr FERGUSON (Merrylands), Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing [4.9]: I seek leave of the House to move the third reading of this **bill** forthwith.

Mr SPEAKER: Is leave granted?

Mr Lewis: I have noticed that it has become customary over the past few days—

Mr SPEAKER: Order! I gather that the honourable member is dissenting to the third reading of the bill forthwith?

Mr Lewis: Yes, Mr Speaker, **I am**.

Mr SPEAKER: Then the bill shall be dealt with in Committee.

#### Committee and Adoption of Report

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

### MISCELLANEOUS ACTS (TRANSPORT LEGISLATION) AMENDMENT BILL

#### Second Reading

Mr F. J. WALKER (Georges River), Attorney-General [4.12]: I move:  
That this bill be now read a second time.

This bill will amend three Acts—the Ministry of Transport Act of 1932, the Transport (Division of Functions) Act of 1932, and the Transport (Division of Functions) Further Amendment Act of 1952. The amendments have the common purpose of removing the statutory basis for the office of the Minister for Transport, the Department of Motor Transport and the Department of Main Roads so as to place them in the same position as to their future existence and title as all other Ministers and departments. Clause 6 of the bill will ensure the continuation of the Ministry and the two departments but clause 7 provides that nothing in the bill will affect the powers embodied in the Administrative Changes Bill to effect administrative change. The bill will be deemed to have commenced on 14th May last. I commend the bill to the House.

Mr MADDISON (Kli-ring-gai), Deputy Leader of the Opposition [4.13]: The Opposition does not oppose the second reading of this bill.

Motion agreed to.

Bill read a second time.

### Third Reading

By leave, bill read a third time, on motion by Mr F. 3. Walker.

## CONSTITUTION (MINISTERS OF THE CROWN) AMENDMENT BILL

### Second Reading

Mr F. J. WALKER (Georges River), Attorney-General [4.14]: I move:

That this bill be now read a second time.

The Constitution provides that the holder of an office of profit under the Crown is disqualified from being a member of Parliament, but this restriction does not apply to the offices of Premier, Attorney-General and fifteen other Ministers, or to any office of profit under the Crown created by Act of Parliament as an office of the Executive Government. In the latter category fall both the Minister for Agriculture and the Minister for Transport. The proposed repeal of those two offices by bills now before the House would mean that any Ministry could not exceed eighteen in number. To regularize that number to its present maximum of twenty it will be necessary to amend the Constitution Act's second schedule and this is all that clause 3 of the bill will do. The size of the Ministry is not increased—there is merely more scope given to titles some Ministers will bear. I commend the bill to the House.

Sir ERIC WILLIS (Earlwood), Leader of the Opposition [4.15]: The Attorney-General's much too brief and supercilious explanation of this legislation is really no explanation at all. As the Attorney-General has indicated, it is a simple measure. In the past day or so the House has dealt with two bills that will reduce from twenty to eighteen the maximum number of Ministers of the Crown permissible in this State. The purpose of this measure is to increase the number back to the maximum of twenty. As no one has said anything to the contrary, I can only assume that the Minister speaks on behalf of the Government. He has indicated that the Government does not want twenty Ministers; it wants only eighteen Ministers. So, being a simple fellow and accustomed to doing things in a simple and straightforward way, I ask the simple question, why are we increasing by two the number permitted? We have not been given any explanation for that. If we need only eighteen Ministers, why is the House passing legislation to provide for twenty Ministers of the Crown? It is about time the Premier or the Attorney-General came clean on the subject.

I indicated at the introductory stage that I thought it may have been because the Government wanted another Minister in the Legislative Council but I was assured that was not so. It became apparent that all the hopes and aspirations of the Hon. Edna S. Roper, Deputy Leader of the Government in the Legislative Council, who is a competent lady, were to be dashed to the ground. The Government, which has on many occasions told honourable members how fervently it supports the cause of women's rights, is determined that it will not have women in Cabinet. If the Government does not want women in Cabinet, it is in effect perpetuating a system of cheap female labour which it proclaims loudly to oppose.

In the Legislative Council the Government is putting a tremendous burden of responsibility on a woman without at the same time giving her any commensurate financial reward. I do not quite know why the Government is doing that. I have not received any explanation for it. The only thing I can do is form conclusions of my own. If I do that, the Attorney-General will say that I am an improper type. I know that the Labor Party has a complete detestation and hatred of upper Houses everywhere, particularly since 11th November of last year. It seems to me therefore that the Government by this bill is attempting to do something that it is not appearing to do.

The other question I ask is, why is this measure being put through the House now? If there is no need for a bill to provide for two extra Ministers, because the Government does not want any extra Ministers, though it may at some future stage, why not bring up the legislation when the Government has decided that it wants two more Ministers? The House has been told that because one measure passed through the House last night and another earlier today we have to have the bill now to restore to twenty the maximum number of Ministers permitted. Why is that so, if we do not need any more than eighteen Ministers at the present time? A crusade to tidy up the statute book by eliminating Acts wherein there is specific reference to the Minister for Transport and the Minister for Agriculture because the Government does not want to use those titles either now or in the future, is one thing, but there is no need to have complementary legislation to increase the permissible number of Ministers to twenty, unless the Government at this stage wants to have twenty Ministers. The Opposition deserves an explanation and the less explanation it gets, quite naturally the more suspicious the Opposition, the media and the populace will become.

All honourable members would agree that the appointment of an additional Minister is an important matter, particularly to the community, which has to foot the bill. If Parliament is to have two extra Ministers, I estimate the cost to the taxpayers of New South Wales would be approximately \$200,000 a year extra. Not only has a Minister's salary to be taken into account; he requires an office, personal staff, a car, a driver and all the usual facilities made available to a Minister. The aggregate cost would be close to \$100,000 a year. If we are to have two additional Ministers, the additional cost would be \$200,000. If this is considered necessary and the Government believes it ought to have two additional Ministers, it should come out and say so instead of bringing forward legislation in this round-about, sneaky way and saying that the number of Ministers will be restored to the former twenty, though it does not really need to do this. During my long experience in this House I have never known a government to bring legislation before the House and say, in effect, it did not need the legislation but it wanted the Parliament to rush it through quickly so that it was on the statute book.

When the former Government was in office it had the power to have up to twenty Ministers. However, it did not feel the need for that number. I know that the present Cabinet has some passengers. Perhaps the Premier wishes to replace them or in some way to lighten the burden on those who are overworked because the passengers are not sharing the burden. If the Premier wants to increase the size of the

Cabinet, I wish he would say so. If he does not want to increase it, I want to know why the bill has been brought before the House. If he wishes to increase the Cabinet by two Ministers, he needs the legislation; if he does not wish to increase the Cabinet, he does not need the legislation. Therefore, I ask, why are we having the legislation? Until I receive a satisfactory answer, being the simple fellow that I am, I shall continue to ask that same question. The Minister's speeches at the introductory and second-reading stages of the bill have been so brief as to make one really suspicious.

I have a further question for the Minister. The bill states that when the statute is enacted it will be deemed to have commenced on 14th May, 1976. In case the Attorney-General may have forgotten, that is the day on which the Wran Cabinet was sworn in. Again I ask, if it is not necessary to increase the size of the Ministry, why is this legislation to be backdated to 14th May? If it is not needed until some far distant or unknown date, why make the legislation retrospective? So far there has been no explanation by the Minister. I do not know what the grinning members of the mushroom club at present on the backbenches have been fed in the dark of their caucus room but obviously it has satisfied them as they do not need to be told any more than they have already been told. However, the public and the Opposition have not been informed. The news media are in a quandary over this matter.

If the Government does not want to incur additional expense and wants two additional Ministers, as I informed the Minister at the introductory stage there are ways in which it can be done. The Government can drop one Minister from the Legislative Assembly and replace him with a Minister in the Legislative Council. No legislation would be required to do that. No additional expense would be incurred. The Government could do what was done by a former Labor Premier for whom the present Premier has suddenly discovered an admiration, the Rt Hon. Sir William McKell—he appointed a couple of honorary Ministers. The catch with that system is that the total pool of Cabinet salaries is divided by two more. Of course, the gentlemen in the present Cabinet, with such altruistic feelings towards their fellows, would be somewhat reluctant to engage in that type of practice, which apparently was all right during the years of Sir William McKell but is not all right at present. Another choice is for the Government to avail itself of the provisions of section 38A of the Constitution Act by which Ministers in the Legislative Assembly are permitted to address the Legislative Council and to participate in debate there. However, they are not permitted to vote. The Opposition would be happy to co-operate in that respect if the whole purpose of this rather peculiar exercise is to lighten the burden of the Vice-President of the Executive Council in another place.

I repeat what I said at the introductory stage: I cannot understand the need for this measure. All the Minister has said is that the Government must have it but he has not told the House why. He has not informed the House why it is intended to backdate the provisions of the bill or why there is a need to provide by legislation for two additional Ministers if he insists that the Government will not have any additional Ministers. In view of these unanswered questions all I can say is that the Government once again is treating Parliament as a rubber stamp. The public wants an explanation of the need for the bill. If no explanation is forthcoming, the Opposition and the community cannot be blamed for being suspicious of the Government's intentions. Although the Opposition has no intention of delaying the passage of the measure, I hope that the Minister in his reply will give the Parliament and the community a more adequate explanation than he has given so far.

Mr F. J. WALKER (Georges River), Attorney-General [4.27], in reply: I observe that the Leader of the Opposition, having misread the bill, made a stupid error and opened his mouth loudly in the House only to be proved wrong, has finally obtained some sensible advice from people in his party who know a little bit about it.

He is now retreating at a great rate of knots from his initial statements. The Leader of the Opposition has never been willing to say that he was wrong. To cover up his mistakes he has now put forward the same arguments in a slightly changed format, with equal lack of conviction.

The bill does not increase or decrease the Ministry; it maintains the *status quo* that has existed in New South Wales for many years. When the Leader of the Opposition was Premier, for those few glorious days, he was entitled to appoint two more Ministers to his Cabinet. He had the numbers in both Houses which he used during his short period in office to force many bills through the Parliament. He could have reduced the size of his Ministry to eighteen if he felt that, as he hypocritically asserts now, twenty are unnecessary. Although he had every right to reduce his Ministry to eighteen he did not do so, because he did not believe in the argument that he is now putting to the House. If he believed that the Ministry should have been reduced to eighteen as he now asserts, why did he not bring before the Parliament a bill to reduce the number from twenty to eighteen? The Government is not willing to reduce the number, for the same reason: Government business is increasing, with a need for new portfolios. On any day a government may decide that one or two new Ministers are required in the interest of the people of New South Wales. If we have a capacity for an additional two Ministers, it is in the public interest that the capacity be maintained. I am sure that the Leader of the Opposition would oppose any increase. He would not like to see the interests of the people of New South Wales improved by an increase in the already substantial and capable Ministry of the **Wran** Government.

I remind the House of the devious argument of the Leader of the Opposition about the Hon. Edna S. Roper. He said that he supports women's liberation. He contends that there should be a woman in the Cabinet. He had two spare Cabinet positions and he had available a woman, the honourable member for Murray, who is more capable than half the Ministers in his Cabinet. He had to sack three of them when he became Premier. They also were more capable than some of the members who replaced those Ministers. If he believed in women's liberation, why did he not appoint the honourable member for Murray as a Cabinet Minister? I suggest the reason is that he did not believe in women's liberation. He asserts that members of the women's liberation demands that there be a woman in Cabinet. That is hypocrisy, rubbish and stupid.

It is no wonder that the Leader of the Opposition is being challenged at the moment. No wonder John Singleton and the honourable member for Fuller are meeting constantly to decide his downfall and the honourable member for Lane Cove is campaign manager for the move against him. If that sort of performance continues, I imagine that the Leader of the Opposition will not last out next month. I hope he does, because we are enjoying his performance in recent times, though he will have to do a little better.

Sir Eric Willis: Will the Attorney-General appoint two more Ministers or not?

Mr F. J. WALKER: I do not make decisions about the number of Ministers. It is none of my concern: I am perfectly happy with the situation. The next point that the Leader of the Opposition raised was the date, 14th May. I know that date is a painful one for the honourable member and I can understand that he is paranoiac about it. It must cause him nightmares. However, if he examined the other bills going through this House—in particular, the Agriculture (Amendment) Bill—he would realize that the change of name of the ministry from agriculture to primary industries requires some retrospectivity and for that reason there is a consistency in the scheme

of bills; they are all inter-related so far as that date is concerned. That is why the magic date, 14th May, 1976, is included. There is no secret about it and there is nothing to be suspicious about. It is a retrospectivity required because of the nature of the scheme of legislation. If we are to change the laws in the scheme of hills, there must be a retrospective date, and that is 14th May. The contribution of the Leader of the Opposition was as brief as my second-reading speech. It deserves no further comment.

Motion agreed to.

Bill read a second time.

### Third Reading

Mr F. J. WALKER (Georges River), Attorney-General [4.32]: I seek the leave of the House to take the third reading forthwith.

Mr SPEAKER: Order! Is leave granted? Leave is granted.

Bill read a third time, on motion by Mr F. J. Walker.

Sir Eric Willis: On a point of order. We are getting around almost to Rafferty's rules here. Did we not have Committee on that bill?

Mr SPEAKER: Order! The Minister sought the leave of the House to move the third reading. I put it to the House and there was not one dissentient vote, so I granted leave and the motion was carried. I now ask the Clerk to read the order of the day.

## MINISTERS OF THE CROWN (AMENDMENT) BILL

### Second Reading

Mr F. J. WALKER (Georges River), Attorney-General [4.33]: I move:

That this bill be now read a second time.

This bill will repeal from the Ministers of the Crown Act, 1959, that portion of section 4 which deals with matters consequential on a change of name to any ministerial portfolio. The Ministers of the Crown Act is an Act dealing with the alteration of titles of certain Ministers. Section 4 provides that nothing in the Act is to affect powers vested elsewhere to change ministerial titles, and upon any such change being made, the provisions of section 2 and section 3 of the Act shall apply.

Sections 2 and 3 deal with the construction of references to certain Ministers in instruments or documents. Under those sections references to the Colonial Secretary and, say, the Secretary for Mines, were to be construed as references to the Chief Secretary and the Minister for Mines. In view of the proposals in the Administrative Changes Bill now before the House, that portion of section 4 of the Ministers of the Crown Act dealing with the consequences of a change of ministerial title has been rendered superfluous and is to be repealed. I commend the bill to the House.

Sir ERIC WILLIS (Earlwood), Leader of the Opposition [4.36]: I do not wish to say any more than one sentence in relation to this bill. I commend the Minister for giving the House an adequate explanation for the reasons why the Government wishes

this bill to be introduced. It was a perfectly adequate and lucid explanation, with which members of this side of the House entirely agreed. I wish the Minister would always do so.

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 F. J. Walker.

### ACTS REPRINTING (AMENDMENT) BILL

#### Second Reading

Mr F. J. WALKER (Georges River), Attorney-General [4.38]: I move:

That this bill be now read a second time.

As I explained at the introductory stage, this bill has been prompted because of difficulties confronting the Government Printer in printing complete bound copies of large Acts. The Local Government Act has played a major role in these difficulties and it is that Act at which this bill is primarily directed. The Local Government Act is probably the largest Act on the State's statute books—its last reprint contained 828 pages, together with 148 pages of index. It is a long and arduous task for the Government Printer to prepare proofs and to print and bind the Act, which is, as we all know, constantly being amended—some twenty-one amending Acts have been passed since the last reprint in 1974. The amending Acts however generally touch upon only portions of the Act leaving the majority of its bulk substantially unaffected. Nevertheless the Government Printer, in producing the latest incorporated print of the Act, is required to recast much greater portions of the Act than have in fact been amended.

The Parliamentary Counsel, after discussions with the Government Printer, has prepared a scheme that will permit the reprinting of parts of Acts only as distinct from the reprinting of whole Acts. The amendment of the Acts Reprinting Act as incorporated in the bill will be necessary to enable the scheme to be carried out. Though the bill will make all Acts potentially available for printing in this form, its provisions will in fact extend initially only to the Local Government Act. Should it ever be considered that the benefits of the scheme could be extended to other selected Acts, then either the Attorney-General, or the Parliamentary Counsel as the Attorney-General's delegate under the Acts Reprinting Act, may certify those Acts accordingly.

Parts of the Local Government Act will be separately printed and be available for purchase in that form. Purchasers need only buy that part of the Act with which they are specially concerned or that part needed to complement parts already in their possession. The whole Act, consisting of the latest prints of each part, could of course still be purchased in the usual way.

Clause 2 of the bill's schedule provides for the substitution in any Act of up-to-date references to any act, matter, person or thing, either of itself or by a particular description or title, in place of the out-of-date reference to that act, matter, person or thing. This may be done, however, only if some legislation already requires the out-of-date references to be construed accordingly; and if the Attorney-General orders the

omission and substitution. This aspect of the bill will facilitate the accurate reprint of Acts which will, in turn, assist those required to have recourse to them. I commend the bill to the House.

Mr DOWD (Lane Cove) [4.40]: The Opposition supports the bill. I appreciate that this legislation is to apply in the first instance only to the Local Government Act, but the amending bill will bring the other statutes into the scheme of the Acts Reprinting Act. Careful qualifications are built into the Acts Reprinting Act, giving the Attorney-General certain powers, and also enabling him to put such other notices as he thinks fit at the foot of reprints.

The Local Government Act is a complex piece of legislation, but it is no more complex than many other Acts in which one cannot lightly take one section of the Act and give it a meaning without looking at the whole framework. This matter underlines the point raised by the Opposition last night in relation to the special position of the Attorney-General. It is hoped that the Government will have reconsidered that matter and will introduce in another place appropriate amendments to the legislation that was considered last night.

No Minister should be lightly delegated the power to allow a specific section of an Act to be reprinted and circulated, for it will inevitably be misleading if the person is not reminded of the desirability of looking at that particular section in conjunction with the general structure of the Act and the other supporting and machinery sections. Therefore, I ask the Attorney-General to look closely at any submissions that are put before him for extending this Act beyond the Local Government Act, and indeed to resist any pressures lightly to take sections out of context which ought properly be included in a wider context. However, the Opposition appreciates the importance and the commonsense of the machinery provision that is proposed. It relies on the importance of the office of the Attorney-General as a safeguard to prevent sections or parts lightly being taken out of context, and understands that the Attorney-General will exercise the judgment that the legislature and tradition vest in him, to see that no danger arises by sections being taken out of context. The Opposition supports the measure.

Motion agreed to.

Bill read a second time.

### Third Reading

By leave, bill read a third time, on motion by Mr F. J. Walker.

## RESTRAINTS OF TRADE BILL

### Second Reading

Mr F. J. WALKER (Georges River), Attorney-General [4.44]: I move:

That this bill be now read a second time.

As I said at the introductory stage, the Law Reform Commission in 1970, under reference from the Attorney-General of the day, produced a report entitled *Covenants in Restraint of Trade*. The commission reviewed the law relating to the validity and enforcement of covenants in restraint of trade and recommended the introduction of legislation to remedy the law which the commission regarded as unsatisfactory.

The circumstances under which a restraint of trade is created are of unlimited variety. A shopkeeper may sell his business and agree not to engage in that business within specified limits of time and place; a servant may agree that after his service has ended, he will restrict his activities in some way beneficial to his master; a producer of an article of commerce may make an agreement regulating the distribution and sale of his products.

The law has long recognized that there is a public policy against interference with liberty of action in trading. The courts will not grant relief by way of damages or injunction where a restraint conflicts with public policy. The classic formulation of the tests to be applied in this area is laid down in *Nordenfeldt v. Maxim Nordenfeldt Guns & Ammunition Co. Ltd— (1894) A.C. 535, page 565*. The decision in that case established the general rule that a promise in restraint of trade, of itself, is against public policy and is void. But such a restraint is justified, and effective, if it is reasonable in the interests of the parties and reasonable in the interests of the public.

The limits on the grounds of public policy on the validity of some restraints of trade have given rise to dissatisfaction in special cases. These have been made the subject of the specific legislation referred to in clause 3 (3), and are not affected by the bill. The Law Reform Commission reported that it was not aware of any dissatisfaction arising from the general rules of public policy in respect of restraints of trade, apart from the problem of severance which is dealt with by the bill. In addition the Law Reform Commission specifically reported:

We see no call for an attempt to state by legislation the tests by which invalidity on grounds of public policy should be determined.

The views of the Law Reform Commission gain support from the comments of Lord Wilberforce in *Esso Petroleum Co. Ltd v. Harper's Garage (Southport) Ltd (1968) A.C. 269*, at page 331—when he said "it would be mistaken, even were it possible, to try to crystallize the rules of this, or any, aspect of public policy into neat propositions".

The real dissatisfaction with the law which the Law Reform Commission found concerns the extent to which a restraint in trade may be held to be invalid. The report of the commission furnishes examples of the operation of the law. A seller of a business with goodwill extending throughout, but not appreciably beyond, the city of Sydney may sell his business with the promise first, that he will not engage in a competing business within the city of Sydney; or second, that he will not compete within the city of Sydney or other specified local government areas comprising the whole of the County of Cumberland; or third, he might promise not to engage in business within the County of Cumberland.

The first promise does not offend public policy, and is valid. The second promise is wider than necessary for the protection of the buyer and offends public policy, but will be treated by the law as comprising a number of separate promises and is valid in respect of the city of Sydney only. The promise is said to be in severable terms. The third promise cannot be broken up and thus is altogether invalid. Because it is invalid the seller cannot be stopped from setting up a competing business next door to the business he has sold.

The effect of the rules as to severance is such that it is almost impossible to draw a promise in restraint of trade that gives full protection to a legitimate interest within the limits of public policy. The approach recommended by the commission is to enact, as a basic principle, that a restraint of trade is valid to the extent to which it is not against public policy whether it is in severable terms or not. Clause 4 (1)

*Mr F. J. Walker]*

of the bill so provides. By so providing, the validity of the promise is made to depend on the substance of the restraint and not the form of the words in which it is expressed.

Clause 4 (2) makes it clear that subclause (1) does not validate a restraint of trade that is void for any other reason; that, of course, includes the instances where the parties to a restraint have expressed the restraint in terms which are so uncertain that the court cannot draw any particular contractual intention. The Law Reform Commission originally proposed that the Supreme Court be given certain powers in determining the extent of the relief that might be granted to a person to whom a promise in restraint of trade was made. However, the commission's proposals did not give the court power to determine the rights of the parties in respect of conduct between them in the future of basically the same nature, though not precisely the same, as that which gave rise to the seeking of relief. It appeared also that the original proposals did not provide any real sanction against the imposition of unduly wide restraints at the contractual stage but rather placed reliance on empowering the court to refuse relief where a breach of the restraint occurred.

Clause 4 (3) envisages the circumstances that a person receiving the benefit of a restraint may be disadvantaged by the prospective loss of benefits that might flow from an otherwise valid aspect of the restraint, if the court in determining the reasonableness of the restraint, orders that from a specified date the whole or a relevant part of the restraint was invalid. The prospect of losing these benefits will, it is anticipated, discourage the making of recklessly wide restraints in the first instance. As a result the incidence of cases where the court is required to intervene to read down unduly wide restraints will be reduced.

The vesting of power in the court to make an order declaring a restraint invalid wholly or in part from a specified date will also bring certainty to the future relationship and conduct of the parties. It is important to note that the court's power to order a restraint wholly or partially invalid depends upon its being satisfied that there was a manifest failure to make the restraint reasonable. Honourable members will observe that the bill applies to "a restraint of trade" whereas the original proposals contained in the Law Reform Commission's draft bill referred to "a promise in restraint of trade".

The descriptive phrase "restraint of trade" is used in the bill to take in situations where the conduct of a person may be governed by a restraint not in the form of a promise but rather as a provision of the memorandum and articles of association of a corporation or the constitution of an unincorporated association. As such the restraint is binding on the members of the corporation or association and should be subject to the same statutory provisions proposed to be applied under the bill. As was indicated by the Deputy Leader of the Opposition at the introductory stage, the Law Reform Commission took the view that the legislative changes it proposed could be placed in the Conveyancing Act. The honourable member pointed out that he, when Attorney-General, was opposed to such placement. I am glad to say that this is one occasion when I can say that I completely agree with the honourable member. It thus flows that this bill is presented as a separate complete piece of legislation and not as an amendment to the Conveyancing Act.

One final matter to which I should refer is the fact that the bill before the House does not in any way affect the operation of the Commonwealth Trade Practices Act, 1974. Clause 4 (1) seeks only to validate restraints of trade presently invalid at common law. It does not attempt to validate restraints that would be otherwise invalidated by part IV of the Trade Practices Act. The bill is a most desirable law reform measure and one that should have been put into effect at a much earlier date. I commend the bill to the House.

Mr MADDISON (Ku-ring-gai), Deputy Leader of the Opposition [4.53]: The Opposition supports this measure basically for the reasons outlined by the Attorney-General. Certainly what is proposed here brings great satisfaction to the commercial community involved often in contracts dealing with covenants in restraint of trade. I suppose that the widely acknowledged form of covenant in restraint of trade arises on the sale of a business where the vendor of such a business undertakes for a certain period after the sale has been effected not to trade within a certain range of the place of business which is sold. Also, there are covenants in restraint of trade on the dissolution of a partnership and on the sale of partnership interests.

There are covenants in restraint of trade in the relationships of master and servant, where a servant on the termination of his employment is placed under a certain obligation relating to matters associated with the particular type of business in which he has been employed and he is restrained in respect of what work he may do when he has ceased to be employed by that employer. There are problems in terms of deciding whether covenants in particular instances are void as against public policy, or void for other reasons. Indeed, this measure relates only to the court's capacity to look at whether a covenant in restraint of trade is against public policy and to what extent it is against public policy. If there is some shading back which the court believes to be reasonable then presumably the court will now have power to cut down the extent of restriction which has been entered into.

I should like to ask the Attorney-General to intimate in his reply why it is that subclause (3) of clause 4, which deals with an application by a person subject to the restraint, is so limited to such a person. Why is that clause not wider so as to permit an application by a person who gains the benefit of a restraint? Why is it not possible for such a person to apply to the court? I can see that the likelihood would be that the person who was subjected to the restraint would be the more likely applicant but it seems to me that if indeed there were a necessity for clarification as to the width of a particular covenant, it may well be that the covenantee could have a real interest in making an application to the court to have the matter determined. I simply raise that as a matter which does not go to a substantial objection though it does seem that when one is vesting in a court a new power and giving rights that have not been previously in existence in the form in which they are given in this legislation, one does not want artificially to hedge the legislation by restrictions. It may be that there is a simple answer and perhaps the Attorney-General will give it in his reply.

Another comment I wish to make in regard to the same subclause of clause 4 is that in accordance with the provisions contained in it an order shall have effect on and from a date not being a date earlier than the date on which the order is made, and a date is specified in the order. I do not think it is clear from anything that the Law Reform Commission had to say in its report just what was the rationale behind that limitation. I was momentarily distracted during the course of the Attorney-General's remarks and I am not sure whether he dealt with that matter. The Opposition has discussed this point and believes that there is no reason why a limitation is imposed. In fact, it is felt that it would be appropriate to say that the order should have effect back at least as far as the date on which the lodgment of the application was made to the court. That query may be capable of a ready answer and I should hope that the Attorney-General will provide the House with that answer.

I note that in subclause (5) of clause 4 an order under subclause (3) does not affect any right to damages accrued before the date the order takes effect. So, there is a widening out there under subclause (5). I should have thought that it would have been preferable to have the court placed in the situation that in particular circumstances it may make the order and date it back to the date on which the application was lodged

*Mr F. J. Walker]*

with the court. In Committee I propose to move an amendment to cover that suggestion. Subject to the remarks I have made, the Opposition welcomes the bill. Honourable members on this side of the House agree that it is high time the matter was determined by legislation and that the public interest will be better served by this measure than has been the case without it.

Mr DOWD (Lane Cove) [5.1]: The Deputy Leader of the Opposition has already referred to two matters that I wanted to mention. The Opposition is not proposing to move an amendment which widens the entitlement of a person under clause 4. I support the remarks of the Deputy Leader of the Opposition that it is desirable that a party to a contract or agreement in restraint of trade, whether he be the person restrained or the person having the right to restrain, be able to ascertain the extent of the restraint. When enacting laws we ought to place as few restrictions on the advancement of business as possible. To leave a person in doubt where the restraining party has a power is unfortunate. When the House is setting up machinery that will enable a testing of the extent of a covenant in restraint of trade it seems to me that both parties should have that right. The Attorney-General has a predilection for having amendments sometimes made in this Chamber and at other times in the upper House.

Mr F. J. Walker: I have been cured.

Mr DOWD: He has obviously been disciplined since last night, judging from his remark, for accepting amendments from the Opposition. I ask the Attorney-General to give consideration to widening the effect of clause 4 (3) to enable both parties to seek, in effect, a declaration. There will be few circumstances in which a person, other than the person subject to the restraint, will seek an order or declaration as to validity or the extent to which a covenant can be severed, but the right ought to be there. I shall support the amendment proposed by the Deputy Leader of the Opposition in respect of clause 4 (3). I am conscious that power to make an order having retrospective effect ought not lightly to be entered into, but there is a principle of our law that a party ought not to have an interest in delaying proceedings. Proceedings of this sort, even if they were a commercial cause—and often they will be—could take six or nine months to come on.

By the Supreme Court Act it would be open to a party to seek an injunction pending determination under clause 4 (3). But that injunction would not always be granted and the court considering the injunction would have to take into account the express intention of the Legislature, if the bill in its present form is passed, that the legislation should take effect only from the making of the order. I ask the Attorney-General to give consideration, either in this House or in another place, to accepting this amendment. The discretion given by clause 4 (3) is a wide one and with an order retrospective to the date of application certain dangers are involved. The Opposition considered the desirability of putting in a savings provision or some limitation but the power, as vested in the court, will be exercised in the way the bill proposes, even if the amendment is accepted, and the power is to be retrospective. There would be only rare circumstances of that occurring, but one can conceive of circumstances in which it would be possible.

I now refer to problems of the drafting of the bill. Clause 2 (2) defines the expression "restraint of trade" in respect of the proposed Act other than in subsection (1). I do not know as a matter of interpretation what is intended, but according to the definition restraint of trade means three things. It means a restraint created by contract, a restraint created by the rules of an association, which includes a corporation; and then the words "or otherwise created, are used, so the third category

is restraint of trade otherwise created. I do not think that an interpreter of the legislation would get any assistance from the words "or otherwise created". There is no *ejusdem generis* between the two earlier expressions. I do not think that the words "or otherwise created" can be interpreted otherwise than in their widest meaning. Therefore, the bill becomes too wide in its ambit and is far too imprecise.

There is a desire in the community, in the commercial world, for this area to be delineated. It ought not to be determined by legislation that is imprecise. Knowing the wish of the Attorney-General to make the law more simple so that laymen do not have to run to a Queen's Counsel every time they have recourse to the law, I should think he would agree that the definition of restraint of trade is unnecessarily vague and will lead to confusion and doubt. That is unfortunate in any legislation. In clause 3 (3), subclause (d), appear the words: "any other enactment relating to the validity of a restraint of trade." They can be interpreted only in their ordinary and widest meaning. There can be no assistance in the interpretation of that paragraph from the portions of the Acts referred to in paragraphs (a), (b) and (c) of subclause (3). That also is vague. At the moment the commercial and business world is having difficulty in interpreting the situation under the trade practices legislation.

The measure does not make clear the situation of unions. They indulge in agreements in restraint of trade. The bill does not affect the operation of section 3 of the Trade Union Act, but any union registered under a Commonwealth Act which entered into an agreement would still be brought within this legislation. It may well be that the bill is a serious attempt by the Government to restrain some of the actions or agreements of unions, but I should have thought that probability unlikely. I ask the Attorney-General to give serious consideration to amending the definition so as to give some assistance in the interpretation of clause 3 (3) (d). Otherwise, I see the desirability of the Law Reform Commission's report being adopted. It is a pity that the Attorney-General saw fit to reject in its entirety the draft bill of the Law Reform Commission. We have ended up with a measure that is unnecessarily vague and does not help to clarify this area of the law.

Mr MOORE (Gordon) [5.10]: I believe that the sentiments contained in the bill are highly desirable but I should like to question briefly its structure, and consider whether it adequately protects the small trader who is likely to be **disadvantaged** by this sort of covenant in restraint of trade. I question whether the Supreme Court is the appropriate tribunal to deal with the matter, and I mention in passing some remarks of Lord Bramwell in the House of Lords in the case of *Manchester, Sheffield & Lincolnshire Railway v. Brown* in 1883. His lordship said:

It seems to me perfectly idle, and I cannot understand how it could have been supposed necessary, that it should be referred to a judge to say whether an agreement between carriers, of whose business he knows nothing, and fishmongers, of whose business he equally knows nothing, is reasonable or not.

It is not the day-to-day role of the Supreme Court to examine the highways and byways of the small business community in this State—the operation of enterprise—but it is the role of the New South Wales Industrial Commission to do precisely that. The Industrial Arbitration Act of New South Wales contains section 88F, which has been described as a radical provision to protect businessmen of this State against harsh and unconscionable contracts and contracts against the public interest. I suggest to the Attorney-General that he might examine the question whether it might not be better to transfer this function to the Industrial Commission, which is more accustomed to dealing with matters of this sort than the Supreme Court.

I particularly refer the Attorney-General to two advantages of having the matter dealt with by the Industrial Commission in the light of the understanding and the level of justice that can be given to an applicant. First, the Industrial Commission has held—and this has been endorsed by the Privy Council—that in matters falling within section 88F dealing with contracts that are contrary to the public interest, "the commission is empowered to look beyond the express terms of the documents executed by the parties to ascertain their relationship in determining whether there has been any abuse of any kind to which the section is directed". That is a quotation from the judgment of His Honour Mr Justice Sheehy in *Manni v. Scully* in 1967 Arbitration Reports. It is equally important that the Industrial Commission has been empowered to lift the corporate veil with respect to these sorts of contracts, and I should have thought, in light of the Attorney-General's attitude in relation to recent matters, lifting the corporate veil and having a peek under it—in a decent or indecent **fashion**—**would** be close to his heart.

A further reason for having the Industrial Commission deal with matters such as this is that section 83 of the Industrial Arbitration Act provides:

The commission . . . shall be governed in its procedure and in its decisions by equity and good conscience, and shall not be bound to observe the rules of law governing the admissibility of evidence.

I should have thought that in cases such as these, where the intention is to protect the innocent, it is highly desirable that these extra areas covered by the tribunal should be available when dealing with covenants in restraint of trade. Clause 2 (2) of the bill provides that restraint of trade means, except under subclause (1), a restraint of trade created by contract, created by the rules of an association, or otherwise created. Why is restraint of trade, when mentioned in the definition of public policy, different from the meaning of the term when it is used in the remainder of the bill? I confess that I am not as learned in the law as the Attorney-General is—I am a novice in this area—but it seems to me that it is a tortuous definition. The bill should contain a simple definition of restraint of trade. I also ask the Attorney-General to explain why the words "except in subsection (1)" in clause 2 (2) are inserted. Why is there not merely a definition of the words "restraint of trade"? I commend the bill.

Mr F. J. WALKER (Georges River), Attorney-General [5.15], in reply: The Deputy Leader of the Opposition asked why clause 4 (3) is limited to one person and why the covenantee of the restraint rather than the covenantor should be included. The answer is, to make it apply to the promisor, to have the promise read down and thus avoid enabling him to make too wide a promise in the first place and thereby encouraging him to be too reckless.

Mr Dowd: It is too wide.

Mr F. J. WALKER: I think that is the rationale behind the limitation and I accept it. I see greater weight in that argument than that put by the honourable member for Lane Cove and the Deputy Leader of the Opposition. On the second question, the one relating to the amendment that the Opposition intends to move in Committee, I am asked what was the rationale behind the limitation in time in clause 3. The Opposition felt that the order should have effect at least back to the date of lodgment of the application with the court, instead of the date of order by the court. I would not accept the amendment and I do not think the Government should do so. I have always felt that there are grave dangers in retrospectivity, although there are times when it is necessary. There are always dangers in it, I think we agree on that. The only reason I can see for making clause 4 (3) non-retrospective is that the clause is intended to give certainty only to future conduct. Retrospectivity could encourage promises to extract unduly wide and reckless promises. The honourable member for

Lane Cove took the matter further than the Deputy Leader of the Opposition did; he saw some drafting problems in the bill. Apparently he is not a fan of the Parliamentary Counsel.

Mr Dowd: That is a most unworthy comment.

Mr F. J. WALKER: He felt, as he expressed it to me, that the original draft by the Law Reform Commission had more to commend it than the Parliamentary Counsel's draft, which has my approval. I point out that the commission agreed with the amendments to its drafting, so I am afraid that the Law Reform Commission must be in the same camp as the Government on this matter. I think the honourable member for Gordon also raised this issue in another way when he referred to the definition of restraint of trade and how wide it allegedly is. He spoke of how it was likely to cause doubts, confusions and problems of interpretation. In particular, the honourable member for Lane Cove pointed to the words "or otherwise created", and said that they could not be read *ejusdem generis*, that they were too wide. In any event, what other instances were there? There are probably other ways of creating restraints and they are going to be created by courts which will be interpreting particular situations and deciding that a certain situation is a restraint of trade. I am quite sure that some day there will be such determinations. If that is a possibility, how can we be sure that contracts and rules are the only ways of creating restraints? There may be other ways. For that reason, the safeguard has been included. For that reason I think the safeguard should remain.

The honourable member for Gordon wants to transfer the matter to the jurisdiction of the Industrial Commission. I can understand his filial associations and his affinity with the institution: whether it be federal or State handling is another matter. One could expect a junior clerk of an employers association to think that the only court in the world is the Industrial Commission, even though there are some fine judges there. The fact of the matter is—and this brings me to the other point raised by the honourable member for Lane Cove, who talked about rules of trade unions—this bill is extremely narrow in ambit. I said it did not apply to the Trade Practices Act. It certainly does not apply to trade unions under their Act. It is a very narrow bill relating to a common law situation. To bring in analogies from other areas—albeit related areas—such as section 88F, is a dangerous sort of analogy. That is quite wrong.

The bill does not intend to go that far, and I do not think much is to be gained by considering such matters. However, I add that at the present time my department, with the assistance of Professor Peden, is considering wide-ranging amendments to the law of contract in so far as harsh and unconscionable contracts are concerned. I hope that this year or early next year we shall be bringing down quite revolutionary legislation which will improve the welfare of the people in relation to harsh and unconscionable contracts. It will not relate to consumer affairs only; it will cover all contractual relationships.

The honourable member for Gordon made a point relating to the definition of public policy. I was not quite clear exactly what he meant, but perhaps he could develop his point a little further in Committee—if the Opposition wishes to go into that stage. The only answer I can give now is that the definition of public policy merely refers to the common law meaning of the expression. The words "except in subsection (1)" are inserted in clause 2 (2) so that the common law definition of public policy is not read down in the light of the definition of restraint of trade. Perhaps that satisfies the honourable member; if it does not, he can discuss it further in Committee.

Motion agreed to.

Bill read a second time.

## In Committee

## Clause 2

## [Interpretation]

Mr DOWD (Lane Cove) [5.23]: With due respect to the Attorney-General, I think he forgets his high office when he makes a comment in this House that I am not a fan of the Parliamentary Counsel. It is most unfortunate, considering the excellence of the work done by that gentleman and his office, that such a frivolous remark should be made and placed on the record in *Hansard*. The volume of work that his office has to handle and the way in which many of the ancient anomalies occurring in our statutes have been cleared up have been most impressive. I do not think that the Parliamentary Counsel or the Attorney-General is above criticism, and it would be a sad day indeed if this Parliament did not critically examine the words put before it. After all, neither the Attorney-General nor his staff is infallible.

The Attorney-General said at the second-reading stage that this measure is extremely narrow. The definition of restraint of trade in clause 2 (2) is not limited to the phrases "created by contract" and "created by the rules of an association". The final phrase in that subclause is "or otherwise created". To say that this is a narrow bill is quite wrong because the words "or otherwise created" can only have the ordinary meaning of those words. The fact is that the bill will go far beyond what was intended by the recommendations contained in the Law Reform Commission's report. The Attorney-General says that under clause 3 (3) restraint of trade is not applicable to section 3 of the Trade Union Act. Paragraph (d) of that subclause, which we shall next consider, includes the words "any other enactment". Clause 3 provides that the bill does not affect the operation of certain matters, and by subclause (3) agreements between federal unions made in this State are not affected. I think the bill is, contrary to what the Attorney-General says, a lot wider than was originally intended.

Mr F. J. WALKER (Georges River), Attorney-General [5.26]: I am glad to know that the honourable member for Lane Cove is a fan of the Parliamentary Counsel. I do not think there was any need for him to be prickly about what I said. When I was in Opposition I was frequently quite critical of some legislation that came before the House, not so much of the drafting capacity of the Parliamentary Counsel, but about the language that was used in drafting bills and the need to simplify the complexities of drafting techniques. However, once one becomes Attorney-General one lives in fear of the Parliamentary Counsel, who is a most important person indeed if legislation is to move through the House satisfactorily. In the short time I have known him I have come to respect his mighty talents to a great degree.

I join issue with the honourable member for Lane Cove when he says that the bill is not narrow. I say it is. It deals only with public policy in relation to restraint of trade. That is a narrow ambit indeed, and I think his fears about its being extended into other areas are quite unjustified. I do not think we shall encounter the problems that the honourable member envisages. He has not enumerated them, and I do not think they will occur. The bill is confined to a narrow area. Legislation covers much of the other field already. In regard to paragraph (d) of clause 3 (3), the State cannot legislate with respect to agreements recognized or given effect to by Commonwealth legislation. I do not think that is a problem. It is an extension of the comment I made earlier. I appreciate the honourable member's contribution, but I do not think we have anything to fear from the matters that he has raised.

Mr MOORE (Gordon) [5.28]: I turn again to clause 2 (2) and the words "In this Act, except in subsection (1)". If I understand what the Attorney-General said in his reply to the second-reading debate, the definition of public policy is with respect to the common law definition of the term "in restraint of trade", and the term "restraint of

trade" where it is used in clause 4 will be restraint of trade as defined in clause 2 (2), and not the common law definition of restraint of trade. It seems to me absurd that in subclause (1) of clause 4, which is the nub of the legislation, the words "restraint of trade" and "public policy" are linked, and the restraint of trade defined there is not the restraint of trade with respect to which the definition of public policy is defined in clause 2 (1).

I ask the Attorney-General to explain to me why in subclause (2) of clause 2 the words "In this Act except in subsection (1)" cannot be couched in the same terms as is in what might be termed the definition clause of the bill. It seems to be absurd that we are trying to enact legislation to protect that part of the community which is unable to see the sort of pitfalls to which the bill refers, but we create new pitfalls within the legislation. I make this request as an honest plea and in no way attempting to score a point on the Minister or the Government.

Mr F. J. WALKER (Georges River), Attorney-General [5.32]: I cannot see the problem which the honourable member has raised. I cannot see that there is a significant distinction. The bill is a narrow one which deals with public policy in relation to restraints. It is in the form drafted by the Law Reform Commission, subject only to quite minor amendments with which the Law Reform Commission agrees. That is as far as I am able to take the matter. Perhaps at some later stage I may have a private discussion with the honourable member in my room when I may be able to assist his understanding of the legislation. I appreciate his interest in the matter but I am afraid I cannot take it further.

Clause agreed to.

Clause 4

Page 3

(3) Where, on application by a person subject to the restraint, it appears to the Supreme Court that a restraint of trade is, as regards its application to the applicant, against public policy to any extent by reason of, or partly by reason of, a manifest failure by a person who created or joined in creating the restraint to attempt to make the restraint a reasonable restraint, the Court, having regard to the circumstances in which the restraint was created, may, on such terms as the Court thinks fit, order that the restraint be, as regards its application to the applicant, altogether invalid or valid to such extent only (not exceeding the extent to which the restraint is not against public policy) as the Court thinks fit and any such order shall, notwithstanding subsection (1), have effect on and from such date (not being a date earlier than the date on which the order was made) as is specified in the order.

Mr MADDISON (Ku-ring-gai), Deputy Leader of the Opposition [5.33]: I move:

That at page 3, line 27, the words "on which the order was made" be left out and there be inserted in lieu thereof the words "of lodgement of the application to the Court".

I do not think I need to elaborate on the motives behind the Opposition in moving this amendment. I intimated earlier that I believe the greatest flexibility should be given to the courts in all fields of law. This amendment will widen the discretionary power vested in the court. Rather than confine the discretion we should at all times tend to widen it.

Mr DOWD (Lane Cove) [5.34]: At the second-reading stage the Attorney-General spoke about retrospective legislation. I share his views about retrospective legislation and I hope he remembers what he has said. However, in this debate we are not talking about retrospective legislation. We are talking about the fact that as at a certain time—that is the lodgement of an application before the court—both parties involved in a restraint of trade are aware that proceedings are pending. It is undesirable that one party should be in a position to delay a hearing. It is not difficult to conceive a situation whereby delays might be instituted to the benefit of one party and to the detriment of the other. I ask the Attorney-General to look carefully at the amendment, either here or in another place. A lot might turn upon the period of delay, and delays are inevitable. We should not place litigants in a situation where they must try to jump the queue on matters pending before the court when the particular matter giving rise to a problem involving a restraint of trade might well be found to be invalid. Injunctions are not always granted. We ought to give the court, in which we are vesting wide power, the opportunity to use common sense and good judgment in backdating an application.

Mr F. J. WALKER (Georges River), Attorney-General [5.36]: I realize that the amendment is moved quite sincerely and I accept that it has some substance. Delays do occur and in fact are inevitable. I point out, however, that expedition is available to litigants should they seek it and should a judge see fit to grant it. It is easy to move amendments and it is hard for an Opposition to give deep thought to a problem such as this. I have experienced that type of problem myself. Say, for example, the Supreme Court of New South Wales was dealing with an application and the court took three years to finalize the matter. That is not beyond the realm of one's imagination. If after three years the section were to operate retrospectively and the court could use its discretionary powers to award damages retrospectively an award involving millions of dollars might be made. Huge sums might be involved. Non-retrospectivity is intended only to give certainty so far as the future conduct of the matter is concerned. Retrospectivity might encourage promises to extract unduly wide and reckless promises, and that is something that the Law Reform Commission seeks to avoid. I think the best thing to be done about this is to give it further consideration, perhaps in the light of the practical operation of the legislation. If the fears expressed by honourable members opposite become a reality, and I do not discount that as a possibility, undoubtedly I shall have to come back to this place with my tail between my legs and seek to amend the legislation. However, I do not think that this will happen. The Opposition is entitled to move the amendment but the Government will not accept it at this stage. However, it will be given further consideration by the department.

Amendment negated.

Clause agreed to.

#### Adoption of Report

Bill reported from Committee without amendment, and report adopted on motion by Mr F. J. Walker.

#### BILLS RETURNED

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

Industrial Arbitration (Amendment) Bill

Ombudsman (Amendment) Bill

## WHEAT INDUSTRY STABILIZATION (AMENDMENT) BILL

## Second Reading

Mr DAY (Casino), Minister for Decentralisation and Development and Minister for Primary Industries [5.40]: I move:

That this bill be now read a second time.

This bill is a minor one of a machinery nature to expand the definition of wheat products as at present contained in the Wheat Industry Stabilization Act of 1974. The Act complements corresponding Commonwealth Acts in providing a stabilization scheme for the wheat industry. The Commonwealth Wheat Export Charge Act, 1974–1976, imposes levies on exports of wheat and wheat products under defined circumstances. The proceeds of the levies are used to support the operation of the wheat prices stabilization fund.

The existing definition, which includes commodities produced mainly from wheat or wheat products has been found to be deficient because the Australian Wheat Board was not able to exercise its powers and functions in relation to exports of commodities produced partly from wheat or wheat products. In particular, stock-feed and pet-food preparations made from wheat products were not controlled by the board. The Commonwealth amendment and this amendment is designed to give the Australian Wheat Board control over such products. The definition has been framed to allow the prescription of substances produced partly, but not mainly, from wheat or wheat products. I commend the bill to honourable members.

Mr MACKIE (Albury) [5.42]: The Opposition does not oppose the legislation. As the Minister outlined in his second-reading speech, it is rather a machinery matter dealing with the definition of wheat products and bringing the New South Wales Act into line with the Commonwealth Wheat Export Charge Act. I understand that the legislation has the full approval of the wheat industry and, in particular, the Australian Wheat Board which has been seeking these amendments. When I spoke at the introductory stage I said that the Opposition will always support legislation that is beneficial to the wheat industry as a whole.

Though the Minister said that the measure is of a minor nature I should like to comment on the situation related to wheat in Australia. In my introductory remarks I suggested that as the Minister was new he could do well to consult with primary industry organizations when amending or introducing legislation. The wheat industry is one of the most viable primary industries in Australia but that may not always be so. It is estimated that there will be an increase of approximately 9 per cent in the world wheat crop this coming year. It is estimated that the crop will yield in the vicinity of 380 million tonnes. Australia produces about 12 million tonnes. That is a small percentage of the world production but nevertheless wheat is a vital export for Australia.

Good yields throughout the world could lead to a glut of wheat which, in turn, could mean depressed prices. That could have a disastrous effect on the wheat producers of Australia. New South Wales is an important wheat producing State in Australia. It produces approximately 34 per cent of the total Australian wheat crop. It is of great importance that Australia maintain its export of wheat. Unfortunately there have been adverse seasonal conditions this year which have resulted in the estimate of earnings from export wheat being reduced considerably. Some time ago it was estimated that our export earnings from wheat in the coming financial year could be as high as \$1,300 million. Now, because of the serious effects of drought on wheat production, particularly in the southern States, it is estimated that export earnings from wheat could be as low as \$800 million. The House can see what a disastrous effect that could have on Australia's balance of payments.

In my opinion Australia is basically an agricultural country. I have said that many times in the House. Our secondary industries are growing but even with that growth the primary industries are still earning 50 per cent of Australia's export earnings. That is still of great importance to the national economy. An important issue that is raised is whether the Australian dollar should be devalued. I say that that is absolutely essential if we are to keep the wheat industry viable. With increasing costs wheatgrowers are finding it increasingly difficult to make ends meet.

The recent announcement by the New South Wales Government that it will increase rail freights by another 7 per cent means that the wheatgrower will pay approximately 20 per cent of his wheat crop in rail freights. When one adds the serious inflation that is adding to the other costs of farmers together with wages, shipping, and other transport costs, one can see that though the industry is paying because the farmer is able to obtain a good yield, that may not always be so. That is something that must be taken into consideration. We should look at it closely. That is why the Government has to co-operate fully with the industry.

The Minister could do well to support the application by growers for an increase in the first advance payment. The industry has been asking for an increase of 30c. to \$1.80 as the first advance payment. In my belief, that is fully justified. Any increase by the Government, in conjunction with the Australian Wheat Board depends on whether the product can be sold overseas and on the price for which it can be marketed. I appeal to the Minister to co-operate, especially with the federal authorities, on the production of wheat in New South Wales. The wheat industry is of vital importance to the State and the nation. The Opposition supports the bill.

Mr DAY (Casino), Minister for Decentralisation and Development and Minister for Primary Industries [5.49], in reply: The honourable member for Albury made a quite lengthy contribution, but I do not know what it had to do with the bill. I appreciate his sentiments when he says that the Government should consult and co-operate with the various primary producer organizations throughout the State. I assure the honourable member for Albury and the House that it is my intention to do that in relation to major legislation I am contemplating as Government policy. The measures are being discussed with primary producer organizations and that course will continue to be followed. I shall not enter into a debate on the questions of inflation and devaluation but I shall deal with freight rates to which the honourable member for Albury referred. Perhaps that comment deserves a brief reply.

It has been suggested that the increase involved as a result of the small increase of 7 per cent in the freight charge will be detrimental to the wheat farmer. Any rational person would appreciate that a 7 per cent increase in these inflationary times is not a large increase at all. Though I appreciate the impost that this places upon primary producers, it is not one that is directed at them; nor is it directed at country people, as some members try to make out.

Mr Mason: The Minister had better explain that.

Mr DAY: In fact, it affects the people who live in the metropolitan areas of the State just as much as it affects people who live in country areas. If the honourable member for Dubbo does not appreciate that, there is something wrong with his mathematics.

Mr Mason: That shows that the Minister has absolutely no understanding of the problem. That is absolutely ridiculous.

Mr SPEAKER: Order! The honourable member for Dubbo was not in the House, otherwise I should have given him a call.

Mr DAY: I am only making brief reference to what the honourable member for Albury said and I shall not debate the subject. It is obviously out of order at this stage.

Mr Mason: It is in order now.

Mr SPEAKER: Order! I call the honourable member for Dubbo to order for the first time.

Mr DAY: The honourable member for Dubbo sits on the bench making snide remarks but rarely wants to make a worthwhile contribution. Indeed, had he any interest in this matter he would have been in the House for the second-reading debate and would have been able to make a contribution. He has demonstrated a complete lack of interest in the Wheat Industry Stabilization (Amendment) Bill.

Mr Mason: You have no idea——

Mr SPEAKER: Order! I call the honourable member for Dubbo to order for the second time.

Mr DAY: He is making remarks which have no relation to the measure before the House. I was making a few gentle references to remarks made by the honourable member for Albury, a person who did have a contribution to make.

Mr Mason: On a point of order. I submit that it is quite improper for the Minister to impute motives to me. He has imputed that **because** I was not in the House while this bill was being debated I have no interest in the wheat industry. He has no **idea** what my motive was for not being in the House.

Mr SPEAKER: Order! That is not a valid point of order.

Mr DAY: I shall rely on history. I was simply making a few gentle references to remarks made by the honourable member for Albury, who had sufficient interest to be in the House when the matter was under consideration. His remarks were outside the scope of the bill but I did not take a point of order—which I could easily have done. His contribution was a thoughtful one concerning the industry generally and I did not want to terminate the discussion. I thank the honourable member for Albury for his indication that the Opposition is not opposing the measure, and again I commend the bill to the House.

Motion agreed to.

Bill read a second time.

#### In Committee

##### Clause 3

Mr MASON (Dubbo) [5.55] I listened with a great deal of interest to the remarks of the Minister in reply at the second-reading stage and it seems appropriate——

The CHAIRMAN: Order! I draw the honourable member's attention to previous rulings and to standing orders which state that the second-reading may not be canvassed. There may be no discussion or rebuttal of arguments put forward during the second reading. Discussion must be confined to each clause, and there can be no discussion of remarks made by the Minister during the second-reading debate. These rulings have previously been given by Mr Crawford, Chairman of Committees, and by the Leader of the Country Party when he was Chairman of Committees. I warn the honourable member that he **must** direct his remarks to clause 3 and not stray from the clause.

Mr MASON: Thank you, Mr Chairman. That is a most remarkable situation. Before I have got two words out, you are ruling on how I may deal with the matter.

The CHAIRMAN: Order! I call the honourable member for Dubbo to order for the first time, and warn him that he will not canvass my ruling in this Committee. If he pursues the line that he has begun, he will be dealt with quite firmly.

Mr MASON: Thank you, Mr Chairman. I had no intention of canvassing your ruling. I assure you that I respect your ruling and will comply with it. What amazes me is the mystical way in which I was going to be pre-judged. I doubt whether that situation has occurred before in this Chamber. Clause 3 contains the most important aspects of this legislation. It amends the Wheat Industry Stabilization Act of 1974 and deals with the question of wheat products. The main purpose of the clause is to amend the definition of wheat products. Paragraph (a) of the proposed definition of wheat products reads:

any of the following products made from wheat, namely, flour, semolina, sharps, wheatmeal, starch, gluten, rice substitutes and breakfast foods;

In other words, every aspect of wheat and its by-products will be affected by the legislation. I am deeply concerned because an act of this Government in recent days increasing the rail freight by 7 per cent will affect wheat and its by-products.

Mr Day: On a point of order. The honourable member for Dubbo is deliberately flouting your ruling once again. He is getting away from the clause under consideration by the Committee. Clause 3 contains no reference to freights.

Mr Mason: On the point of order. I am talking about the matters that are mentioned in this clause.

Mr Day: Show me where freight is mentioned.

Mr Mason: Freight is not the basis of my point at all.

The CHAIRMAN: Order! Clause 3 is simply a definition of wheat products and I see no relationship to rail freights in that definition. I remind the member that he must keep to clause 3, which is purely a definition of wheat products.

Mr MASON: Thank you, Mr Chairman. I want to keep within your ruling. I shall deal with breakfast foods. Breakfast foods are one of the basic commodities in most homes in this country. Most families—particularly those with growing children—use them as part of their staple diet. These foods play an important part in the budget of every family. I submit that because of the action of the Government the cost of breakfast foods in the budget of every family will be substantially increased. The Government's action means that the price of wheat will be increased substantially.

No one could talk about that increase being mild. It will be a substantial increase, and the flow-on will be most serious. One of the things that disturbs me most about this, Mr Chairman——

Mr Day: On a point of order. The honourable member for Dubbo is trifling with the Committee. There is nothing whatever in the bill dealing with the price of the product. It simply provides a definition which brings wheat products into line with the definition in Commonwealth legislation, thereby making clearer the legal liability for levies of some products. There is no suggestion at all that it has anything to do with the prices of the commodities he is mentioning. I suggest to you, Mr Chairman, that you direct him to speak specifically to the clause.

The CHAIRMAN: Order! This clause defines wheat products, and all any honourable member can do when debating this clause is to indicate whether he approves the list of items included in the definition of wheat products, or whether he believes that some other item should be included. I uphold the point of order and ask the honourable member for Dubbo to return to the clause.

Mr MASON: I was just about to do that. I am sure that it is obvious that paragraph (b) (i) of the definition contains the words "any other commodity", and then goes on to say "that is produced mainly from other wheat products or from wheat"; then subparagraph (ii) contains the words "that is produced partly from other wheat products or from wheat and is declared by regulations made under the Wheat Export Charge Act 1974 of the Parliament of the Commonwealth to be a wheat product for the purposes of that Act". That includes every by-product of wheat, because the words "any other commodity" must cover everything made from wheat. Every aspect of food and every aspect of any production that uses wheat will come under the definition of wheat products. I want the Committee to take note that, as a result of this legislation and other actions by the Government, the price of every one of these items will be increased.

Mr Day: On a point of order. I again invite your attention to the fact that the honourable member for Dubbo is flouting your ruling when he is talking about charges and costs.

The CHAIRMAN: Order! I draw the attention of the honourable member to Standing Order 157 which states:

The Speaker or the Chairman of Committees may call the attention of the House or the Committee to continued irrelevance or tedious repetition on the part of a Member, and may direct such Member to discontinue his speech:

I suggest to the honourable member for Dubbo that he confine his remarks to clause 3. I also ask him to try to avoid falling foul of Standing Order 157.

Mr Mason: I had completed what I had to say, Mr Chairman, and I had sat down.

Clause agreed to.

#### Adoption of Report

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

#### Third Reading

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

*[Mr Speaker left the chair at 6.5 p.m. The House resumed at 7.30 p.m.]*

#### APPROPRIATION BILL

Mr Speaker reported the receipt of a message from His Excellency the Governor recommending the Appropriation Bill. The message was accompanied by a copy of the Budget Papers 1976-77.

Budget Papers ordered to be printed.

Introduction

Mr RENSHAW (Castlereagh), Treasurer [7.31]: I move:

That a bill be brought in to appropriate out of the Consolidated Revenue Fund, and certain other Funds, sums for the ordinary annual services of the Government for the year commencing on 1st July, 1976—

*[Quorum formed.]*

Mr Durick: Only four members of the Opposition present to hear the most important Budget Speech in eleven years.

Mr Mason: Only two Ministers of the Crown present, too.

Mr SPEAKER: Order! I call the honourable member for Dubbo to order for the third time. I declare a quorum present and ask the Treasurer to proceed.

Mr RENSHAW: My motion continues:

—and ending on 30th June, 1977, both dates inclusive, and for charges supplementary or "Unauthorized in Suspense" from certain Funds for the year from 1st July, 1975, to 30th June, 1976, both dates inclusive; and for purposes connected therewith.

Motion agreed to.

Bill presented and read a first time.

Second Reading

Mr RENSHAW (Castlereagh), Treasurer [7.33]: I move:

That this bill be now read a second time.

I present the Budget for the financial year 1976–77

This is the first Budget of the new Government elected by the people of New South Wales on 1st of May.

In framing this Budget, the Government has set itself five main tasks.

We are determined to carry out our programme of reform for the enrichment of the lives of all the people of New South Wales. We are determined to fight unemployment. We are determined to co-operate with employers and employees and with other Australian Governments to promote economic recovery. We are determined to reduce the tax burden and to remove tax anomalies. We are determined to restore sound, responsible management to the State's finances.

The Budget sets out to achieve all those aims.

In brief, the Budget imposes no new taxes, reduces some existing taxes, makes special provision to create new jobs and lays strong foundations for the complete fulfilment of the programme on which the Government was elected. And all this is done in the context of a balanced Budget. Through a strict approach in setting priorities, by careful allocation of resources and by responsible and realistic budgeting procedures, we have balanced the Budget without resorting to the practice of the previous Government of using State capital funds to reduce Budget deficits.

Three major factors have influenced the shape of this Budget. They are: the economic situation facing Australia; the new Commonwealth/State financial arrangements and the State's financial position inherited from the previous Government.

Australia generally is facing its worst unemployment since the great Depression. There are obvious reasons why New South Wales has suffered most. The key heavy manufacturing and construction industries concentrated in New South Wales have been badly hit. Accordingly, for the past two years unemployment in New South Wales has been above the national average. In August 5.1 per cent of the New South Wales workforce was unemployed. The effect of this on young people is particularly serious. Forty per cent of the unemployed in Australia are under 20 years of age. There is only one job vacancy for every 35 young people out of work. Every section of the community has suffered the combined effects of inflation and recession. However, the 120 000 unemployed people in New South Wales have borne the heaviest burden in the fight against inflation.

Since the federal Budget was presented six weeks ago, the New South Wales Government has made it clear that it will co-operate with the federal Government in reducing inflation. This Budget shows that the Government is in earnest about that co-operation. It is, however, unacceptable to this Government that the burden of the fight against inflation should fall on the weaker sections of the community, particularly the young people and the other unemployed of this State.

The Government is determined to do all it can to reduce unemployment and assist economic recovery in the private sector. I should emphasize, however, that the role of the State Government in overall economic management is severely limited. States have very little capacity to relieve unemployment. It is the federal Government which has exclusive control over, and responsibility for, the major economic instruments and decisions—bank lending, monetary policy, tariffs and the exchange rate. And it is the federal Government which dominates Government spending both through its own activities and through the financial allocations it makes to the States.

We have, we believe, responded fully and responsibly to the federal Government's demands to restrain the growth in Government spending.

I repeat, however, that while the New South Wales Government will co-operate with all other Australian Governments in fighting inflation, a massive increase in unemployment as part of a deliberate economic strategy against inflation is unacceptable to the Government of New South Wales and, we believe, to the people of New South Wales.

In the past, as Treasurer of this State, I have made many representations to the federal Government to get a fairer deal for New South Wales. After 12 years I find there has been no significant improvement in financial relations with the federal Government.

The payments from the Commonwealth to all States are still inadequate.

The new tax sharing arrangements have not altered the basic fact that this State's share of Commonwealth payments is low both in relation to its population and in relation to income tax paid from this State to the Commonwealth.

New South Wales receives back through the tax sharing arrangements only 27 cents for every dollar of personal income tax paid to the Commonwealth Government by New South Wales taxpayers.

Many people have hailed these new tax sharing arrangements as the rebirth of federalism, as providing the States with real financial autonomy and hence restoring autonomy and fiscal responsibility at the State level.

*Mr Renshaw]*

The facts are that the "new federalism" will result in an improvement of less than 3 per cent over what we would have received under the old, inadequate formula.

Further, the base grants to be provided to the States are related entirely to the federal Government's fiscal decisions. No State has any say in what the total personal income tax pool will be. No State can influence the rates of tax, the deductions and other allowances granted or the use by the Commonwealth of rebates or surcharges. It is significant that the decisions relating to child endowment, Medibank and indexation were all taken without any consultation whatsoever with the States. So much for co-operative federalism.

A lot has also been said about the increase in the grants the States are expected to receive in **1976-77**. I want to emphasize the word "expected" because no one can say for sure whether income tax receipts will reach the level anticipated. For example, a drop of less than 1 per cent in personal income tax collections would result in a fall of \$33.6 million in payments to the States.

If the current estimate is realized, the States will receive \$89 million more than they would have under the previous formula. I should point out that the increase would have been much smaller if New South Wales had not made a strong protest about the possible reduction in the percentage allocation for the States announced at the June Premiers' Conference due to income tax receipts in **1975-76** proving higher than had been estimated at that Conference.

The second stage of the new arrangements provides for any State wishing to do so to apply an income tax surcharge. The New South Wales Government has made it clear that we shall not impose a second income tax in this State.

Our rejection of a State surcharge is based on two inter-related factors. First, income tax is already too high. Second, the citizens of New South Wales are still receiving an inequitable share of the tax they pay. We will not add to the income tax burden of New South Wales residents.

If we didn't favour the new arrangements why did we, the Labor Government, go along with them? The answer is simple. We had no choice. The issue had been decided at the April Conference, before we came to office.

Finally, in considering the new financial arrangements it is all too easy to overlook the two associated and vital areas of Specific Purpose Payments and Loan Council allocations. Nothing has changed in these areas—the Commonwealth still exercises a dominant and decisive role. The States have little, if any, real power to influence the decisions made.

Honourable members will be well aware of the cutbacks in Specific Purpose Payments this year and the stringent control exercised over the Loan Council works allocation by the Commonwealth.

I turn now to the third factor mentioned in my opening remarks as influencing the framework of the Budget—namely, the underlying financial position of the State.

When we took office an immediate review was made of the State's finances. This was the first real opportunity we had had to see the whole picture.

The results have caused us serious concern. The factors disclosed will continue to affect the Budget for some years to come.

The main aspects were:

The State's Consolidated Revenue Fund was some \$63 million in the red;  
the Liberal-Country Party Government had applied over \$60 million of scarce capital funds earmarked for important social investment to reduce their Budget deficits;  
they had borrowed \$17½ million in 1971–72 and \$15 million in 1972–73 for a five year period but had paid nothing back. Interest on these loans was costing the Budget \$1.8 million a year. Our Government now has to repay them;  
losses on public transport had risen massively and there was no sign of them tapering off;  
many State taxes were at too high a level;  
there was a serious backlog of public works.

We are determined to restore the State's finances to a sounder basis.

With this as background I now come to the Budget itself and in this context I propose to say just a little about 1975–76.

The Budget for last year was predicated on a possible increase of 21 per cent in average wages. There was also considerable uncertainty as to the effect Medibank would have on public hospital finance.

In the event, wages last year rose by less than 14 per cent. The reduction in the State wages bill was offset to a considerable degree by reductions in the financial assistance grant and in pay-roll tax collections. The State was able, however, to get by without transferring to the Budget the \$22 million originally earmarked for this purpose from capital grants by the previous Government. I would remind the House that, on the basis of our predecessor's arguments in relation to the use of these funds, they can only be used for the Budget to the extent that the State is, in fact, in deficit.

The final result for the year was very close to the original estimated deficit—\$950,000 compared with the \$600,000 originally budgeted for.

So far as public hospitals were concerned the uncertainty over the future of Medibank resulted in many people retaining their insurance cover and meeting hospital fees. Our predecessors were unable to reach agreement with the medical profession over the payment of visiting medical officers and actual payments fell far short of the original estimate.

The fortuitous build-up of funds in the Hospital Fund has been of special significance in framing this year's Budget.

I turn now to 1976–77.

We have adopted a positive approach. We have emphasized the need for continuing restraint against excessive wage demands on the part of employees' organizations. On the revenue side, we have used the Commonwealth estimate for income tax and have carried through these factors in assessing pay-roll tax receipts. We are firmly resolved, moreover, that capital funds should be used for capital works and not to prop up the Budget.

I now wish to comment on the proposed outlays from the Consolidated Revenue Fund, followed by the expected receipts and then the overall Budget out-turn and the results of the Business Undertakings.

*Mr Renshaw]*

Expenditure from the Consolidated Revenue Fund in 1976–77 is estimated at \$2,915 million. This is only \$194 million or just over 7 per cent more than in 1975–76. Last year's figures, however, were affected by the interim financial arrangements which became necessary due to delays in the introduction of Commonwealth legislation relating to a number of specific purpose payments. This resulted in both the expenditure and revenue figures being inflated by \$174 million.

After allowing for this factor the increase in outlays in 1976–77 is \$368 million or 14.5 per cent. We consider this to be a realistic response to the overall economic situation and to the budgetary needs of the State.

We have exercised the tightest possible controls over staffing. In some areas such as schools, hospitals, and child welfare establishments additional staff must be recruited to service new buildings. It has also been felt important to allow for some further improvement in teaching and police staff establishments as well as the employment of additional staff in the public transport field. The increases are, however, quite modest. I will give further details when dealing with the areas involved.

In departments generally, we have placed a ceiling on staffing which will be some 2700 lower than approved staff establishments. Those establishments, moreover, were reduced by over 500 positions in the six months ended June last. The reduced staff levels will be achieved by natural wastage.

Education takes a high priority in the Budget.

The total allocation for the Minister for Education is \$891 million. This is an increase of \$93 million of which \$86 million is from State funds. The allocation includes \$91.7 million in Commonwealth grants for recurrent expenditures on State schools and on technical and further education. Last year these grants totalled \$84.6 million, \$37 million more than in 1974–75.

In the case of primary and secondary education, the Commonwealth grants provide no scope for increasing staff and are sufficient only to meet the continuing costs in 1976–77 of teaching and ancillary staff increases already effected.

We have allocated the maximum amount possible from State funds to meet the ongoing costs of Education, to employ out-of-work teachers and make further improvements in school staffing.

In particular, funds have been provided to allow an increase of 873 primary teachers, bringing the total to 22 220 at June, 1977. In secondary schools the number of teachers will increase by 766 to a total of 21 621 at June next year. The additional teachers available will permit improvements in staffing for migrant and pre-school classes and other selected areas.

Allowance has been made within the funds provided for the full annual effects of cost increases during last year, and for expected increases in costs during 1976–77 other than in salaries and wages, for which provision is made elsewhere in the Budget.

In addition, allowance has been made for:

an increase from \$120 to \$138 per annum commencing in 1977, in the rate of living away from home allowance for secondary students, and for the means test relating to this allowance to be eased;

increases of 15 per cent from the beginning of the 1977 school year in the rates of secondary bursary allowances;

the introduction, from the beginning of the 1977 school year, of free bus travel for children attending infants schools, irrespective of the distances involved, and of an increased scale of allowances payable for the conveyance of children to school by private motor vehicle;

increased allocations for school maintenance and for grants to schools for equipment purchases, etc.

A complete review is being made of teacher trainee scholarships, including the rates of allowance, and details of the decisions reached will be announced shortly.

In the field of aid to non-State schools, the Government undertook to increase the per capita grants to a real value of 20 per cent of Government school costs. The Budget provides for this.

Commencing from the 1977 school year the per capita grants to primary non-State schools will be at the annual rate of \$122, an increase of \$14 over the present allowance. The rate for secondary schools will be \$202, an increase of \$22.

These rates represent 20 per cent of the estimated per pupil costs for Government schools in New South Wales in 1976–77 and will be adjusted as necessary during the financial year when the figures have been reviewed by the Commonwealth education authorities. A total of \$32,177,000 has been allocated to provide for payment of these allowances.

We have also reviewed the subsidy provided to non-State schools to help meet interest payments on loans raised to construct school buildings. Interest costs of up to a maximum interest rate of 7 per cent per annum are currently met by the State.

This scheme carries benefits not only to the schools concerned but also to the State since it provides an incentive for organizations to construct additional accommodation as enrolments increase. Without such help, many of them would not go ahead with the projects and State schools would be faced with increased enrolments.

In view of the current high rates of interest we have decided to increase the subsidy to cover interest payments at the rate of up to 10 per cent per annum. The new level will apply as from 1st January next and will involve an additional expenditure of \$250,000 per annum.

Sir Eric Willis: I applied it before that.

Mr SPEAKER: Order!

Mr RENSHAW: Finally, in fulfilment of the Government's election promise to give non-Government schools access to the same services and resources as are available to the Education Department, provision has been made within the Estimates of the Government Stores Department for these schools to purchase stores at contract rates —

Mr Coleman: That was done in March.

Mr SPEAKER: Order! I call the honourable member for Fuller to order for the first time.

Mr RENSHAW: —and use the servicing facilities of the Department for the repair and servicing of audio-visual equipment, television sets, sound and other equipment. This will involve quite substantial additional costs to the Budget.

The amount allocated for the Minister for Health is \$427.7 million. This includes a net contribution to the Hospital Fund of \$382 million. Allowance has been

made for the operation for a full year of the cost sharing arrangements with the Commonwealth and also for the new hospital fees which are to apply in most States from 1st October.

The amount available from poker machine taxation for hospital purposes is expected to be \$89 million compared with \$82.4 million last year. The Health Commission will also have available a further \$38 million from the build-up of funds in the Hospital Fund which I mentioned earlier.

As honourable members are aware, far-reaching changes have been made to the Medibank scheme since its introduction on 1st July, 1975. So far as the hospital side of Medibank is concerned, the issue of prime concern to our Government is whether in future the determination of the Commonwealth Government's 50 per cent contribution towards the net operating costs of recognized hospitals and services will be based on the real needs of those hospitals and services or whether Commonwealth Budget strategies may over-ride such considerations.

The background to the renegotiation of the Medibank Agreement between the Commonwealth and the States is already well known and I do not propose to dwell on those events. Suffice it to say that whilst all States sought a continuation of the basic financial arrangement provided for in the original Medibank Agreement, the Commonwealth Government insisted on a new arrangement to operate from 1st October, 1976, one which provides for joint participation by the Commonwealth and the States in the process of estimating and reviewing hospitals' financial requirements and in determining the financial allocations necessary to meet those requirements. In the end result, however, the Commonwealth Minister has the final say.

The importance of the role played by the Commonwealth under such an arrangement cannot be overstated. Clearly, any failure by the Commonwealth to give proper recognition to the financial requirements of the hospitals will place in jeopardy the services those hospitals provide.

Honourable members will be aware that the Nurses Registration Board and other interested bodies have been pressing for a long time for changes in the existing arrangements for the education of nurses. The Government has the various proposals in this area under close study but it has been decided to act immediately in one area where a change is long overdue. The instruction time for trainee nurses under the general nurse training syllabus is considerably less in New South Wales than in other States. The Estimates provide for the period to be increased by over one-third to 1 000 hours as from January next at a cost in a full year of \$2.7 million.

The allocation for operating costs of Community Health Services, including the Commonwealth's contribution, is \$29,287,000.

The Commonwealth's share is estimated at \$26.5 million. This includes grants to voluntary organizations. The amount falls far short of requirements and poses very real problems for both the State and the voluntary bodies.

In some cases the Commonwealth has reduced its original contribution from 100 per cent to 90 per cent of recurrent and 75 per cent of capital costs. When allowance is made for the overall shortfall in the grants, the actual proportion of costs met by the Commonwealth will be even lower.

The Government is reviewing the position as a matter of urgency to see what steps it can take to prevent the closure of centres.

A further illustration of the Commonwealth Government's rigid application of its programme to reduce its deficit is seen in the School Dental Scheme. By unilateral action, it has made a 10 per cent reduction in its grants towards the running costs of school dental clinics and training facilities, leaving the State to make good the shortfall.

These are just two examples of how the present Commonwealth Government is shifting the burden of providing services onto the States without any compensating financial adjustment under its so-called federalism policy.

It must be stressed that continuation of this policy will seriously affect many worthwhile community projects. The State is just not in a position to make good the reduction of Commonwealth grants across the board.

There are several items in the Health Commission estimates to which I wish to invite attention. These are:

- the allocation of \$3.1 million for Ambulance Services;
- a grant of \$30,000 to Disabilities Unlimited;
- the provision of \$120,000 for the Royal Flying Doctor Service; and
- grants of \$35,000 to the Royal Far West Children's Health Scheme and \$25,000 to the Multiple Sclerosis Society.

We have found many areas where expenditure in New South Wales lagged badly behind most other States. One of the most deprived areas has been youth and community services. No matter which item we examined, be it payments to deserted wives and single mothers, the homes caring for children whose families could not support them, pre-school centres, foster parents, and aid to voluntary organizations, the position was one of seeming indifference on the part of the former Government.

We are not prepared to see this situation continue. Substantially increased payments are proposed.

Foremost among these is the provision of \$1.1 million to be paid into a new Community Services Fund. Grants previously made on individual items or from the Minor Social Services Vote will be met from this fund. This is more than double the \$407,000 provided for similar purposes last year.

The Government is convinced that if the many organizations who have stepped in to provide relief to the needy are to continue to play their very important role, they must be given more than encouraging words by the State. The Minister for Youth and Community Services will be in a much better position to provide meaningful help to these bodies. Women's refuges, in particular, will be assisted in their humanitarian role.

Another area of pressing need relates to State assistance to mothers who are on their own. The assistance provided by the former Government was the lowest in the Commonwealth. After November the gap between the payments made by the New South Wales Government and that received when the persons concerned transferred to the Commonwealth, usually after six months, would have been \$19 per week for a mother with one child.

We propose to virtually bridge that gap in this and the next Budget. As an immediate measure we propose to halve the **difference** between the two rates. The State rates will be adjusted within the next few weeks. Moreover, we will review the position next **April** in the light of movements in costs and other factors. In next year's Budget we will again adjust the rates to approximate the level of Commonwealth rates. Further reviews will then be made at six monthly intervals.

*Mr Ramsay*]

In short, these women and their children can look forward to a substantial immediate boost in State assistance and be secure in the knowledge that the payments will be further augmented and then maintained in real terms in the future.

Other important measures provided for in this area include:

an increase from \$12.50 to \$15 per week in payments to foster parents. Existing pocket money allowances will be doubled;

child care organizations will also be paid \$15 per week for each eligible child;

I might add that in both these areas the new Commonwealth children's allowances will prove of considerable benefit to the foster parents and organizations;

subsidies to pre-school kindergartens are to be increased from January next to 20 per cent of the award rates of pay for approved staff.

This not only provides for substantial increases in the actual subsidy levels but will be much more equitable than the previous system under which a flat rate subsidy has been provided irrespective of the award rate of pay for teachers and their assistants. This adversely affects centres with more experienced and hence higher paid staff;

the subsidy to the Emergency Housekeeping Service is to be increased from \$1.3 million to \$1.7 million;

Finally, we have virtually doubled the payments made to visiting clergy at child welfare establishments and approved of a second full-time chaplain being appointed.

The lack of business confidence and the reluctance of firms to engage in new investment was reflected in the level of expenditure under the State's decentralization programme in 1975–76. The total outlay of \$6.7 million was a marked decline on the previous year's expenditure of \$14.8 million. At 30th June, there was a balance of \$5.1 million in the Country Industries Assistance Fund.

This year, if applications now on hand or projected are proceeded with, expenditure could rise significantly. Accordingly, \$9.8 million has been allocated for the Country Industries Assistance Fund—\$6 million from Consolidated Revenue, \$3 million from General Loan Account and \$800,000 from direct borrowings.

Additional assistance to the business sector is available through the Small Business Agency and it is proposed to extend the services offered by the agency to country centres. Two hundred and fifty thousand dollars has been provided to meet the costs of this agency.

As already announced, we also plan to introduce a Government Guaranteed Loan Scheme to help small businesses.

The allocation to the Country Industries Assistance Fund allows for the transfer of an amount of \$1 million to the new Tourist Industry Development Fund.

Little has been done in recent years to adequately develop the potential of the State's tourist industry. What assistance has been available to the industry has been provided on a piecemeal basis mainly through the Country Industries Assistance Fund.

*[Interruption]*

Mr SPEAKER: Order! I call the honourable member for **Sturt** to order for the first time.

Mr RENSHAW: The resources of that fund, of course, may only be applied to projects in the defined country area and metropolitan facilities are not eligible for assistance.

To remedy this situation, the Tourist Industry Development Fund is being established and an initial payment of \$1½ million is to be made, \$1 million from the Country Industries Assistance Fund and \$500,000 from Consolidated Revenue.

As part of the Commonwealth Government's new tax sharing arrangements, local government is to receive a specific share of the proceeds of personal income tax.

A total of \$140 million is being provided for local government throughout Australia this year and this State's share is \$51.3 million.

This is some \$22 million more than the assistance provided last year and will be warmly welcomed by councils. However, the effect so far as council expenditure is concerned is more than offset by the cessation of grants under the R.E.D scheme and the Area Improvement programme. Many councils will receive less from the Commonwealth this year than they did last year. Certainly the new scheme involves "untied" grants but the effects in cash terms are not lessened because of this.

The formula for allocating these funds and those from the Local Government Assistance Fund will be uniform and will be changed to give greater assistance to areas most in need.

We have also reviewed the level of assistance the State provides to local government.

Two very important decisions have been taken which will be of considerable benefit to councils.

First, we have decided to provide substantial additional funds for council library services. A special allocation at the rate of \$24 million per annum is to be made available as from 1st January next. The cost to this year's Budget is \$1) million.

This is additional to the present council library subsidy scheme of \$1 per capita which will cost \$4.7 million this year.

Under the present scheme, all councils receive the same per capita subsidy regardless of their relative financial needs or the cost of providing library services.

We believe a new approach is called for and the special allocation will be distributed having regard to needs and also to the benefits to be derived from the regionalisation of library services.

The additional sum is equivalent to an increase of over 50 cents per capita and is by far the largest in any single Budget since the scheme was first introduced.

As a second initiative we propose to remove the obligation of local councils to contribute towards the administrative costs of the Planning and Environment Commission, from 1st January, 1977.

At the present time councils within the County of Cumberland are required to meet the administrative costs of the Commission in excess of a statutory contribution by the State of \$500,000 specified in the N.S.W. Planning and Environment Act.

For some years now the State has made a further contribution to help reduce the burden of this levy on councils.

The Government's decision to remove the levy will save the councils involved an estimated \$4 million in a full year. The cost to the Budget in 1976-77 will be \$2 million.

There will be no change in the arrangements for the financing of land acquisitions through the Cumberland Development Fund. The Government will continue to contribute 50 per cent of the capital cost of lands acquired under the approved arrangements while councils within the development area will contribute towards the repayment of loans and interest on loans raised by the Commission.

Other allocations which will assist councils include:

\$8½ million for the Local Government Assistance Fund;

\$17 million for rate concessions to pensioners;

\$1.1 million for the destruction of noxious weeds.

The Budget carries out the Government's firm commitment to increase support for cultural activities in New South Wales.

I have already referred to the additional funds for library services. The Government also proposes to streamline the allocation of greatly increased funds for cultural activities in this State.

This year's allocation is \$2,250,000, an increase of \$833,000. The distribution of this amount will be co-ordinated by the Premier on the advice of the Cultural Grants Advisory Council.

The Estimates also provide for:

an endowment of just on \$4.6 million to assist the Sydney Opera House Trust in carrying out its objectives; and

higher endowments for the Art Gallery, State Library and Museums, including special provisions to assist the Art Gallery and the Australian Museum in holding exhibitions associated with their 150th anniversaries.

Special action is also being taken to encourage the development of the New South Wales film industry.

An Interim Film Commission has been established with a charter to make recommendations to the Government by the end of 1976 on the setting up of a permanent organization as the State's official vehicle of assistance in this field.

The Government is concerned at the limited assistance available to the many people who have settled in New South Wales from overseas. We are determined to change this situation.

We have allocated \$750,000 for expenditure by the State in the field of Ethnic Affairs—an increase of \$625,000 on the amount allocated for such activities last year. This is additional to the costs associated with specialist staff employed in Departments.

Amongst other things, the allocation of \$750,000 will provide for the establishment of a Commission on Ethnic Affairs and the setting up of an Anti-discrimination Board in accordance with our policy undertakings.

In keeping with our policy undertakings on sport and recreation, legislation is to be introduced to amend the Soccer Football Pools Act to increase payments to the Sports and Recreation Fund. The present provisions under which half of the State's share of the pools is paid into that fund, with a maximum of \$3 million a year, is to be altered to two-thirds without any limit on the overall amount, with effect from 1st January, 1977. On this basis it is expected that a sum of the order of \$3.5 million will be transferred to the Fund during 1976–77.

In Opposition, we were strongly opposed to the practice adopted by the previous Government of charging the costs associated with the employment of certain professional staff of the Sport and Recreation Service to the Sports and Recreation Fund.

The Budget provides for these costs, estimated at \$216,000 per annum to be met out of Consolidated Revenue as from 1st July last.

The Government has also decided that it will guarantee loans raised by approved sporting bodies for the provision of buildings, playing fields and so on.

These decisions will greatly increase the assistance which can be made available for sport and recreational facilities throughout the State. This will provide much needed support to the many hard working volunteers who have so willingly devoted their time and energy to promoting sport in New South Wales.

The Government is making a special study of police services and facilities. Again we have the situation where dedicated people need the full support of the State to carry out their essential tasks.

The force needs to have the best possible equipment and facilities if they are to cope successfully with the detection and prevention of crime in this highly technical age.

More police are needed and the Estimates provide for 100 additional police to be recruited this year. This is double the number allowed for last year.

The amount of \$45,616,000 allocated to the Minister for Primary Industries includes provision for the expenditure of some \$6,479,000 on cattle tick eradication and control. Allowance has also been made for a contribution of almost \$1,025,000 from Consolidated Revenue Fund towards the costs of the campaign for the eradication of tuberculosis and brucellosis in cattle.

The Minister's Estimates also include provision for an annual grant to the Royal Agricultural Society of New South Wales towards the costs of staging the district exhibits at the 1977 and subsequent Royal Easter Shows which had been agreed to by the former Government.

An appropriation of \$43.03 million is proposed for the Minister for Lands to meet estimated expenditure on the various land functions which come within this portfolio.

Provision has been made for substantial grants for the maintenance and improvement of public reserves, State recreation areas, showgrounds, etc., and for the development and planning associated with national parks and wildlife management programmes. Contributions of \$7.04 million for the National Parks and Wildlife Fund and \$1.52 million for the Closer Settlement and Public Reserves Fund have been provided to ensure that this State has an adequate nature conservation system and that, where appropriate, facilities are made available for the public enjoyment of natural areas.

***Mr Renshaw***]

Special provision has also been made to assist the Zoological Parks Board during the initial period of operation of the Western Plains Zoo at Dubbo which should be open to the public in December, 1976.

The Registrar General's office is pressing ahead with the elimination of old system titles. This will greatly simplify conveyancing procedures and reduce costs.

An amount of \$2.5 million has been included in the Estimates of the Minister for Transport and Highways for payment to the Traffic Facilities Fund for an accelerated programme of traffic engineering works and traffic management. The Government's policy is to get the maximum use from existing roads by extending the priority road and clearway systems and carrying out other traffic control improvements.

I might add that payments to the Consolidated Revenue Fund in respect of police supervision of traffic are to be limited to \$19.3 million. This is \$5.4 million less than in 1975-76 and \$9 million less than the estimated amount payable. This decision has been made to ensure that additional funds are available for other programmes financed from the Road Transport and Traffic Fund and for the Traffic Facilities Fund. It will not, of course, reduce the level of police supervision.

Payments to private bus operators for pensioner fare concessions are expected to total \$2,170,000 this year.

Other allocations of special interest include an amount of \$102,000 on the Estimates of the Minister for Mines and Energy for an initial programme of expenditure to rehabilitate old derelict mining operations throughout the State. The works planned will alleviate pollution, erosion and safety problems associated with these areas.

The Forestry Commission employs more than 2 100 people, including 1 300 on various forest projects throughout the fourteen Forestry Districts and sixty sub-districts within the State. An amount of \$11.1 million has been provided in the Estimates for the Commission.

A total of \$94,450,000 has been provided this financial year to meet the employer liability to the State and Police Superannuation Funds. This provision, which is almost \$59 million more than the contribution to the Funds last year, allows for a further increase in pensions as from 1st October, 1976, in accordance with changes in the Consumer Price Index during 1975-76.

The Government has also decided that in the light of the practices followed in the case of pensioners under those two schemes, the pensions payable from the Railway Superannuation Account and under the New South Wales Retirement Fund should also be indexed.

As from October, rates are to be increased by 11.9 per cent and adjustments will be made each year thereafter. These will be on the same basis as for the other schemes, that is, the C.P.I. will be used as the indicator.

Because of the financial situation so far as the Railway Superannuation Account is concerned, it has been decided that the cost involved in respect of that Account will be met from the Consolidated Revenue Fund.

Retiring gratuities for transport workers are also to be increased.

I mentioned earlier that special efforts had been made in preparing the Budget to help ease the unemployment situation. One area which has been given special consideration is the maintenance of Government facilities. The work is highly labour-intensive and there is a big backlog to be reduced.

By careful planning we have been able to include \$20 million for special maintenance works in several key departments. This is additional to the special measures which are being taken on the State's capital works programme.

Of this sum \$5 million has been included in the Estimates of the Department of Public Works for expenditure on departmental buildings generally. The balance has been earmarked to the Police Department—\$2 million, Youth and Community Services—\$2 million, Education, for schools—\$5 million, Technical and Further Education—\$2 million and Health—\$4 million.

It is planned to spend these funds throughout the State to provide employment over as wide an area as possible. In the main, the programmes will be co-ordinated by the Department of Public Works.

Finally, the Government is determined to do all it can to stabilize and, if possible, reduce the price of land. The decision to establish a Land Commission has already been announced and the Estimates provide for a special advance of \$10 million to be made to the new body to assist it to acquire and develop land.

In concluding my remarks on the expenditure side of the Consolidated Revenue Fund, I wish to draw attention to the provision made in the Treasurer's Estimates for repayment of the \$17½ million due to the Commonwealth in respect of the loan made in 1971–72 to reduce the Budget deficit.

As noted earlier, no part of this debt was repaid by the previous Government. Under the agreed arrangements, the loan must be repaid on or before 30th June, 1977.

Payment of this sum naturally is a real constraint on the Government. The position is worsened by the fact that a further loan of \$15 million must be repaid on or before 30th June, 1978.

At the June Premiers' Conference the Prime Minister expressed sympathy with the problems which confronted the State. The Premier has requested the Commonwealth to agree to consolidate the two loans and to the total amount being repaid over five years.

Negotiations are still proceeding on this aspect. If the Commonwealth agrees to our suggestion an expenditure of only \$64 million would be incurred in 1976–77, \$11 million less than budgeted for. In such an eventuality we envisage that the savings would be used for further works to relieve unemployment.

The receipts of the Consolidated Revenue Fund are expected to total \$2,917.8 million, compared with \$2,719.7 million in 1975–76.

General purpose payments to the State by the Commonwealth are estimated at \$1,159.8 million, including \$1,145.5 million for the tax reimbursement grant. Full details of the grant arrangements for the current year and of the actual payments in 1975–76 are set out in Appendix 8 attached to the printed copy of this Speech.

I have already commented on the new tax sharing arrangements. All I wish to add at this stage is that the estimated payment represents 39 per cent of the total receipts of the Consolidated Revenue Fund. For the Budget as a whole it is only 34 per cent. This needs to be borne in mind when considering the total effect of the new arrangements on the State.

*Mr Renshaw*]

The overall return from State taxation is estimated at **\$1,218.6** million, an increase of **\$118.6** million or almost **11** per cent over receipts for **1975-76**.

As already foreshadowed by the Premier, the Budget does not include any increases in the rates of State taxation. The recent unavoidable increase in motor vehicle taxation does not, of course, form part of the Budget—the revenue is earmarked for roads.

The Budget does, however, contain several important concessions in State taxation in keeping with our policy undertakings.

Couples purchasing their first home are to be given the option of paying stamp duty over a five-year period, free of interest. The procedure will apply in respect of homes up to **\$50,000** in value.

The arrangements will come into force as from 1st December, **1976**, and full details of the scheme will be announced shortly. We are looking specially at ways of simplifying the legal and other processes involved.

It is difficult to assess the extent to which people will avail themselves of this arrangement. However, on a home of **\$40,000** the existing duty is **\$700** and the payment of this over five years should be of considerable help to young couples.

The net cost to the Budget this year has been estimated at **\$6** million.

Total stamp duty receipts are estimated at **\$252** million, some **\$34** million more than in **1975-76**.

The Government's decision to amend the Stamp Duties Act to exempt from death duty all property passing to a surviving spouse has already received considerable publicity.

Legislation to give effect to this far-reaching reform will be introduced shortly. The exemption will apply in respect of deaths occurring on and after the date of assent to the Bill.

Many estates will benefit and the loss of revenue could be as high as **\$30** million in a full year. However, as most estates are not finalized until **six** months after death, the cost this year will be relatively small.

The Government has also decided that, in the interests of equity, it should move to stem the loss of revenue from duty avoidance schemes. The Leader of the Opposition has conceded that such measures are necessary but what I can't understand is why it took his party eleven years to come to this **conclusion**.

No one can say just how much revenue is currently being lost through these devices.

Solicitors have freely commented that thousands of arrangements are completed each year. As these would largely relate to estates of **\$100,000** or more, the duty avoided in each case would be substantial.

On very conservative estimates we should pick up **\$20** million a year from the closing of the loopholes, and it could be higher. This will leave at most, a net reduction of **\$10** million per annum in duty.

Had the previous Government been prepared to act in the way we now propose, it would have been able to provide the same death duty concession as we are, with very little cost. Thousands of widows and widowers would have been relieved of hardship and suffering.

The Government proposes to introduce two important concessions in the pay-roll tax area.

First, in recognition of the effect of inflation on small businesses, we will increase the present exemption and concessional scale by 15 per cent. The new provisions will apply in respect of wages paid or payable as and from 1st January, 1977.

Employers with an annual pay-roll of \$48,000 or less will be exempt from tax. This exemption will reduce by \$2 for every \$3 in excess of \$48,000 to terminate at \$120,000.

Secondly, we propose to apply a rebate of pay-roll tax to approved decentralized industries. The rebate will apply in respect of the tax paid in the 1976–77 tax year. Eligible employers will lodge a claim in July next for 1976–77 and the rebate will be paid from a special item which will be included in next year's Estimates.

An inter-departmental committee is at present considering how the rebate should be applied and this requires a detailed examination of the structure of industry throughout the State. It is our wish that as many decentralized industries as possible should benefit from the scheme but regard will need to be had to the budgetary situation.

It is hoped that full details can be announced before the end of December.

Revenue from pay-roll tax is currently estimated at \$597.7 million, almost \$79 million more than last year. The tax has been criticized in many quarters and there is no doubt that it can cause real problems to employers especially in current conditions.

Honourable members will appreciate, however, that the tax is now a major source of revenue and its constitutional soundness is a most important factor in these days of constant legal argument as to the extent of the State's taxing powers.

These considerations represent a powerful constraint on the introduction of wide-ranging concessions in this area.

Before the elections both Government and Opposition parties undertook to review the harsh increase of 100 per cent in bookmakers' tax imposed by the previous Government. The present Government also undertook to review the level of tax imposed on race clubs.

In its review, the Government found cause for concern about the impact of the doubling of the tax on the level of employment generated by this industry, not least in areas outside Sydney. We found that in the case of bookmakers, unlike totalizator commission, the total tax paid on turnover is in most cases higher in New South Wales than any other State. It is also clear that the ordinary punter has borne much of the burden of the increase.

It has accordingly been decided to reduce the rate of bookmakers' turnover tax to  $1\frac{1}{4}$  per cent from 1st January next. This will still be 25 per cent higher than the rate applying before last financial year's increase.

We also established that New South Wales is the only State which imposes a levy on racing clubs. The clubs are having difficulty in coping with rising costs within the industry and maintaining their services to the public. To provide relief, it is proposed to exempt them from all contributions by way of levy and supplementary tax, also from 1st January.

**Mr Renshaw]**

This decision should provide considerable assistance to clubs at a time when many have had a reduction in allocations from the TAB.

Despite these changes revenue from racing is expected to be \$74.1 million in 1976–77, \$8½ million above last year's level.

Last year liquor licence fees were increased to 8 per cent. This coincided with a steep rise in Commonwealth excise duty and hotel keepers in particular face a huge increase in licence fees next June when the full effect of the new rates will hit them.

Again we feel that the burden was too great. A special study has been carried out by the Treasury following which it has been decided that licensees should be allowed to pay their licence fee for 1977–78 and future years in two instalments.

To avoid a large drop in revenue in the current year, it has also been decided to change the basis of payment to ensure that both city and country licence fee instalments are brought to account in 1976–77. Under existing procedures, country payments come into the following year's accounts.

These procedures will mean that revenue from this source should reach \$47 million this year, \$8½ million more than last year.

The Government has undertaken to provide taxation relief to registered clubs. The first step will be taken this year.

We propose to reduce the rate of additional supplementary tax by one-sixth, with further reductions of one-sixth in 1977–78 and again in 1978–79. We will then have fully implemented our undertaking to reduce the rate by 50 per cent for all clubs paying this additional tax.

We also propose to provide relief to those smaller clubs with a turnover of less than \$100,000. We will be consulting the registered clubs movement as to whether this should be by a reduction in the basic licence tax or the supplementary tax.

In our policy undertakings we also promised to provide further relief from additional supplementary licence tax to specified clubs and to take account of certain donations for approved purposes.

An Advisory Council is to be appointed to recommend on how these might best be implemented.

Allowing for these factors collections from poker machine taxation are expected to reach \$90 million in 1976–77, some \$6.6 million more than in 1975–76.

I would like now to comment briefly on other major revenue items.

Revenues from the alienation or lease of Crown lands and from royalties on minerals are estimated at \$60.1 million, an increase of \$11.3 million on the 1975–76 receipts.

As already announced, the Government has discontinued public auctions as a way of selling home sites. Instead, blocks valued at \$25,000 or more will be sold by tender for cash and those below \$25,000 will be disposed of by ballot. A deposit of 20 per cent of the notified values will be payable on blocks valued between \$15,000 and \$25,000 and a deposit of 10 per cent on blocks valued at \$15,000 or less, with the balance repayable over seven years with interest at the concessional rate of 8 per cent per annum.

This scheme was formulated as part of the Government's overall plans to stabilize land prices and provide low-cost home sites. The new system should ensure that the medium to low income earner has access to the home sites released.

Receipts for services rendered are expected to total roundly \$129 million this year, an increase of only some \$5 million.

Fees and charges for the wide range of general governmental services have been increased very sharply over the past few years, but this year only relatively moderate increases are planned in areas where this is necessary to match the rising costs of administration.

Receipts under the heading "General Miscellaneous Receipts" are estimated at slightly more than \$350 million. The 1975–1976 receipts under the same heading totalled \$469 million but, after allowing for a non-recurring receipt of \$174.4 million in respect of the repayment of interim finance provided last year pending the receipt of certain Commonwealth specific purpose payments held up due to lack of Commonwealth legislation, the net increase this year is some \$55 million.

In recent years, the main increases in receipts under this heading have related to Commonwealth specific purpose payments. However, because of the severe cutback in these payments and the effects of Hospital Medibank on receipts for pharmaceutical benefits the overall increase from Commonwealth payments credited to Consolidated Revenue is only some \$7.5 million.

The major increases from State sources are repayments \$20 million, fines and forfeitures \$8 million, and interest receipts \$9 million.

It is appropriate at this stage to outline to the House the expected Budget out-turn.

As I have indicated, expenditure from the Consolidated Revenue Fund is estimated at \$2,914.7 million and revenue at \$2,917.8 million, leaving a surplus of \$3.1 million on that fund.

The Maritime Services Board is expected to run at a small surplus of \$61,000.

The Budget out-turn is dominated, however, by the losses of \$331 million expected on rail and bus operations, a worsening of some \$87 million on last year's result.

The Consolidated Revenue Fund will be called upon to provide \$327.5 million by way of unrecouped debt charges and cash assistance to keep the rail and bus services operating.

When this has been allowed for, the overall result for practical purposes is a balanced Budget. The actual figure is a deficit of \$27,951.

The Maritime Services Board's small surplus will not greatly affect the overall position. On the other hand, the deficits being incurred on the operations of the Public Transport Commission have become of dramatic significance to the whole of the State's finances.

The previous Government inherited, eleven years ago, an overall surplus on rail operations in this State. We, by contrast, have inherited a massive and mounting deficit—this year estimated at \$273 million on rail services and nearly \$58 million on bus services.

*Mr Renshaw]*

The Government regards the provision of cheaper, modern, efficient public transport as a major priority. The drift of the past decade will not be quickly or easily reversed.

We have made a start on winning back passenger traffic. The 20 per cent fare reduction has stemmed the down-turn in patronage and we are confident that, given no further decline in the economy, the figures will start to increase.

This is, of course, only a small part of the whole programme which also calls for the replacement and modernization of our transport system. These other initiatives will be announced shortly in the Loan Speech.

The recently announced increase of 7 per cent in freight rates is much less than the increase in costs; it compares more than favourably with increases over the last few months by road hauliers.

The Government is making an intensive review of the finances and operations of the entire public transport system.

At this stage we have no alternative but to provide the support the Public Transport Commission needs to carry out its important functions. As mentioned earlier, this includes the employment of additional staff, despite the huge losses, where this is necessary to ensure safety of operations and the availability of rolling stock and vehicles.

The challenge of reversing the trends of the last decade is great. So is the Government's determination.

That completes my review of the Budget. Before concluding, I would like to summarize the main features:

No new taxes.

No increases in existing taxes.

Tax relief in a number of areas:

- stamp duty on conveyances;
- death duties;
- pay-roll tax;
- racing taxes;
- poker machine taxes;
- liquor licences.

Expenditure from the Consolidated Revenue Fund has been kept to an increase of only 14.5 per cent on 1975–1976.

We have planned a balanced Budget without using State capital funds.

In an attempt to reduce unemployment and upgrade State facilities, \$20 million has been set aside for special maintenance programmes in the areas of works, police, youth and community services, education, technical education and health.

Staff numbers will be rigidly controlled but some increases are proposed in Health, Education, Police, Transport and Community Welfare.

In the Education field:

additional teachers will be employed;  
living away from home allowances are to be increased;  
secondary bursary allowances are to be increased by 15 per cent;  
free bus travel is to be introduced for infants school pupils, irrespective of distance travelled;  
per capita payments to non-State schools are to be increased to **20** per cent of the cost of educating children in our Government schools;  
the interest subsidy for non-State schools is to be increased to a rate of **10** per cent per annum.

On the Health front, the hours of training for trainee nurses are to be substantially increased.

Increased grants are to be made to various bodies in the Health field.

Major improvements are to be effected in the Youth and Community Services area:

a Community Services Fund is to be established with an initial grant of **\$1.1** million;  
payments to deserted wives and unmarried mothers are to be greatly increased;  
payments to foster parents and child care bodies are to go up to **\$15** per week;

pre-school kindergartens are to be paid a subsidy of **20** per cent award rates for approved staff.

To improve tourist facilities, a Tourist Industry Development Fund is being set up.

To ease the rate burden councils are to be greatly assisted by:

a special allocation of **\$2½** million per annum for library subsidies to be distributed on a needs basis;  
abolition of the contribution to meet administrative costs of the Planning and Environment Commission; and  
continued support through the Local Government Assistance Fund.

Support of cultural activities is to be significantly boosted through a central fund.

**\$¾** million is being provided for ethnic affairs, compared with only **\$125,000** last year.

Aid for various bodies in the Sport and Recreation area is to be increased through new arrangements, particularly the earmarking, without limit, of two-thirds of the proceeds of soccer pools.

**\$2.5** million is being allocated from the Consolidated Revenue Fund as a special grant for traffic facilities.

Further funds have been released for this purpose by a drastic reduction in the payment from the Road Transport and Traffic Fund for traffic supervision by police.

An advance of **\$10** million is to be made to the proposed Land Commission.

An intensive review is being made of the finances and operations of the Public Transport Commission.

*Mr Renshaw]*

Of necessity this Budget speech has been longer than usual. Few Budgets have been presented in times of greater economic difficulty and complexity—not just for New South Wales, but for Australia as a whole. We believe that this Budget measures up to the great task we face and measures up to the needs of this State! and of the people of New South Wales in 1976.

It reflects the concern of the Government and the people in our present difficulties—our concern at the prospect of growing unemployment, our concern to co-operate with other Australian Governments and with all sections of the community to restore confidence in Australia's future, to restore full employment and to beat inflation, our concern at serious weaknesses in the State's finances which have built up in the past few years, our concern that New South Wales should get a fairer share! of the taxes its citizens provide, our concern to provide sound and responsible management of the State's finances, our concern to provide a better life for all the people of New South Wales, our concern to honour our obligations, to keep faith with the electors of New South Wales, and, above all, our concern—our compassionate concern—for the weaker, less privileged sections of our community.

We know that this Budget is a sincere attempt to meet all those concerns; and we are confident that it will prove a successful attempt.

I commend it to the House.

Debate adjourned on motion by Sir Eric Willis.

APPENDIX I  
*Aggregate Budget Statement*

Fund or Undertaking	Estimate, 1976-77	Actual, 1975-76
Consolidated Revenue Fund.....	\$ 3,114,449 (Surplus)	\$ 598,340 (Deficit)
Public Transport Commission of New South Wales—		
Rail Services .....	273,094,000 (Deficit)	203,872,442 (Deficit)
Bus Services—		
Metropolitan .....	51,390,000 (Deficit)	34,978,403 (Deficit)
Newcastle and District .....	6,315,000 (Deficit)	4,668,386 (Deficit)
Maritime Services Board of New South Wales.....	61,000 (Surplus)	72,842 (Surplus)
Total.....	\$ 327,623,551	244,044,729
<i>Deduct—</i>		
Net Adjustment on account of recoupment of debt charges by the above Undertakings to the Consolidated Revenue Fund and contributions from that Fund towards losses of the Undertakings .....	327,595,600	243,095,273
Budget Result .....	\$ 27,951 (Deficit)	949,456 (Deficit)

## APPENDIX 2

Consolidated Revenue Fund—Financial Results for the last Three Years and Estimates for 1976–77

	Actual, 1973–74	Actual, 1974–75	Actual, 1975–76	Estimate, 1976–77
	\$	\$	\$	\$
Receipts .....	1,566,114,828	2,108,639,271	2,719,681,057	2,917,841,110
Payments—				
Annual Appropriations .....	1,355,116,791	1,891,353,119	2,421,676,727	2,584,315,508
Special Appropriations (other than Debt Charges) .....	54,427,355	69,872,031	104,094,843	110,231,173
Debt Charges (net) .....	170,073,622	183,864,632	194,507,827	220,179,980
Total Payments .....	1,579,617,768	2,145,089,782	2,720,279,397	2,914,726,661
Result .....	13,502,940 (Deficit)	36,450,511 (Deficit)	598,340 (Deficit)	3,114,449 (Surplus)

## APPENDIX 3

Public Transport Commission of New South Wales—Rail Services—Financial Results for the last Three Years and Estimates for 1976–77

	Actual, 1973–74	Actual, 1974–75	Actual, 1975–76	Estimate, 1976–77
	\$	\$	\$	\$
Earnings — All services, including Government contributions towards losses on Developmental Lines ....	264,290,633	292,973,012	320,362,802	339,985,000
Working Expenses .....	346,836,717	412,147,829	468,989,004	550,901,400
Result on Working .....	82,546,084 (Deficit)	119,174,817 (Deficit)	148,626,202 (Deficit)	210,916,400 (Deficit)
Capital Debt Charges—				
Interest .....	33,715,260	37,812,790	44,644,540	53,530,000
Sinking Fund .....	7,744,430	8,029,090	8,621,510	7,125,000
Loan Management .....	122,920	134,370	185,760	152,600
Flotation Expenses .....	1,458,310	1,666,400	1,624,020	1,370,000
Exchange .....	147,480	121,240	170,410	(a)
Total Fixed Charges .....	43,188,400	47,763,890	55,246,240	62,177,600
Result .....	125,734,484 (Deficit)	166,938,707 (Deficit)	203,872,442 (Deficit)	273,094,000 (Deficit)

(a) Included under "Interest".

APPENDIX 4

Public Transport Commission of New South Wales—Bus Services—Financial Results for the last Three Years and Estimates for 1976-77

	Actual, 1973-74	Actual, 1974-75	Actual, 1975-76	Estimate, 1976-77
	\$	\$	\$	\$
Earnings .....	39,222,584	42,509,689	4,884,580	39,891,000
Working Expenses .....	62,741,232	76,520,482	81,101,319	93,508,400
Loss on Working .....	23,518,648	34,010,793	36,216,739	53,617,400
Capital Debt Charges—				
Interest .....	2,375,330	2,638,440	3,001,480	3,361,700
Sinking Fund .....	324,010	343,290	375,220	688,900
Loan Management .....	8,670	9,370	12,530	9,600
Flotation Expenses .....	32,130	23,220	29,310	27,400
Exchange .....	10,370	8,440	11,510	(a)
Total Fixed Charges .....	2,750,510	3,022,760	3,430,050	4,087,600
Result .....	26,269,158 (Deficit)	37,033,553 (Deficit)	39,646,789 (Deficit)	57,705,000 (Deficit)

(a) Included in "Interest"

APPENDIX 5

Maritime Services Board—Financial Results for the last Three Years and Estimates for 1976-77

	Actual, 1973-74	Actual, 1974-75	Actual, 1975-76	Estimate, 1976-77
	\$	\$	\$	\$
Earnings .....	40,590,977	46,764,236	49,311,302	65,235,000
Working Expenses .....	32,871,571	38,398,309	40,154,040	55,036,000
Surplus on Working .....	7,719,406	8,365,927	9,157,262	10,199,000
Capital Debt Charges—				
Interest .....	5,958,930	6,630,710	7,560,250	8,550,000
Sinking Fund .....	1,098,180	1,178,950	1,283,980	1,400,000
Loan Management .....	21,720	23,570	31,500	25,000
Flotation Expenses .....	181,690	211,010	179,650	163,000
Exchange .....	26,050	21,130	29,040	(a)
Total Fixed Charges .....	7,286,570	8,065,370	9,084,420	10,138,000
Result .....	432,836 (Surplus)	300,557 (Surplus)	72,842 (Surplus)	61,000 (Surplus)

(a) Included in "Interest".

1218 ASSEMBLY—Appropriation Bill

APPENDIX 6  
Consolidated Revenue Fund—Receipts

	Actual, 1975-76	Estimate, 1976-77	Variation	
Payments by Commonwealth—	\$000	\$000	\$000	
Financial Assistance (Tax Reimbursement) Grant....	946,660	1,145,500	(+)	198,840
Grants and Advances for Relief of Natural Disasters	13,905	8,500	(-)	5,405
Grants for Relief of Unemployment.....	11,392	.....	(-)	11,392
Towards Interest on Public Debt.....	5,835	5,835	.....	.....
	977,792	1,159,835	(+)	182,043
State Taxation—				
Stamp Duties .....	217,945	252,000	(+)	34,055
Death Duties .....	90,548	98,000	(+)	7,452
Pay-roll Tax .....	518,930	597,700	(+)	78,770
Land Tax.....	99,255	110,000	(+)	10,745
Racing .....	65,390	74,147	(+)	8,757
Business Franchise Licences (Petroleum).....	45,986	4,500	(-)	41,486
Business Franchise Licences (Tobacco) .....	19,146	31,000	(+)	11,854
Liquor Licences .....	38,226	47,000	(+)	8,774
Soccer Football Pools .....	2,611	2,500	(-)	111
Other .....	1,988	1,753	(-)	235
	1,100,025	1,218,600	(+)	118,575
Land Revenue—				
Land.....	17,115	20,573	(+)	3,458
Mining.....	31,702	39,531	(+)	7,829
	48,817	60,104	(+)	11,287
Receipts for Services Rendered—				
Pilotage, Harbour Rates, etc. ....	14,357	15,666	(+)	1,309
Fees .....	40,315	46,514	(+)	6,199
Miscellaneous Services Rendered.....	69,373	66,812	(-)	2,561
	124,045	128,992	(+)	4,947
General Miscellaneous Receipts—				
Fines and Forfeitures.....	30,891	39,100	(+)	8,209
Forestry .....	6,648	7,015	(+)	367
State Lotteries.....	31,499	33,000	(+)	1,501
Interest.....	32,550	41,708	(+)	9,158
Commonwealth Tuberculosis Payments .....	3,030	1,379	(-)	1,651 <sup>a</sup>
Commonwealth Pharmaceutical Benefits .....	10,415	1,803	(-)	8,612 <sup>a</sup>
Commonwealth Payments—Community Health Facilities and Services .....	16,708	24,690	(+)	7,982
Commonwealth Payments—Technical and Further Education .....	16,756	16,850	(+)	94
Commonwealth Payments—Advanced Education....	3,600	4,557	(+)	957
Commonwealth Payments—Primary and Secondary Education, etc. ....	78,992	85,647	(+)	6,655
Repayment of Interim Finance Provided Pending the Availability of Commonwealth Grants and Ad- vances .....	174,427	.....	(-)	174,427
Other .....	63,486	94,561	(+)	30,075
	469,002	350,310	(-)	118,692
Total Receipts.....	2,719,681	2,917,841	(+)	198,160

(a) Reflects Hospital Medibank arrangements

*Mr Renshaw]*

**APPENDIX 7**

## Consolidated Revenue Fund—Payments

	Actual, 1975-76 (a)	Estimate, 1976-77	Variation
	\$000	\$000	\$000
Departmental Services—			
Supplement to Schedules to Constitution Act . . . . .	99	111	/(+) 12
The Legislature . . . . .	3,225	3,595	(+) 370
Premier—			
Police . . . . .	131,365	145,340	(+) 13,975
Other . . . . .	33,692	41,874	(+) 8,182
Total . . . . .	165,057	187,214	(+) 22,157
Minister for Transport and Minister for Highways	4,611	7,126	(+) 2,515
Minister for Health (excludes transfers of poker machine taxation to Hospital Fund) . . . . .	433,483	427,670	(-) 5,813
Treasurer—			
Payments to Public Transport Commission of N.S.W., etc., including freight subsidies on wheat and other commodities . . . . .	205,250	286,269	(+) 81,019
Interim Finance provided pending availability of Commonwealth Grants and Advances . . . . .	174,427	....	(-) 174,427
Other (a) . . . . .	125,980	140,462	(+) 14,482
Total . . . . .	(b) 505,657	(b) 426,731	(- 78,926
Minister for Decentralisation and Development ..	8,117	8,522	(+) 405
Attorney-General and Minister of Justice . . . . .	37,980	42,174	(+) 4,194
Minister for Services—			
Corrective Services . . . . .	28,702	34,086	(+) 5,384
Other . . . . .	102,969	118,214	(+) 15,245
Total . . . . .	131,671	152,300	(+) 20,629
Minister for Lands . . . . .	38,482	43,031	(+) 4,549
Minister for Public Works, Minister for Ports and Minister for Housing . . . . .	85,228	99,115	(+) 13,887
Minister for Local Government . . . . .	(c) 26,400	29,042	(+) 2,642

- (a) These figures agree in total with those in the Treasurer's Public Accounts for 1975-76 although individual expenditure could have appeared under different Ministerial headings, having been re-distributed to facilitate the comparison with the current year's Estimates.
- (b) Excludes expenditure for Natural Disaster purposes which has been included as a separate item.
- (c) Excludes expenditure for Relief of Unemployment which has been included as a separate item.

## APPENDIX 7—continued

	Actual, 1975-76 (a)	Estimate, 1976-77	Variation
Minister for Education—	\$000	\$000	\$000
Primary Education .....	291,063	323,146	(+) 32,083
Secondary Education .....	290,540	325,148	(+) 34,608
Conveyance of Children to School .....	46,046	51,150	(+) 5,104
Technical and Further Education .....	77,719	89,280	(+) 11,561
Other .....	92,889	102,291	(+) 9,402
Total .....	798,257	891,015	(+) 92,758
Minister for Sport and Recreation and Minister for Tourism .....	6,571	8,359	(+) 1,788
Minister for Youth and Community Services .....	43,378	53,821	(+) 10,443
Minister for Mines and Minister for Energy .....	10,501	11,193	(+) 692
Minister for Industrial Relations .....	9,965	10,850	(+) 885
Minister for Consumer Affairs and Minister for Co- operative Societies .....	2,610	3,693	(+) 1,083
Minister for Conservation and Minister for Water Resources .....	31,860	34,796	(+) 2,936
Minister for Primary Industries .....	41,801	45,617	(+) 3,816
Minister for Planning and Environment .....	6,045	9,341	(+) 3,296
Total—Departmental Services .....	2,390,998	2,495,316	(+) 104,318
Advance to Treasurer .....	(d)	75,000	(+) 75,000
Expenditure for Relief Purposes—			
Natural Disaster Relief .....	19,286	14,000	(-) 5,286
Relief of Unemployment .....	11,392	....	(-) 11,392
Total .....	30,678	14,000	(-) 16,678
Total—Annual Appropriations .....	2,421,676	2,584,316	(+) 162,640
Special Appropriations—			
Services other than Debt Charges .....	104,095	110,231	(+) 6,136
Debt Charges (net) .....	194,508	220,180	(+) 25,672
Total .....	298,603	330,411	(+) 31,808
Total Payments .....	(a)2,720,279	2,914,727	(+) 194,448

(d) Expenditure met from Advance to Treasurer in 1975-76 included under relevant departmental items.

**APPENDIX 8**

Personal Income Tax Sharing and Financial Assistance Grants—Details of Payments to New South Wales in 1975–76 and 1976–77

*Personal Income Tax Sharing Entitlements 1976–77*

The States will receive in total 33.6 per cent of Commonwealth personal income tax collections in the year, excluding any Commonwealth surcharges or rebates, for example the medibank levy. The Commonwealth has emphasized in its Budget that the personal income tax estimates are necessarily subject to a very substantial margin of uncertainty.

The total entitlement for all States is divided between the States according to a formula that maintains the same relative per capita distribution as applied to the 1975–76 financial assistance grants, based on populations as at 31st December each year. Adjusting the 1975–76 per capita relativities by forward estimates of State populations gives an estimated New South Wales entitlement of 30.824 per cent of the total for all States.

	Estimate 1976–77 \$ million
(1) Commonwealth Personal Income Tax Collections, as estimated in Commonwealth Budget .....	11,060.0
(2) States' Personal Income Tax Sharing Entitlements—33.6 % of (1) ..	3,716.2
(3) New South Wales Personal Income Tax Sharing Entitlement—30.824% of (2) .....	1,145.5

*Financial Assistance (Tax Reimbursement) Grants, 1975–76*

The formula grant comprised the State's financial assistance grant in 1974–75 plus formula additions calculated from the population increase in New South Wales in the year to 31st December, 1975, the increase in average wages in Australia as a whole in the year to 31st March, 1976, and a betterment factor of 1.8 per cent. An additional grant of \$220 million was divided between the States in proportion to the 1975–76 formula grants.

	Actual, 1975–76 \$ million
Base Grant .....	737.5
Plus additions under formula .....	141.4
Formula Grant .....	878.9
Additional Grant (Share of \$220 million) .....	<u>67.8</u>
Total Financial Assistance Grant—New South Wales .....	<u>946.7</u>

**FINANCIAL STATEMENT**

Copy of Financial Statement tabled and, on motion by Mr Renshaw, ordered to be printed.

JOINT COMMITTEE UPON PECUNIARY INTERESTS

Message

Mr SPEAKER: I report the receipt of the following message from the Legislative Council:

**Mr Speaker—**

The Legislative Council, having had under consideration the Legislative Assembly's Message dated 15 September, 1976, agrees to paragraphs one, three and four of the Resolution embodied therein relating to the appointment of a Joint Committee to inquire into and report whether arrangements **should** be made relative to the disclosure of Members' interests and the registration thereof.

The Legislative Council also resolved that should this Committee be comprised of eight Members of the Legislative Assembly—

- (1) That such Committee should be comprised of seven Members of the Legislative Council.
- (2) That the representatives of the Legislative Council be the Honourable C. J. Cahill, the Honourable S. L. M. Eskill, the Honourable Sir Asher Joel, the Honourable W. L. Lange, the Honourable H. J. McPherson, the Honourable R. G. Melville and the Honourable J. S. Thompson, and fixes Tuesday, 5 October, 1976, at 3.30 p.m. in the Assembly Committee Room No. 1 as the time and place for the first meeting.
- (3) That, on this occasion, the Council agrees to waive its claim to equal representation on the Joint Committee and requests that its action in so doing should not be drawn into a precedent.

However, should the Legislative Assembly be concerned at the size of the proposed Committee, the Legislative Council would not object to the Assembly suggesting a Joint Committee to consist of five Members of the Legislative Assembly and four Members of the Legislative Council to be nominated by the respective Houses.

*Legislative Council Chamber,  
Sydney, 29 September, 1976.*

HARRY BUDD,  
President.

Motion (by Mr F. J. Walker) agreed to:

That consideration of the Legislative Council's message stand **an** Order of the Day for tomorrow.

BILL RETURNED

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

Church of England Trust Property (Amendment) Bill

YOUNG MEN'S CHRISTIAN ASSOCIATION OF SYDNEY INCORPORATION  
(AMENDMENT) BILL

Second Reading

Mr F. J. WALKER (Georges River), Attorney-General [8.52]: I move:

That this bill be now read a second time.

This bill has four major objectives. It will restate the aims of the Sydney YMCA in conformity with those of its sister bodies in Australia and the rest of the world. It will remove the entrenching provisions in relation to the articles of the Sydney Y's constitution, to enable amendment to take place from time to time as desired by association members. It will extend the class of people who may become members of the association, and it will confer new powers on the association so that it may more effectively meet the needs which it is increasingly called upon to fill in modern times.

The existing legislation framed in 1906 and still governing the modern Sydney YMCA has simply become inadequate to cope with the spectacular growth which the movement has experienced. From its modest origins in rooms at King and Pitt Streets in 1853, the Sydney Y now boasts 53 000 members and participants. At world level, the YMCA movement now encompasses over 23 million members and participants and the signs are unmistakably that the rate of expansion all over the world is increasing.

Perhaps the most significant development in the years since the founding of the YMCA in Sydney has been the remarkable bourgeoning of suburban YMCA's, providing a multitude of activities for all age groups in society. The first such centre made its appearance at Liverpool in 1964. Since then, twenty centres have been established, and more are planned. More than 100 different programmes are offered ranging from olympic gymnastics, soccer, karate and yoga to photography, copper jewellery and car maintenance, to psychology and remedial reading. Recently, the Sydney YMCA has embarked on a number of new fields, developing programmes in counselling for drug addiction and emotional and sex problems, and working with retarded children, in conjunction with the Aid Retarded Children's Movement.

In the midst of all this growth and activity, however, the essential values and objectives of the YMCA—to promote and further Christian beliefs and Christian living—have remained. This, expressed in clear and simple language, is the first of the objects proclaimed in clause 3A of the bill. Of great significance to the Sydney Y is the adoption in clause 3A (b) of the Paris basis which is the expression of purpose and belief of YMCA's all over the world. It states *that*—

The Young Men's Christian Associations seek to unite those young men who, regarding Jesus Christ as their God and Saviour according to the Holy Scriptures, desire to be His Disciples in their faith and in their life, and to associate their efforts for the extension of His Kingdom amongst young men.

The declaration replaces the obscure doctrinal statement appearing in the 1906 legislation, which is a source of bewilderment and uncertainty even to theologians. Paragraphs (c), (d) and (e) of clause 3A elaborate upon these primary value objectives of the association, for instance, to promote the interests of the Young Men's Christian Association movement.

Turning to the remaining paragraphs of this important clause, it will be seen that they are directed to encompassing the many-sided activities of which I have already spoken. Paragraph (g) provides that it is an object of the Sydney YMCA to procure and provide educational, cultural and recreational facilities for young people.

In similar view, is paragraph (j) which embodies the aim of the YMCA to foster awareness in the community of the needs of young people and of the correlative needs of society in relation to the effective participation of young people.

Earlier, I mentioned the vigorous expansion of the Sydney YMCA into the suburbs. Paragraph (k) recognizes this objective of promoting youth centres and suburban branches. In paragraph (l) the object of acting as an advisory body to other organizations in matters relating to young people appears. Honourable members will recall I referred to this aspect of the Y's work in introducing this bill. Not surprisingly, the YMCA has, over the years, built up a wealth of expertise in the development and management of youth complexes, and these skills constitute, in themselves, an invaluable resource for other organizations, from local councils to church groups, wishing to provide similar community services.

The widening of eligibility for membership of the association is achieved in item 1 of the schedule, which inserts clause 1A. Voting member will now be defined as a person who subscribes to the association's objects, has paid his subscriptions and is admitted as a voting member by the board of directors. A new simple definition of associate member is also inserted. Item (6) repeals the existing section 7 of the Act and replaces it with a statement of powers more consonant with the administrative needs of a progressive organization of this kind. Clause 7 (1) enables the body corporate to deal generally with its real and personal property, and specific powers are enumerated in clause 7 (2), for instance, to borrow or raise money, to carry out works, provide accommodation, appoint officials and to enter contracts.

Amendments of a machinery and definitional character are effected by items (7), (8) and (9). The omission of section 8 (d), for example, will enable sales of real property to be carried out by the board of directors without requiring the proposal for sale to be submitted to a general meeting of members. Item (10), which omits the second schedule to the Act, will, together with the repeal of section 4 (6) of the Act, enable the articles of the association to be altered without recourse to legislation. This would seem entirely appropriate since the articles of its constitution are essentially an internal matter for the association. On the other hand, it will be noted that the association's charitable objects are not similarly open to change, being set out in the bill itself. I should perhaps point out that savings provisions in respect of the YMCA's property and of bequests and donations for the YMCA which were dependent on the terms of the principal Act are contained in clauses 3 and 4 of the bill.

It will be recalled that under standing orders the strictly correct procedure in introducing legislation in respect of charitable organizations is for the bill to be taken as a private measure. Clearly, however, this would severely deplete the funds of the organization concerned, and it has been the policy of successive governments to enable these funds to be devoted to the more worthwhile objectives of carrying out works for the benefit of the community, and to this end to have the measure enacted as a public bill. I can assure honourable members that this legislation has the full support of the national council of the YMCA in Australia and its passage is enthusiastically awaited by the Sydney Association. I commend the bill to the House.

Mr DOWD (Lane Cove) [8.59]: The Opposition will support the passage of the bill through this House. The measure is a major exercise in bringing up to date an impressive organization. The flexibility that will be allowed to the Young Men's Christian Association by this amending bill will eliminate potential problems occurring through old-style terminology. The bill will get rid of entrenched provisions in the schedule and it will eliminate also the rather old-fashioned terminology of the existing Act.

The association is expanding at an incredible rate at a time when many people are **whingeing** about **inability** to get help from one organization or another. During 1975 the organization increased its membership by something like 48 per cent. That shows a changing pattern in our society. Young people are determined to participate in the community and create their own entertainment as well as to involve themselves in activities not normally pursued by older people. The president of the Sydney YMCA, Mr **Bill Orme**, is a man of prodigious energy. He has put his stamp—with other members of the board of directors—on the organization. He and his directors are to be **commended** for the tremendous drive and enthusiasm which has expanded the facilities, particularly, as the Attorney-General has mentioned, **the outreach** into the suburbs of Sydney. Our society fails to deal with the activities of the younger members of the community. Though we educate them we do not always provide jobs for them. We are not providing jobs for all young people now. **As a community** we fail to look to the needs of young people. The principle going right through the organization is one of self-help and of helping other people. The community can learn much from an organization such as the YMCA which provides facilities for young people to help themselves and at the same **time** to help others.

I do not propose to deal with the structure of the bill. That has been set out adequately by the Attorney-General. As the Attorney-General has said, the organization eagerly awaits the new constitution. The extended aims show the way that the organization has updated in something like three-quarters of a century to a modern, thriving organization which will give a lead to the young people of the State and the nation, at a time when young people need assistance. I hope that the Government will spend a little more time and provide more financial assistance to help young people get employment and establish themselves in life. The Opposition supports the measure. Honourable members on this side of the House commend the organization for its imagination in developing its activities. We commend the directors, under the presidency of Mr **Orme**, for the energy put into the association over the past twelve months or so. We hope that the bill will have a speedy passage through both Houses.

Motion agreed to.

Bill read a second time.

### Third Reading

By leave, bill read a third time, on motion by Mr F. J. Walker.

## FRIENDLY SOCIETIES (AMENDMENT) BILL

### Second Reading

Mr EINFELD (Waverley), Minister for Consumer Affairs and Minister for Co-operative Societies [9.5]: I move:

That this bill be now read a second time.

This bill arises from a review of a number of the provisions of the Friendly Societies Act of 1912, and present-day activities in friendly societies and their branches. The amended provisions are desirable to meet changed circumstances, to protect members' funds and to facilitate a number of functions involving both friendly societies and branches. There are more than fifty friendly societies and more than 1 000 branches of societies with individual memberships of various types of benefit funds exceeding 700 000 people. They have total funds in excess of \$42 million and range in size from the largest society, with 286 000 members of various funds which total over \$13 million, to small societies with a handful of members and funds of less than \$2,000.

Included in the registered friendly societies are the Manchester Unity Order of **Oddfellows**, the Grand United Order of Oddfellows, the **Hibernians**, the Australasian Holy Catholic Guild, to mention a few, as well as funeral funds related to individual groups of pensioners. Generally these organizations are well run but there has been a tendency in recent times to seek registration of bodies as friendly societies to avoid taxation. In considering the bill, honourable members should bear in mind that the legislation covers both the older societies operating in the traditional manner and a number of newer societies which are completely different in their activities and origins. These new activities have given rise to a number of amendments and, in general, the proposed amendments should not create any problems for societies that are operating on sound lines. The amendments will both regulate and facilitate a number of society activities and give added protection to the interests of members.

The proposed amendments have been favourably considered in principle by the friendly societies advisory committee, which has been informally constituted pending passage of this legislation. Schedule 1 and other parts of the bill contain technical and law reform provisions. In schedule 2, there is provision to make it discretionary instead of mandatory for the registrar to circulate statistical and other information relating to societies. There is no intention to deprive existing societies of the services that they now receive in relation to their traditional activities. However, it is appropriate that new societies obtain the services of a consulting actuary and this is complementary to developments with which I shall deal later.

I come now to proposed revised requirements to cover the formation and registration of friendly societies and their branches. The Registrar of Friendly Societies in his reports to Parliament has commented on the interest shown by various sponsors in obtaining registration and the privileges of societies to carry out activities that are clearly not recognizable as the activities of a bona fide friendly society. In one recent case, the members of the proposed society were unlikely to receive any gain or benefit or to be able to exercise any voting rights during their membership and the society was more likely to enrich its sponsors than its members. The present provisions of the Act include no grounds, other than the technical contents of rules of the society, upon which to refuse registration.

This society, which placed the registrar in a dilemma, appealed to the Supreme Court against refusal to register the society and the appeal was dismissed on the grounds that the society was not recognizable as a friendly society. The proposed amendments contain conditions similar to those applicable to the formation and registration of credit unions and permanent building societies. These provisions are absolutely necessary for the registrar to satisfy himself regarding all aspects of proposed societies. There is also a requirement that at least 100 members, or such lesser number as the registrar may approve, are necessary to form a society. There is power to control the advertising of a newly registered society or that of a society which proposes to seek registration; also for the registrar to refer applications for registration to the friendly societies advisory committee which may recommend that registration not proceed. These are similar to powers in the several other Acts administered within the same department. There is further amendment so that, once registered, a society may not amend its rules in a manner contrary to the requirements for the rules of a new society.

There are additional provisions for the registration of branches of a new society or registration of further branches of existing societies. First, the application for registration is to contain particulars of various persons elected to hold various offices of these branches. Second, whereas branches previously have been acknowledged as established, the amendments will provide that all branches, old and new, are registered so that other provisions of the Act relating to registry are properly applicable to

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branches. Schedule 2 and other parts of the bill contain provisions to increase certain penalties for breaches of the Act. This is on the basis that penalties of \$40, such as for the taking of moneys when a society or branch is not registered, are to be increased to \$100. The penalty for offences for which a penalty is not expressly provided is to be increased from \$10 to \$40. Also included is provision so that a penalty of up to \$50 may be **prescribed** in the regulations under the Act for any breach of these regulations. **I think honourable** members will agree that it is necessary to have some penalty for breaches such as these and that the penalties proposed are not outrageous.

Associated with this are provisions to enlarge the grounds on which the registrar may cancel or suspend the registration of a society or branch. Briefly, these are, violation of the regulations or the society's rules; any ground on which the registrar may award dissolution and which I will deal with under schedule 6; failure to commence or suspend business; insufficient members to form a quorum of the committee; and reduction of the membership to below that required at time of registration to form the society. These provisions have become increasingly necessary, first, because it has been found that societies recently formed have shown by their action, or lack of action, that cancellation of the registry is necessary; second, in order to deal with societies or branches that have collapsed.

Schedule 3 contains provision to constitute a friendly societies advisory **committee**. The majority of the committee are to be officers of friendly societies. Its function will be to advise the Minister and registrar on friendly society matters and to **carry out** the prescribed duties. Such a committee has been meeting informally for some time and has already proved its value. Schedule 4 contains enabling provisions so that the delegates of societies, such as dispensaries which are controlled by delegates, may elect the auditor of the society and are to receive his report. The provisions and qualifications for appointment of trustees are also amended in order to eliminate certain situations where there might be a conflict of interest. It is proposed that a trustee of a society or branch of that society must be a member of that society or that branch and in addition must not be a partner, employee or employer of, or act as solicitor or auditor to, that society or branch. Proposed section 32B contains new provisions so that a trustee with the consent of the **committee** of the society or branch and his co-trustees may, subject to certain conditions, delegate all or part of his powers if unable to carry out his duties through absence, illness or other causes. It is believed that this should greatly assist societies in dealing with investment matters and remove the problems that have frequently arisen when trustees wish to absent themselves for long periods.

The Credit Union Act and Permanent Building Societies Act provide that societies must keep certain prescribed registers. It is proposed that friendly societies, many of which have considerable funds, also be required to keep certain prescribed registers such as registers covering investments, membership and other matters. The nature of investments that may be made by societies has been of great concern in recent times. One society was formed, and advertised that it was investing in property. It borrowed substantially and engaged in the purchase and construction of a caravan park which was in no way related to the conduct of its business or the holding of its meetings. It is obvious that a society should not invest an undue proportion of its funds in property. Amendment is now proposed so that purchase or lease of land and buildings may only be for the purposes of holding meetings of a society or branch or transacting its business, including **holiday** and nursing homes. Conversely, it is proposed that investment powers be extended so that a society or branch may invest in deposits or share capital in a permanent building society. This is subject initially to a limit of \$50,000 and should greatly assist societies and their branches to invest their funds on a withdrawable basis at a reasonable rate of interest. Also included is an amendment

that gives a society or branch power to subscribe to any charity instead of the restricted avenues at present available. However, this has been done with the proviso that such subscription may not exceed any limit imposed by the rules and the central body of the society in the case of a branch.

An additional provision is contained in schedule 4 to enable a society to join an association of co-operative societies and subscribe for a limited amount of share capital. This is to facilitate societies making adequate arrangements for their management. Provision is incorporated to facilitate a society giving a charge over its assets other than real property for the purpose of borrowing in a similar manner to that under the Companies Act. This is considered to give more economic and rapid means of borrowing. Power to borrow, which is also associated with investment in property, is to be restricted to a specified proportion of the society's assets. Schedule 5 contains amended provisions to allow a member to nominate a person to receive a sum payable upon his death subject to an increased limitation of **\$1,200**. Further provision has been included to allow dealing with the estates of both testate and intestate members prior to grant of administration or probate to the extent of a like sum. There is provision to prescribe greater amounts if this should become necessary. **Discriminatory** provisions relating to the death of intestate illegitimates are repealed. Repeal is also to be effected of sections **56, 57** and **58**, which relate to provisions for a death certificate for children. These are over and above the requirements of the Registration of Births, Deaths and Marriages Act, which are no longer considered necessary.

In order to regularize and control the assignment of members' life assurance and endowment benefits, provisions are made to allow this subject to prescribed conditions. This will facilitate members using their **benefit** entitlement for security for borrowing from reputable institutions and making arrangements to protect their dependants. Associated with this is provision to give a society or branch a charge over this type of benefit to enable non-forfeiture rule provisions for these benefits. Because of the considerable number of branches of societies which are now lapsing or dissolving, additional provision is made so that a society must give notice to the registrar upon this occurring. It is proposed to allow the registrar to investigate a society or branch without requisition by the members. The grounds on which the registrar may award dissolution of a society or branch are increased to include inadequacy of benefits or that the society or branch is unable to pay its debts as they fall due. There is further provision so that a society or branch may, by special resolution, apply for an award for dissolution. Complementary to this is the provision that the registrar, with the Minister's approval, may suspend societies and branches from entering new contracts with members and accepting new members, subject to certain provisions and right of appeal. This is considered a necessary alternative and is similar to provisions of the Credit Union Act.

The bill deals also with the matter of subvention, that is, grants of money to subsidize members' subscriptions for certain friendly society benefits. This commenced in **1908** when circumstances were very much different from those of today in terms of social security benefits and income levels. These arrangements were varied in **1932**. Generally, those who joined societies before then, and their widows, qualify for grants on reaching age **65** and **60** respectively. Essentially, the grants were to assist the members in obtaining medical attendance, medicine and sickness and funeral benefits. The idea was that the State would assist those who had, by joining a society, made provision so that they would not be a burden upon society.

The situation relating to grants for sickness and funeral benefits briefly is that grants have fallen from a peak of **\$132,000** in **1962** to **\$85,000** for the year ended 30th June, **1975**, and are expected virtually to cease by about **1990** because of the

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gradual erosion of qualified claimants. The cost of administering these grants involves detailed processes and exceeds \$20,000 a year and is increasing in both amount and proportion to the grants paid. Costs incurred by the societies in preparing claims are equally substantial. Adjustment of claims has been necessary regarding a substantial number of claimants who have died without claiming a benefit and it is apparent that societies have been treated very generously. Means of assessing the future value of claims are available so that lump sum termination payments would be feasible in order to dispense with the necessity for the annual claim process.

The amendment contains machinery for payment of a termination grant or for transitional payments before a termination payment is made. These payments are expected to be on a common basis for all societies. For each society it would be an amount the Minister determines as the value of future payments. Naturally, I would consult the Government Actuary, who for this purpose is attached to the office of the registrar. The amendment provides that a society may elect to receive termination payment instead of the grants on the previous basis. This is expected to be subject to negotiation; if negotiations break down, the Minister may direct that the payment is to be made.

The situation with regard to the subvention of subscriptions for medical benefits is that the last grants paid—at the rate of \$13 for a married couple—were in respect of the year ended 30th June, 1975. No grants have been claimed from 1st July, 1975, due first to universal medical benefits being supplied by Medibank and, second, the supplementary benefits then offered by societies were a conglomerate of various types of benefits so as to be beyond the function of medical attendance for which the grants were available. Age pensioners may now have an income from other sources of up to \$70 a week and qualify for Medibank benefits without payment of the Medibank levy. These grants were only ever intended to help the less well off. It would be inconceivable for the State to incur the cost of paying grants for those whose affluence makes them seek benefits direct from a private fund instead of Medibank.

The relatively minor amounts paid for subvention of medicine benefits have always been paid in conjunction with the other grants previously referred to. The number of claimants for medicine benefits has been drastically reduced by their becoming eligible for provision of medicine benefits under the National Health Act. The position of these claimants is that they are free to continue to contribute for medicine benefits and this will exist whether or not subvention grants are paid. Subscriptions payable range from 40c to \$2.40 a year. Most dispensaries are to offer former claimants concessional contribution rates of 20c a year and are likely to extend this to all members on age 65. The dispensaries have very ample funds with which to do this. Means testing levels for age pension benefits have changed considerably and are likely to change further so that a commutation cannot be arrived at for these grants. It would be impracticable to continue the grants by annual claims after the other annual grants close.

The amendments are designed so that a transitional payment may be made before these grants are terminated. The termination would be subject to sufficient notice to allow any necessary alternative arrangement to be made. There is new provision to make it an offence for undischarged bankrupts and other convicted persons to participate directly or indirectly in the management of a friendly society without leave of the Supreme Court. This is parallel to the provisions in the Permanent Building Societies Act and Credit Union Act and is considered essential for the protection of members. Parallel provisions to these in the Credit Union Act and the Permanent Building Society Act are also proposed, in that it will become an offence for any person to procure or attempt to procure a loan from a society or branch

for a fee or commission and for an officer of a society to accept a fee or commission for any such transaction. This amendment is desirable to ensure that no trafficking in loans may occur.

Amendment is made to allow proceedings for offences against the Act within three years of their commission, instead of the previous limit of six months. This is necessary because of the intervals which occur between inspections and audits of societies and the time involved in investigation of offences. There is also amendment of a technical nature covering proceedings for recovery of penalties. Under a new provision the registrar may refuse to register names of societies that are undesirable and he shall refuse to register names which the Minister has directed him not to accept for registration. There is additional provision covering use and display of names and to allow use of an abbreviated name only with the approval of the registrar. These are essential for proper administration of the Act. Another new provision is that the secretary of a registered society shall advise the registrar of the constitution of its committee of management following re-election or filling of casual vacancies. Section 115 is to be amended so that all fees payable under the Act are prescribed by regulation. Amendment to section 117 and repeal of schedule 3 of the Act provide that forms for acknowledgement of registry of societies and rules and discharge of mortgage are to be prescribed by regulation. This is necessary for the convenient administration of the Act. There is amendment to the Act and repeal of paragraph 7 of schedule 2 of the Act so that a member may inspect only his own account. The previous provision that any person interested could inspect the books of a society, including various confidential documents, is considered undesirable. In addition to the above matters, the bill contains provisions of a minor, consequential or transitional nature and by way of statute law revision. I should mention that much of the Friendly Society Act is still the same as or similar to the law existing even before the **turn** of the century and, though this bill is not a complete revision of it, the opportunity has been taken to update many of its provisions. I commend the bill to the House.

Mr BROWN (Raleigh) [9.25]: As I intimated at the introductory stage, the Opposition has no objection to this bill. We think it is important that legislation dealing with friendly societies should be updated. It is old legislation dating back to the turn of the century, and it has had little revision since. It is important, particularly with the changing facets of friendly societies, to have these amendments. When these societies were first formed they were of real assistance to many people. It would surprise members to know that there are 700 000 members in the different branches of some fifty friendly societies. I am sure that most members would not have known that organizations such as the Grand United Independent Order of Oddfellows, the Manchester Unity Independent Order of Oddfellows, the Rechabites and the Hibernians had **so many** members. When we think of 700 000 members in the friendly societies, it is important that their interests be watched carefully.

The history of these societies from their inception is interesting. They came from the old system of guilds and were formed to ensure that members of those guilds or associations did not suffer because of ill health or some other unfortunate disability. In the case of death there was provision to help with funeral expenses. In their early days many of these societies met in various hotels, which were then the only meeting places available. There were not many halls. They often took the name of the hotel where the meetings were held. When one reads the early history of these societies one is intrigued at **finding** the names of the early lodges. This is interesting indeed. I do not suggest that the Rechabites met in any of the hotels. They would have found other places to meet because their purpose was to follow the principles of Rechab their father, and not look upon the wine that was red.

Mr **Einfeld**: And avoid the bites.

Mr **BROWN**: That could be right. The amendments outlined by the Minister in his second-reading speech will be of assistance to the societies. As I said at the introductory stage, they will be able to invest up to \$50,000 in permanent building societies. This will help the building industry, and it will also follow the principles for which these friendly societies were formed. Only one point concerns me. Section 6 is to be amended by omitting the provision that the office of the registrar shall issue certain information and inserting the provision that the registrar may do so. On checking that, I find it has reference mainly to the issue of statistical information which has now become unreasonable and unnecessary. I understand that for many years the information has not been set out, as was specified in the Act, and it is not now necessary to do so. That provision has become redundant and substitution of the word may will be sufficient to meet the position if this information is needed. Naturally, the societies must submit information and returns to the registrar. We have no objection to the bill. We feel it will help friendly societies, which for many years have been a great **standby** for people who have fallen on unfortunate times.

Mr **DURICK** (Lakemba) [9.29]: It is obvious from a study of this measure that great consideration has been given to the problems of friendly societies and that a serious effort is being made to ensure that they conform to the principles for which they were originally formed. I congratulate the registrar and the Parliamentary Counsel on their work in producing the proposed amendments, which run to fifty pages. The explanatory notes take up four pages. This must have been a Herculean task. As I understand it, the societies concerned have generally accepted the proposed amendments. I wish to bring a few matters to the attention of the House, particularly in relation to section 39 and section 66.

Section 39 of the Act contains provisions that enable societies to invest **funds** in the purchase of lands or on the erection or alteration of offices or other buildings **thereon**. Section 33 of the Act enables a society to invest in property for the purpose of holding meetings and transacting business therein. This amending bill proposes to omit paragraph (c) of subsection (1) of section 39, thus placing a restriction on the power of societies to invest in property. This has raised some objections by some societies, which believe that the power to invest in property will be greatly reduced, and that the societies will have only limited space in which to hold meetings,

The societies will have substantial members' funds to be invested soundly. The Minister has said that societies should not be encouraged to make large investments in property, and that the money should be invested so that it will flow back into the community. But paragraph (c) of section 39 (1) has been in force since the introduction of the Act. I understand also that this matter, together with some other amendments, has not been discussed with the societies. Section 33 of the Act provides:

A registered society, or, with the consent of the central body, any branch of a society may (if the rules of the society so provide), for the purpose of holding the meetings and transacting the business of such society or branch, hold, purchase or take on lease in the names of the trustees for the time being of such society or branch any land, and may build **upon** the same, and sell, exchange, mortgage, or lease such land or buildings, or any part thereof, with power to alter and pull down buildings and again rebuild **thereon** . . .

A paraphrase of that would appear to be that a society may purchase land and may build upon it, sell, exchange, mortgage or lease such land or building. That means, in effect, that any society will henceforth, if these amendments are carried, be unable

to purchase an existing building, but will be able to purchase land and then build on it. I suggest to the Minister that some consideration should be given to this point. I believe a solution that would probably be acceptable to most societies would be to retain paragraph (c) of section 39 (1) in its present form, allowing for the purchase of land or the erection or alteration of offices or other buildings thereon, and then to add a proviso stating that if the transaction involves an expenditure of more than a prescribed amount it would be necessary to gain the approval of the Minister. It would be better to provide for a variable amount rather than a fixed amount, because values of property can fluctuate considerably in a matter of, say, five years. If a set amount were laid down, it would be necessary to amend the legislation in order to preserve the purchasing power of the money. I have in mind the experience of a society that tried to buy a property in the Australian Capital Territory some time ago. Although it sought to purchase a modest, two-storey building, I understand that it was to cost about \$750,000. That gives some idea of the costs involved in these things.

I submit these matters to the Minister for his consideration, and I sincerely hope that he regards them as constructive suggestions because I believe that at present there is some concern among societies generally that the Government intends to take away from them this opportunity to purchase real estate which they can use for the benefit of the society as well as a venue for meetings and normal administration. Section 66 of the Act gives the registrar power to investigate the affairs of a society and to make an award that a society be dissolved. But the section contains a proviso in the following terms:

Provided that the Registrar may suspend his award for such period as he may deem necessary to enable the society or branch to make such alterations and adjustment of contributions and benefits as will, in his judgment, prevent the necessity of the award of dissolution being made.

However, proposed new section 71A, which gives the registrar power to suspend the business of a society or branch, contains no such proviso. I believe that the societies would be more suitably protected by the proviso that is contained in section 66.

In addition, some objection has been raised to the proposed amendments because they give absolute power to the registrar, on the winding up or dissolution of a society or dispensary, to disperse their assets without consultation and without appeal against his decision or judgment. I suppose some of the societies are a little wary of this particular amendment, having in mind a circular that has been sent to some of them in which the registrar suggests that the State should take at least 25 per cent of the assets of any society that is being wound up in this way.

Some time ago the Marrickville district dispensary issued a booklet reviewing its history over more than fifty years. The booklet pointed out that on only two occasions the society made an application for assistance. In one case the application was rejected and in the other case the dispensary received something like £248. That was at the time of a severe influenza epidemic. Therefore, it is obvious that in difficult periods a society could not expect to receive any great benefit from the State. One can understand the reaction of these people, who could believe that the State will now filch a disproportionate amount of the assets of members of the society if it is wound up.

Up to the present the advisory committee has been acting in an informal way and giving advice. It was submitted to me by one branch that the registrar had let it be known that he felt that the only recommendations that would come from the advisory committee would be in relation to matters that had been referred to the

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committee by the registrar. These suspicions would be put at rest by a reading of the proposed amendments. Proposed new section 25c sets out clearly the four functions of the advisory committee in these terms:

It shall be the duty of the Advisory Committee—

- (a) to submit recommendations to the Minister for the more effective operation of friendly societies and in respect of proposed regulations;
- (b) to report on such other matters relating to friendly societies and the provision of benefits as may be referred to it by the Minister;
- (c) to tender advice to the Registrar on such matters as may be referred to it by him; and
- (d) to perform such other functions as are prescribed by this Act or the regulations.

It is clear that the advisory committee will have the duty of reporting on such matters as are referred to it by the registrar, but in addition it will be able to submit recommendations to the Minister as a result of its own deliberations and without having had such matters referred to it. As the advisory committee will be able to report to the Minister also on such matters as he refers to it for consideration, and to perform other functions as prescribed, it is clear that the committee will have a wide range of functions.

Generally speaking, I believe that the proposed amendments are designed to improve the functioning of friendly societies and to bring them more into line with what friendly societies should be. Certainly there should be some restriction in the way in which friendly societies may be organized. It is obvious from the reports submitted by the registrar that some persons have used friendly societies to their own advantage and not in accordance with the principles on which such societies were formed. Once again, I ask the Minister to look closely at the provision dealing with the management of property to see whether it might not be more appropriate to have some sort of ceiling on the purchase of land above which the Minister's approval would be needed.

Mr EINFELD (Waverley), Minister for Consumer Affairs and Minister for Co-operative Societies [9.47], in reply: I am most grateful to the honourable member for Raleigh and the honourable member for Lakemba for their acute interest in the bill, and particularly for their tributes to members of my department, the registrar and his assistants, for the preparation of this complex series of amendments, which recognize the great friendly societies movement and try as much as possible to bring the law up to date. This was a mammoth task, started before I became Minister for Co-operative Societies and now coming to the Parliament with very few changes, for generally speaking the principle involved is not a political one but, as the honourable member for Raleigh said, a bipartisan one. I am grateful that the honourable member for Raleigh speaking for the Opposition should have taken that attitude. The honourable gentleman answered his own question about the change of the words shall and may. As far as I know, the registrar has never been asked to act under this provision. That is why the word is being changed. The registrar would so act if requested.

The honourable member for Lakemba is to be congratulated on the thoughtful series of proposals he has put forward. They show that he has studied the bill and that he has a constructive attitude. I am sure that the honourable gentleman must have discussed the matter with a number of friendly society officials, for the proposals and suggestions he brings to the House are worthy of consideration. Although I shall attempt to deal with each of them now, I assure the honourable member for Lakemba that I shall be looking closely at what he has said.

First, the use of the word land in section 33 is a survival from earlier legislation. I am told that modern credit union and building society legislation does not use the word land but the words real and personal property. The Friendly Societies Act is an older law and uses older phraseology, and probably that is something that should have been altered when the amendments were prepared. However, the word land is used in the sense in which it is defined in the Interpretation Act, 1897, and I understand that to be in the sense of land and buildings. It is obvious that this provision will have to be reviewed.

I read to the House the definition of the word land contained in the Interpretation Act of 1897. I hope that in doing so I use the right accent in order to accentuate the meaning of this definition. The Interpretation Act, 1897, defines the word land as including messuages, tenements, and hereditaments, corporeal and incorporeal, of any tenure or description, and whatever may be the estate or interest therein. The learned member for Lakemba will understand that definition clearly and will know that it covers buildings as well as land. It is no doubt an old-fashioned interpretation, and I would not have read it but for the fact that I knew the honourable member for Lakemba, with his high education, would be able to understand it so well.

The reason for the proposed elimination of part of section 39 appears from the example that I gave at the second-reading stage of a friendly society that bought a caravan park. The Government is anxious to ensure that friendly societies do not accept, look for or invest in property that has nothing to do with their own offices or building. I suppose most friendly societies that intended to invest in an office building would be so small that they would not require the whole building and would wish to rent the remainder of it. No objection would be taken to that. It would be covered by section 33. However, the Government has set out deliberately to eliminate the possibility of friendly societies' investing in land or property such as a caravan park.

Section 66, to which the honourable member for Lakemba referred, deals with the winding up of a registered friendly society or branch. It makes provision for the registrar to suspend the award of a dissolution. Admittedly, nothing in the amendment provides that the registrar must warn a society if he finds that its accounts are not satisfactory, or if it looks as though the society will not be able to pay its way or that the society is beyond the stage of recovery. I am advised that the Parliamentary Counsel considers that this provision ought to be deleted. I can assure the honourable member for Lakemba that he may inform the societies with which he is in close contact, and which I know are most deserving, that there is no intention of requiring the registrar arbitrarily to dissolve such a society. It is a fact that at some stage or other the registrar sent out a newsletter dealing with the possibilities in regard to winding up, where the State may be recompensed for some of the money it has contributed to a particular society. The society at Marrickville to which the honourable gentleman referred, had only two subventions, but that would not be the position with most societies, which would have had regular payments from the State over a number of years.

The situation should never arise where a person can join a friendly society that was founded many years before and, because the society's older members were disappearing and it had received subventions from the State that enabled it to build up reserves, the new member could inherit \$300 or \$400. Where a society is wound up and has a considerable amount of money accumulated by subventions from the State over many years, the registrar will have the power to ensure that some of those accumulated funds go back to the State. It is not a question of arbitrariness: it is a matter of policy. If the State has made such contributions over many years to a society that is now about to go into liquidation, it is reasonable to expect some of the moral indebtedness to the State to be assuaged.

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Finally, the honourable member for Lakemba suggested that a society should be allowed to buy property up to a certain amount and that over that amount it ought to obtain the consent of the Minister. However, it would not be satisfactory if the Minister were a real estate agent by profession or had an interest in some building. No Minister would like to play a role like that. I do not think there is anything in the Act to prevent a society buying a building, part of which it could occupy for its own offices. I assure the honourable member for Lakemba that I shall pay close attention to his constructive and intelligent proposal which is obviously based on a careful study of the matter. I thank both the honourable member for Lakemba and the honourable member for Raleigh for the kind tribute they paid to the registrar and his staff.

Motion agreed to.

Bill read a second time.

### Third Reading

By leave, bill read a third time, on motion by Mr Einfeld.

## SECOND-HAND DEALERS AND COLLECTORS (AMENDMENT) BILL

### Second Reading

Mr **MULOCK** (Penrith), Minister of Justice and Minister for Services [9.51]:  
I move:

That this bill be now read a second time.

In my speech at the introductory stage I indicated that the bill was identical with one introduced earlier this year by the Opposition while in Government. At that time the bill had the support of both sides of the House. The proposals have not been changed and the primary purpose of the bill therefore remains as the amendment of the Second-hand Dealers and Collectors Act, 1906, to provide for the issue to licensed second-hand dealers of what are to be known as exhibition licences. At present, any licensed second-hand dealer who conducts his business at a place other than the premises specified in the licence is in breach of the Act.

The amendment will make it possible for licensed second-hand dealers to conduct their businesses at functions such as the annual Antique Dealers' Fair and Exhibition held at the Sydney Opera House, provided that an exhibition licence is obtained beforehand. An exhibition licence will, however, be valid only for the day or days on which the exhibition, fair or other function is to be held, or if that function is postponed, the day or days to which the function is postponed. The procedure involved in obtaining an exhibition licence will require referral of an application to the senior officer of police at the police station nearest to the location of the exhibition. If objection is lodged within ten days, the matter will be determined by the court of petty sessions; otherwise the licence will be granted by the clerk of petty sessions.

Another provision in the bill concerns the granting of licences to interstate collectors. At present, because the Act requires application to be made to the court of petty sessions for the district in which the applicant usually resides, a person residing interstate cannot obtain a collector's licence. This situation has created some difficulties, especially in the border areas of New South Wales. The amendments proposed in schedule 2 will remedy those difficulties.

As I have indicated, this measure met with general approval when it was before the House earlier this year and I am confident that it will again be favourably received. I commend the bill.

Mr COLEMAN (Fuller) [9.54]: As the Minister has said, this measure is identical with the bill that was debated and passed in March of this year. For that reason, it would be trifling with the House and wasting its time if one went through the ritual of raising each point and debating it once again, or repeating the speeches that were made earlier. I delivered my introductory speech on the previous bill on 3rd March. A report of that speech can be found at page 3898 of *Hansard*. I gave my second-reading speech on 10th March, and a report of that speech can be found at page 4072 of *Hansard*. It seems only sensible to refer anyone sufficiently interested in the history of the measure to those pages of *Hansard*. As the Minister has said, basically the bill provides for exhibition licences which makes it possible for licensed second-hand dealers to conduct their businesses at shows and other functions away from their premises. Also, it provides for the granting of a licence to a person who resides outside New South Wales. The previous bill was supported by the Labor Opposition, when the measure was introduced by the former coalition Government. I do no more than commend the bill to the House.

Mr N. D. WALKER (Miranda) [9.55]: I support the bill and congratulate the Minister for expediting the passage of this important measure. At a cursory glance, the bill would appear to be unimportant, but the updating of the measure will be of great assistance to the police force. As I said on a former occasion the police department has a squad of about twenty-five or thirty detectives involved in recovering stolen property. Each day a list of property stolen the previous day is circulated throughout the State. In this way vast quantities of stolen property are recovered. Each jeweller has a particular mark that is put on articles such as watches which can be identified merely by an examination. A study of a special catalogue will enable a person to identify where a particular watch was sold. Police are able to go to a jeweller—for instance Prouds in Sydney—and ask the name of the person who submitted the watch for repair. In this way they are able to identify and locate the owner of such a watch. I am sure that the Police Department agrees with the comments I have made about the bill which is an important measure the passage of which needed to be expedited.

Motion agreed to.

Bill read a second time.

### Third Reading

By leave, bill read a third time, on motion by Mr Mulock.

## ADJOURNMENT

### Cootamundra Sewerage Works

Mr MULOCK (Penrith), Minister of Justice and Minister for Services [9.58]:  
I move:

That this House do now adjourn.

Mr SHEAHAN (Burrinjuck) [9.58]: I rise on the adjournment of the House on this historic day; it is probably the first time in the history of this State on which the same Treasurer in the same type of government has had to wait twelve years

between presenting successive Labor Budgets. Our much beloved friend the honourable member for Castlereagh has achieved that distinction tonight, and I congratulate him on his contribution. Also, I intimate to the House that I understand that the Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing, who is the appropriate Minister to deal with the matter I propose to raise, is necessarily absent from the House at the moment because of his deep and sincere commitment to the problems confronting the Newcastle dockyard. I hope that my friend and colleague the Minister assisting the Premier will convey to the Deputy Premier the substance of what I say tonight.

The issue I raise is minor compared with the national, State and Newcastle economic problems, but it is critical to the welfare and the pockets of the ratepayers of the Cootamundra shire and district. I refer to the augmentation of the Cootamundra shire sewerage treatment works, which were formerly the municipal works prior to the council's amalgamation last year with the Jindalee Shire Council. The Cootamundra district has an abattoir conducted by Conkey and Sons Limited. In 1943 that company connected its effluent trade waste and discharge system to the Cootamundra municipal sewerage works. It is important to note that at that time the Department of Public Works knew and approved of that connection. There is a letter dated 31st December, 1943 to this effect, in the files of the Cootamundra shire council.

In 1948 the council and the company entered into a formal agreement to provide for this important matter of co-operation between them. The agreement provided for the quality and quantity of sewage from the company's works to be accepted into the council's treatment operations. The council, with the concurrence of the Department of Public Works, accepted full responsibility for policing the company's pre-treatment of its trade wastes. In February, 1953, the department wrote to the Cootamundra municipal council approving of the council's acceptance of a situation whereby the works accepted an excess of 20 per cent input over its design load. In November, 1960, the department wrote to the Cootamundra municipal council, commending it for the maintenance and operation of the works. A similar report was forthcoming in November, 1961. At about that time the company, at its own expense, constructed a main from the abattoir to the council's pumping station at Bett Street to relieve the pressure of its trades wastes on the domestic scheme. Also, the department gave good reports about the council's works—for example, in June and October, 1962; January, 1963; September, 1964; September, 1966; October, 1967, and June 1970.

From time to time the council complied with the relatively minor requests, suggestions and recommendations from the Department of Public Works. Although some reservations about the works were expressed by the department in November, 1971, the council attended promptly to the requests. On 15th March, 1972, the council asked the department to carry out an urgent and complete investigation of the works. At about that time the department suggested preliminary measures to double the capacity of the works and quoted \$300,000 as the total cost. On 22nd March, 1972, the council asked whether a subsidy would be made available. It requested details of the waiting time for a subsidy. Continued works of a relatively minor nature were being carried out at this stage at council's full expense. It is quite obvious from the council's records that it and its successor genuinely intended at that time to augment these works.

No specific reply came from the department to council's letter of 13th March, 1972, which was repeatedly followed up by council officers, or to its letter of 22nd March, 1972, regarding the subsidy until 22nd May, 1973. That reply was only of a preliminary nature. Information requested about that time of the Department of

Public Health was not provided for a long while. In 1972–1973 the council had continued negotiations with the Conkey company. These negotiations remained cordial and productive. The company was happy to renegotiate its agreement with the council so as to contribute more to the continuing cost of treating its effluent.

On 8th August, 1973, after a lapse of some seventeen months, the Department of Public Works gave council a detailed estimate of the augmentation works that it proposed. Due to the less-than-specific communications between the department and council on the financial aspects, the council never specifically applied for a subsidy. Further, some departmental officers had intimated to the council's officers that it was a waste of time to apply for a subsidy as the augmentation would have to occur before the subsidy waiting time elapsed. In the light of the department's proposals of 8th August, 1973, the council immediately retained consultants to complete detailed planning and designing work. The department, in the words of the consulting engineers in their letter of 3rd October, 1974, was somewhat reticent in offering information concerning the mechanical and electrical equipment of which the department was virtually the sole fabricators.

On 18th October, 1974, the council asked the Department of Public Works for the outstanding information and on 15th January for some further information. Late in that month the department offered to do the designs and specifications. While these discussions were taking place, the honourable member for Gloucester, who was then Minister for Public Works, on 27th March, 1975, issued a direction to the council under section 396 (2) of the Local Government Act that it do the necessary works. I understand that step was quite unprecedented and that it placed the council in a unique situation. In July, 1975, council then asked the department to do the design work. Detailed proposals were not forwarded until May, 1976. Council admits there has been deterioration of the works and the need for the notice. However, from the history I have outlined it can be seen that the council cannot be held to be entirely at fault in this matter. I also inform the House that in 1972 and 1973 the council raised by way of loans the sum of \$325,000 to carry out these augmentation works. The department now quotes a total cost in excess of \$800,000.

Immediately after the Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing took office, which was many years after the initial work was proposed, I acquainted him with the complex inter-relationship of the many problems involved in this matter. On 23rd May he admitted the Cootamundra shire council to the subsidy list. Priority was to date from 24th May, 1973. Council offered immediately to finance the whole of the cost of the augmentation on the basis of its receiving a 50 per cent reimbursement when the subsidy fell due. On present indications that will be in about 1981. However, the Deputy Premier has informed me that on the advice of his officers he cannot do that. If the council complies with the ministerial notice—as it wishes to do—it will have to forfeit its entitlement to a subsidy while financing the whole cost of the work. In my view if it were to meet this cost it would constitute a double penalty on the council in respect of matters that are not really its own fault.

During the period from 1966 to 1976 that this agreement between the council and the company has operated Conkey and Sons Limited has increased its work force from 233 to 402, with no assistance from any government authority such as the Department of Decentralisation and Development. A proposal now before the board of that company is to employ a further 50 or 60 people. If it does, in 1978 a total of 460 persons will be in its employ. When one compares the fact that this company pays an annual dividend of 12 per cent but does not receive an enormous

*Mr Sheahan*

government contribution such as that paid to municipal abattoirs, it will be freely conceded by anybody who analyses the evidence that the Government should assist the community of Cootamundra.

The municipal council and the shire council have assisted this company in its continuing development. The company is willing to co-operate with the council and the council is willing to commence work immediately on the project. The Minister says that he cannot promise that a subsidy will be paid a few years from now but, if he enforces the direction, which is quite justified, he will have to compel the council to finance the work and forfeit its undoubted entitlement to the subsidy.

I ask the Minister assisting the Premier to communicate these matters to his colleague, the Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing, and in so doing I ask him to caution his colleague that the remarks made by officers representing him at a meeting in Cootamundra on Friday last to discuss this important matter misrepresented the true facts by not revealing the departmental neglect over a period of years in this matter. I trust that the injustice will be rectified and that the contribution that the council has made at the ratepayers' expense will not be ignored when the question of paying a subsidy is reviewed. I hope also that the amalgamation of local government authorities will be borne in mind as well as the part that the ratepayers who were not involved in the initial scheme may have to contribute to this double fine of which I have spoken.

Mr HAIGH (Maroubra), Minister Assisting the Premier [10.8]: I have noted with deep concern the facts that have been brought to the attention of the House by the honourable member for Burrinjuck. I shall certainly impart this information to my colleague the Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing. I noted, too, the lack of interest and concern obviously shown by the previous Government with regard to supplying moneys for these works. I am concerned that the cost of works which should have been financed by subsidy some time ago, when estimates of \$300,000 were made for the completion of the project to augment the Cootamundra shire subsidy scheme, has now increased to a figure in excess of \$800,000. That is the sort of problem with which this Government is constantly faced. It finds that a lack of interest, a lack of concern and a lack of responsibility is the continuing story of the record of the previous Government.

I compliment Conkey and Sons Limited on its approach to this matter and on being able to maintain its undertaking successfully in times of difficulty. I compliment it, too, on increasing productivity and on employing an increasing labour force in its abattoirs. Employment must be encouraged in areas such as the electorate of the honourable member for Burrinjuck and others throughout the State if we are to overcome the serious unemployment problem. Certainly I am most anxious to convey the information that the honourable member for Burrinjuck has brought to the House this evening to the Deputy Premier. I hope that a favourable expression of the Government's intentions will be made to the honourable member at an early date.

Motion agreed to.

House adjourned at 10.10 p.m.

### QUESTIONS UPON NOTICE

The following questions upon notice and answers were circulated in *Questions and Answers* this day.

#### FATAL MOTOR VEHICLE ACCIDENTS—HUME HIGHWAY

Mr FISCHER asked the Minister for Transport and Minister for **Highways**—

(1) How many fatalities and injuries resulted from accidents on the **Hume Highway** in each of the years **1973, 1974** and **1975**?

(2) **What** proportion of these accidents involved semi-trailers or trucks in any way whatsoever?

*Answer—*

**In 1973** on the New South Wales section of the Hume Highway there were **1 000** casualty crashes resulting in **70** persons being killed and **1 419** injured. **In 1974** on this section, from **1 061** casualty crashes there were **79** killed and **1 491** injured, while **in 1975** from **999** casualty crashes the figures were **73** and **1 381** respectively.

Semi-trailers or trucks were involved in **233** of these casualty crashes in **1973, 247** in **1974** and **200** in **1975**.

#### EMPLOYEES ON CONSTRUCTION AND MAINTENANCE

Mr ARBLASTER asked the Deputy Premier, Minister for Public Works, Minister for Ports and Minister for **Housing**—

How many staff were directly employed on construction and maintenance works as at **30 June, 1976**, by:

- (a) Department of Public Works?
- (b) Maritime Services Board?
- (c) Metropolitan Water, Sewerage and Drainage Board?

*Answer—*

- (a) **2 693**.
- (b) **1 462**.
- (c) **9 027**.

The above figures relate to day labour staff only and not salaried staff.

FUNDS FOR LOCAL GOVERNMENT BEACH RESTORATION

Mr LEWIS asked the Deputy Premier, Minister for Public Works, Minister for Ports and Minister for Housing—

- (1) Did he announce some weeks ago that \$5 million at \$1 million per annum would be made available for beach restoration by Local Government Councils?
- (2) Is this money the same money that was promised but not spent by the Lewis Government?
- (3) Is the money to **be** made available to all Councils **along** the coastline?
- (4) If not, what are the names of the Councils that will **be** excluded from the scheme?

*Answer—*

- (1) No, but an announcement along these lines was made **by** my predecessor on 28th April, 1976.
- (2) Yes.
- (3) Ultimately, yes.
- (4) There will not be any councils excluded and the **Government** is seeking to achieve maximum flexibility in deciding where works are to be carried out. Final **policy** will be decided shortly but, initially, it is likely that the first works to be undertaken will be those relating to beaches which are used to the greatest degree.

EXPLOSIVES CARRIED ON PARRAMATTA RIVER

Mr MAHER asked the Deputy Premier, **Minister** for Public Works, Minister for Ports and Minister for Housing—

Are large quantities of explosives carried by vessels on the Parramatta River? If so, what precautions are taken to ensure the safety of shipping and harbourside residents?

*Answer—*

I understand that some explosives are transported by barge on the Parramatta River on behalf of the Commonwealth Department of Defence, but the Maritime Services Board does not have any jurisdiction in the matter. Safety precautions to protect harbourside residents and other shipping are matters for the Australian Government.

Insofar as the Board is concerned, commercial vehicles carrying explosives are not permitted to pass beyond 25 kilometres west of an imaginary line drawn between Bradleys Head and Darling Point.

### AVERAGE PRICE OF CROWN LAND

Mr MOORE asked the Minister for Lands—

What **was** the average price per hectare in each Land Board area for non-urban **crown** land sold by auction in each of the years 1974, 1975, and 1976 (to **30-6-76**)?

*Answer—*

It would be a time consuming and an expensive task to collate the detailed information sought in the question and the expenditure of public funds on such an exercise is not considered to be justified. The total area of Crown land sold in each year and the average price per hectare for the year was as follows:

<i>Year</i>	<i>Area</i>	<i>Price per hectare</i>
1973-74 .. .. .	6203.62	\$266
1974-75 .. .. .	2054.82	\$356
1975-76 .. .. .	4668.39	\$338

### CROMEHURST SPECIAL SCHOOL. LINDFIELD

Mr MOORE asked the Minister for Education—

How much has his Department spent on maintenance at Cromehurst Special School, Lindfield, in each financial year since 1972-73?

*Answer—*

1972-73	\$781.71
1973-74	\$6,327.66
1974-75	\$3,180.13
1975-76	\$733.22

1976—Approval has been given to the provision of funds of \$122,909 to allow for :

- (a) Erection of new home science block;
- (b) renovations and conversions to administration building to provide wet area and additional learning space. The work to be undertaken is in the existing kitchen and dining area where there are at present problems with the flooring;
- (c) renovations and conversions to "old centre building" to house library and provide an 'activity area, observation room, resource storeroom and toilet facilities.

In addition, the Public Works Department has been requested to carry out the following works :

- (a) Repairs to roof leaks to the 2-storey classroom block—cost \$1,581.
- (b) Repairs to cracks in concrete beams of the above building.
- (c) Repairs to floor in the Principal's office.

- (d) Improve **security**—
  - (i) fit grilles over windows to storeroom situated in the administration building and deadlock to access door.
  - (ii) provide grille over opening to verandah of new classroom block.
- (e) Repair leak in verandah roof "old centre building"—water running down cavity wall and over light switch.

The following work has already been carried out at a cost of \$1,678.24:

**Rectification** of blockage to sewer line.

Furthermore, it is intended that the asphalt in the Nelson and **Tryon** Roads corner of the grounds, and the pathway leading to the administration block, be resurfaced.

#### PLAYGROUND AREAS, NORTHERN METROPOLITAN REGION

Mr **MOORE** asked the Minister for Education—

What is the average playground area per pupil in the Northern Metropolitan region of his Department?

What is the playground area per pupil at the following schools:

- (a) Cromehurst Special School?
- (b) Lindfield Demonstration School?

*Answer—*

Schools in the metropolitan area vary quite significantly in size. The reasons for the variations are partly historical and partly problems associated with acquisition of properties to extend the site. It would be an extraordinarily difficult task to establish the average playground area per pupil in the Northern Metropolitan region.

However, it is accepted that the ideal size for a 1st Class Primary School is 7 acres and 15 acres for a large high school. Compromises are adopted having regard to the nature of adjoining facilities and the difficulties of extending sites. Attempts are made where possible to extend sites by purchase or resumption with least inconvenience to owners **and/or** tenants affected by such proposals.

- (a) Cromehurst Special School has a total area of 3 952 square metres with an enrolment of 82. The average per pupil is 48.91 square metres.
- (b) Lindfield Demonstration School has a total area of 21 101 square metres with an enrolment of 751. Average per pupil is 28.09 square metres.

### WHARF FACILITIES, ROZELLE BAY

Mr DEGEN asked the Deputy Premier, Minister for Public Works, Minister for Ports and Minister for **Housing**—

- (1) What is the purpose of the current reclamation programme being carried out by **the** Maritime Services Board on Timber **Wharves 1, 2, and 3** in **Rozelle Bay**?
- (2) Are there any plans for further container development in that area?
- (3) Are there to be any buildings erected on that site?

*Answer—*

The aim of this work is to create essential additional cargo handling space for use in connection with the Glebe Island container berths. There are no present proposals to erect any buildings on the site, although when the reclamation is brought into use, it may be necessary to construct some small buildings for amenities for labour employed in the area.

### RADIOTHERAPISTS

Mr HEALEY asked the Minister for **Health**—

- (1) How many doctors are engaged in radiotherapy in public hospitals in New South Wales?
- (2) How many of these will retire in the next (a) five years; (b) ten years?
- (3) What plans does the Health Commission have to replace these specialists as they retire?
- (4) Has the Health Commission an ongoing plan to encourage doctors to take on radiotherapy?

*Answer—*

- (1) There are sixteen doctors engaged in radiotherapy in public hospitals in New South Wales. Those hospitals are as follows: The Royal North Shore, The Prince of Wales, Royal Prince Alfred, St Vincent's, The Sydney Hospital. N.B. There is a vacant position being advertised at The Prince of Wales presently.
- (2) Assuming that the Radiotherapists will retire at sixty-five years of age; two will retire in five years time and five will retire in ten years time.
- (3) The Health Commission has a number of training positions in radiotherapy. These were increased by two at the end of 1975 but there has been difficulty in filling these positions. St Vincent's Hospital has recently advised that it has an applicant for training in radiotherapy and inquiries are being made to see if one of the training positions can be relocated at St Vincent's Hospital to accommodate this applicant. There is also a submission at present before the Health Commission for a number of training positions in various specialities including radiotherapy to prepare staff for Westmead Hospital. These positions would be on the Westmead Hospital establishment but seconded to other hospitals for training purposes prior to the opening of the new Westmead Complex.

(4) The main problem inhibiting doctors from entering radiotherapy appears to be the lack of any opportunity for private practice, as radiotherapy is practised almost exclusively in hospitals. Only those doctors who are willing to contemplate institutional practice for the whole of their professional career are willing to consider radiotherapy as their vocation. In the present economic climate it is difficult to attract doctors into hospital practice, when the opportunities for high income in private practice exists in other specialties. The extent to which this remains a continuing problem is very much in the hands of the Commonwealth Government.

### MEDIBANK AGREEMENT

Mr HEALEY asked the Minister for Health—

What sums of money were received by the New South Wales Government for each of the 9 months from 1st October, 1975, from the Commonwealth Government, under the Medibank agreement for the 50/50 sharing of operational costs of hospitals?

*Answer—*

The amounts received direct by the New South Wales Government were:

<i>Month</i>							<i>Amount received</i>
							\$
October	..	..	..	..	..	..	—
November	..	..	..	..	..	..	—
December	..	..	..	..	..	..	56,384,000
January	..	..	..	..	..	..	16,529,000
February	..	..	..	..	..	..	15,718,555
March	..	..	..	..	..	..	14,309,000
April	..	..	..	..	..	..	25,563,000
May	..	..	..	..	..	..	—
June	..	..	..	..	..	..	127,495,000

Of the amount received in June it was estimated that \$50,473,000 was in respect of the 1975–76 financial year and \$77,022,000 in respect of the first quarter of the 1976–77 financial year.

