Legislative Assembly

Tuesday, 31 January, 1978

Bill Returned—Petitions—Constitution and Parliamentary Electorates and Elections (Amendment) Bill (Free Conference, Report, Message)—Resignation of F. W. Stewart, President of the State Superannuation Board (Ministerial Statement)—Questions without Notice--Cognate Bills (Ints)—Government Guarantees (Amendment) Bill (Int.)—Local Government (Amendment) Bill (second reading) --Criticism of Leader of the Opposition (Personal Explanation)—Constitution and Parliamentary Electorates and Elections (Amendment) Bill (Message)—Municipal Council of Sydney Electric Lighting (Amendment) Bill (second reading)—Yanco Weir Reconstruction Bill (second reading)—Adjournment (Aerosol Products).

Mr Speaker (The Hon. Lawrence Borthwick Kelly) took the chair at 2 p.m.

Mr Speaker offered the Prayer.

BILL RETURNED

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

Landlord and Tenant (Amendment) Bill

PETITIONS

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

Lake Eucumbene Trout

The Petition of certain citizens of Australia respectfully sheweth:

That they are opposed to plans to cull the brown trout population at Lake Eucumbene in New South Wales and to proposals that the culled fish be commercially marketed.

Your Petitioners therefore humbly pray that your honourable House will reject any proposals to reduce the trout population of Lake Eucumbene by such methods and for such reasons.

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

Petition, lodged by Mr Sheahan, received.

Jasper Road Public School

The Petition of certain confirmed citizens of Baulkham Hills, being parents and friends of children attending Jasper Road Public School respectfully sheweth:

There is very widespread dismay because of the overcrowded situation at the school.

That the present Jasper Road Public School is now physically divided and is situated on two separate sites viz—Permanent Site and Masonic School Grounds Site.

To date no reply has been received from the Minister of Education to correspondence dated 8.8.77 submitted by the President of Jasper Road Public School P. & C. Association seeking information concerning a proposed starting date for the commencement of Quarry Creek Public School.

That in 1978 the present Jasper Road Public School will be further overcrowded. This situation is considered to be serious.

Your Petitioners humbly pray that your honourable House will take steps to relieve the situation at Jasper Road Public School as a matter of urgency.

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

Petition, lodged by Mr Caterson, received.

CONSTITUTION AND PARLIAMENTARY ELECTORATES AND ELECTIONS (AMENDMENT) BILL

Free Conference

Mr SPEAKER: The time has arrived for the holding of the free conference with the Legislative Council. I shall now ask the Clerk to call over the names of the managers and I ask honourable members to answer their names.

The Clerk having called the managers and all being present,

Mr SPEAKER: In accordance with the provisions of Sranding Order 231, the business of the House is suspended during the conference. As the deliberations of the conference will probably extend over some considerable time, I think it will be convenient for me to leave the Chair at this stage and resume it at 2.30 o'clock, p.m. tomorrow, when the House will reassemble on the ringing of one long bell. If the managers are not then in a position to report to the House, it will be necessary for the sitting to be again suspended.

[Mr Speaker left the chair at 2.3 p.m.]

Wednesday, 1 ***February,*** 1978

[The House resumed at 2.30 p.m.]

Mr WRAN: Mr Speaker, I have to inform the House that the conference of managers on the Constitution and Parliamentary Electorates and Elections (Amendment) Bill has not yet completed its deliberations. I ask that you leave the chair until tomorrow.

Mr SPEAKER: I shall leave the chair until 10.30 a.m. tomorrow, when the House will reassemble on the ringing of one long bell.

[Mr Speaker left the chair at 2.31 *p.m.*]

Thursday, 2 *February,* 1978

[The House resumed at 10.30 *am.]*

Mr WRAN: Mr Speaker, I have to inform the House that the conference of managers on the Constitution and Parliamentary Electorates and Elections (Amendment) Bill has not yet completed its deliberations. I ask that you leave the chair until Tuesday next.

Mr SPEAKER: I shall now leave the chair until Tuesday next at 2.15 p.m., when the House will reassemble on the ringing of one long bell.

[Mr Speaker left the chair at 10.32 *a.m.*]

Tuesday, 7 *February,* 1978

[The House resumed at 2.15 *p.m.*]

Report of Free Conference

Mr WRAN: Mr Speaker, on behalf of the managers of the free conference on the rejection by the Legislative Council of the Constitution and Parliamentary Electorates and Elections (Amendment) Bill I bring up the following report together with the agreement arrived at by the managers:

> The managers appointed by the Legislative Assembly by resolution of 25 January, 1978, whereby a free conference with the Legislative Council, pursuant to section 5B of the Constitution Act, 1902, was requested, upon the rejection by the Legislative Council of the Constitution and Parliamentary Electorates and Elections (Amendment) Bill, report to your Honourable House that having met the Managers appointed by the Legislative Council, agreement was reached on the basis of the attached document.
>
> On behalf of the Managers for
> the Legislative Assembly,
> NEVILLE WRAN.

Legislative Council Committee Room, C. 255,
Parliament House, 2nd February, 1978.

Agreement of free conference of managers appointed by the Legislative Council and the Legislative Assembly to consider the Constitution and Parliamentary Electorates and Elections (Amendment) Bill.

The free conference agreed as follows:

1. The system of voting for the direct election of Members of the Legislative Council to be optional preferential voting requiring the voter to vote for 10 candidates at least but otherwise permitting the voter to indicate preference beyond 10 candidates if the voter so wishes.

(a) The ballot paper must state the following or something to a similar effect:

Place the number "1" in the square opposite the name of the candidate for whom you desire to give your first preference vote. Give contingent votes for the remaining candidates by placing the numbers "2", "3", "4", and so on, in the squares opposite the names of at least 10 of the candidates in the order of your preference.

(b) In the counting of the votes the following should apply:

(i) Any ballot paper which has less than 10 squares numbered will be invalid.

(ii) Any ballot paper which has at least 10 squares numbered and the sequence of that numbering is not in strict numerical order, then the ballot paper will be formal until that strict numerical order is departed from.

2. The first election for 15 directly elected Members of the Legislative Council to be held simultaneously with the next State general election.

3. The provisions of the Bill relating to Members of the Legislative Council due to retire in 1985 and 1988 to remain unaltered. This means that Government and Opposition parties start off under the new system equal.

4. The date of the required referendum to be on the 10th June, 1978, or such other date in proximity thereto as may be agreed by the managers.

5. The Government to instruct the Parliamentary Draftsman to prepare the amendments to the Bill so as to give effect to this agreement and such amendments to be submitted to a meeting of the managers. for approval and upon the amendments being approved, all parties having so signified to the conference agree to support the passage of the amended Bill through both Houses.

6. The parliamentary parties represented by the Government and Opposition having so signified will agree to and will not oppose a yes vote at the Referendum.

7. Except for the consequential amendments arising out of this agreement, the Bill to remain unaltered.

8. The managers of the respective Houses to report this agreement.

Signed on behalf of the Managers of the Legislative Council,

JOHN B. FULLER.

Signed on behalf of the Managers of the Legislative Assembly,

NEVILLE WRAN.

Legislative Council Committee Room, C. 255, *Parliament House, 2nd February,* 1978.

Mr WRAN: I move:

That the report be adopted.

Motion agreed to.

Report adopted.

Motion (by Mr Wran) agreed to:

That the managers have leave to meet again with the managers of the Legislative Council in reference to the Constitution and Parliamentary Electorates and Elections (Amendment) Bill.

Message

Motion (by Mr Wran) agreed to:

That the following message be sent to the Legislative Council:

The Legislative Assembly has this day adopted the report of the managers on behalf of the Assembly at the Free Conference with the Legislative Council in reference to the Constitution and Parliamentary Electorates and Elections (Amendment) Bill and has granted leave for its managers to meet again.

RESIGNATION OF FRANCIS WALTER STEWART, PRESIDENT OF THE STATE SUPERANNUATION BOARD

Ministerial Statement

Mr MULOCK: I wish to make a ministerial statement concerning the resignation of Mr Francis Walter Stewart, president of the State Superannuation Board. Mr Francis Walter Stewart, president of the State Superannuation Board, has submitted his resignation from that office on and from 27th January, 1978. The submission of Mr Stewart's resignation follows an investigation ordered by me as Minister of Justice responsible for government superannuation matters. The investigation related to financial transactions between a family company of Mr Stewart from 1974 to 1976 with one of a group of companies which at that time had substantial financial dealings with the State Superannuation Board and is now in default under mortgages to the board.

The financial transactions consisted of unsecured loans by Mr Stewart's family company to one of the mortgagor companies and the acceptance of the payment of interest and part repayment of capital in respect of those loans. These financial transactions by Mr Stewart's family company had remained undisclosed by him until November, 1977, when the fact that Mr Stewart's company was a creditor of the mortgagor company became known to the State Superannuation Board and two fellow board members asked him to explain the matter to the board. The matter came to my notice on 16th November, 1977, and I instituted the investigation the following day. The Public Service Board, the Auditor-General and the State Crown Solicitor were consulted regarding the investigation.

The results of the investigation were sent to the Crown Solicitor who briefed the Solicitor General, Mr R. J. Marr, Q.C. and Mr F. J. D. Officer, Q.C., to advise whether Mr Stewart had been guilty of misbehaviour within the meaning of section 74 of the Superannuation Act, 1916. The opinion of the Solicitor General and Mr Officer was that Mr Stewart had a case to answer on three grounds. The most significant of these was that Mr Stewart had placed himself in a position of potential conflict of duty and interest when his family company made unsecured loans to one of the mortgagor companies—a conflict which became an actual one when a payment

of principal and payments of interest were made to his family company in respect of the unsecured loans during a period when the mortgagor company had fallen into arreas with its interest payments to the State Superannuation Board. As I have already indicated, he had revealed none of this to the State Superannuation Board.

A further ground was that on an occasion when the Superannuation Board was hiring accommodation for a residential seminar, Mr Stewart, without the board's knowledge, had actively assisted the same mortgagor company, which conducted a hotel, to tender successfully for the provision of the accommodation. He had gone so far as to draft its tender for it. The third ground relied upon in the advice to me concerned an apparently false statutory declaration made by Mr Stewart in connection with an application for a loan from a building society. It is admitted by Mr Stewart that his answer to a question in the application form that he had never previously obtained loans from any other building society was not true.

Following receipt of this advice I considered the matter and had served upon Mr Stewart a statement of grounds of suspension which would justify a recommendation being made to the Executive Council that he be suspended from office. In addition to the grounds of suspension, Mr Stewart was provided also with copies of a number of other documents which related to the facts on which the grounds of suspension were based. I indicated to Mr Stewart that I was seriously considering recommending to the Executive Council that he be suspended from office. Pursuant to the legal advice which I received I afforded Mr Stewart an opportunity to make representations to me concerning any of the matters set out in the documents made available to him. Subsequently, Mr Stewart saw me at my office on 17th January, 1978, and made representations to me both in writing and orally. Amongst other things he said, with reference to his dealings with the mortgagor company:

> I have never at any time since I have been with the Board done anything for personal gain. I have always endeavoured to act in the best interests of the Board and what I did here was what I considered to be in the best interests of the Board. I endeavoured to assist the company with problems and went beyond what was legally necessary in representing an organization but nevertheless whatever I did do was always in the best interests of the Board with the intention of making this organization a viable organization so it could discharge its full obligations. This is the view I take of the responsibility of a mortgagee. This is a commercial approach which one would find in the commercial field. I do not think I departed from proper standards. I am sorry you feel that a question of misconduct does arise and I hope in the light of this response you may see otherwise.

As regards the declaration made in connection with his application for a building society loan, Mr Stewart provided me with an explanation as to how he had come to answer the question in the application form incorrectly. He said that he had misconstrued the question, and because of this misunderstanding had inadvertently given the wrong answer. Further legal advice confirmed my own view that Mr Stewart's representations had not diminished the force of the case against him. Clearly Mr Stewart in his dealings with the mortgagor company had placed himself in a position where his interest and duty could and did conflict, thereby failing to fulfil his fiduciary duties to the State Superannuation Board and to the contributors to the State Superannuation Fund and this is a very serious matter. Obviously Mr Stewart had placed himself in an untenable position. Having appraised the situation, Mr Stewart subsequently sent me a letter dated 23rd January, 1978, in these terms:

> I refer again to your letter of 9th January, 1978, wherein you raise the question of the propriety of my conduct with respect to certain funds advanced privately, on an unsecured basis by Ardnalia Investments Pty

Limited, a company with which I am associated, to Rushcutters Court Pty Limited, a company which some years previously gave first mortgage security to the State Superannuation Board over its property known as the Whitehall Hotel.

As previously pointed out, such advances by Ardnalia were made in an endeavour to overcome the mortgagor company's liquidatory problems, which were then thought to be short term, so that it could meet all its financial obligations in full: In this way all the company's creditors, including the State Superannuation Board, would have been advantaged. Nevertheless while no question of personal gain or profit was involved in my dealings with Rushcutters Court Pty Limited, and in fact a substantial personal loss has been incurred, I have given further consideration to the matter since our meeting in your office on 17th January.

In the light of that consideration and notwithstanding the absence of any impropriety or misconduct on my part I feel that in all the circumstances the interest of myself and the Board would be best served by my tendering my resignation from the position of President of the State Superannuation Board.

It is naturally with great reluctance that I take such a step after almost 40 years service in the interests of the State but it is a course of action which I feel is desirable to remove the present uncertainty from a situation which has already existed over a period of many weeks—since I entered on leave at the end of November last.

Will you please therefore accept this communication as formal notice of my resignation from the office of President of the State Superannuation Board and of my intention to continue on the remainder of my accumulated recreation and long service leave, on either full or half pay as may be appropriate, with retrospective adjustment of leave if necessary, so that such leave will expire on 2nd October, 1980, the day following my 60th birthday.

I should point out to the House that the question of Mr Stewart's resignation was not discussed at any time between Mr Stewart and myself or by Mr Stewart with any member of my staff. It was raised after Mr Stewart's attendance at my office on Tuesday, 17th January, 1978, by a third party, not a member of the State public service or any government instrumentality. This third party sought advice from a member of my ministerial staff as to whether the submission of Mr Stewart's resignation would be an acceptable resolution of the matter. I have no doubt that this approach followed Mr Stewart's further consideration of the material which had been placed before him.

I took legal advice on this question of resignation. I was advised that if Mr Stewart resigned his office by writing under his hand addressed to the Governor, that resignation would under section 75 of the Superannuation Act cause him to vacate his office forthwith. It was pointed out to me that whether or not Mr Stewart had in the meantime been suspended from office under the provisions of section 74 of the Superannuation Act, he could at any time up to the stage when he might be removed by Parliament under that section bring the process of suspension and removal from office to an end by resigning. That being so, it would be pointless to proceed with the suspension of Mr Stewart from office if his intention was in any case to resign his office.

Mr Stewart's letter of 23rd January, 1978, had been addressed, not to the Governor but to myself, and it appeared from it that he was seeking to make his resignation effective only after a period of accumulated recreation and long service

leave. I was only prepared to accept an immediate resignation addressed to the Governor in accordance with the Act. I therefore wrote to Mr Stewart advising him accordingly. Mr Stewart has now resigned his office by a letter addressed to the Governor dated and received on 27th January, 1978. Legal advice furnished by the Solicitor General and Mr Officer, Q.C., is that the effectiveness of the resignation is not dependent upon its acceptance by the Governor and accordingly it takes effect from the date mentioned.

Notwithstanding that Mr Stewart has resigned I felt it necessary to make this statement to the House of the circumstances that led to his resignation. It is, of course, unfortunate that, having given long service to the State of almost forty years, during which time he served in the Department of the Attorney-General and of Justice, the Registry of Co-operative Societies, the Electricity Commission of New South Wales and, of course, the State Superannuation Board, Mr Stewart now finds himself in this position.

I should inform the House that no actual loss of funds has been suffered by the State Superannuation Board as a result of Mr Stewart's failure to fulfil his fiduciary duties to the State Superannuation Board and its contributors. The investigations suggest further that in involving his family company, in which he is a major shareholder, in the transactions to which I have referred, the company will lose more than $40,000 as an unsecured creditor. Nobody would dispute however the absolute necessity that there be no conflict of interest whatever on the part of those responsible for the administration of a fund which involves more than $1,000 million funding for investment.

Arising out of this matter generally, I did in December, 1977, arrange for a committee, chaired by the Public Trustee, Mr J. M. Power, and including Mr D. Steel, Assistant Government Actuary and Mr P. Jay, Senior Public Service Inspector as the other members, to be an investment review committee to (1) examine the systems employed by the State Superannuation Board for recording its investments; (2) examine the methods used by the board for regularly evaluating the security of those investments; (3) make an appraisal of the board's property investment policies; and (4) examine property investments, including mortgages. The chairman of the committee has advised as follows:

> In essence, we feel that satisfactory systems for recording Board investments are presently in use and that the methods now current enable proper and regular evaluation of the Board's share and fixed interest investments. The Board's land and property portfolio is of recent growth so that evaluation was formerly only required for particular emergent cause but as from April, 1977, an organized review programme has been put in hand which not only involves periodic physical inspection, but the appropriate profit assessment and depreciation allowance for each individual investment. This programme is not complete but is presently proceeding.
>
> The Board's current property investment policies satisfy the dictates of commercial prudence and its own general criteria of good site, good construction and adequate tenancy.
>
> Examination of the property portfolio including mortgages shows six loans in default and three foreclosures out of a total property holding of 24 Board owned, 19 purchase/lease and 110 mortgage investments. All of these matters are receiving constant attention at Board level. Having regard to the record inflation of recent years and the recession in property values the Board's performance in this area can be considered to be generally satis-

Mr Mulock]

factory. This area of investment which inter alia seeks capital appreciation must necessarily involve some degree of risk and experience has shown that some previous policy lines now reversed have led to an exposure to risk in some securities as well as appreciation in others. As previously indicated the overall position appears sound.

I trust that this statement will adequately convey the circumstances that led to Mr Stewart's resignation and that I felt it my duty to reveal to the House. I trust also that the advice from the chairman of the committee which I established will reassure the House that the systems and procedures for the investment of the State Superannuation Fund are sound. It is my intention to advertise this important position immediately and to appoint a successor to Mr Stewart at the earliest possible date.

Mr COLEMAN: I have listened to the unhappy story outlined by the Minister and to his account of the conflict of interest between Mr Stewart's interest in his family company and his duty to the State Superannuation Board. I have listened also to Mr Stewart's explanation, as quoted by the Minister, including the statement that the board suffered no loss in that Mr Stewart, at every stage, did not intend to act against the interests of the board. The Opposition will examine the Minister's statement closely and any other relevant papers to see that justice has been done in this case. By Mr Stewart's resignation alone it seems that the former president considers that in all the circumstances he had no alternative but to resign. People in his position, administering accumulated funds of $1,000 million and serving 117 000 members are under the gravest possible duty not to be involved in situations of conflict of the kind mentioned by the Minister.

It should be remembered that Mr Stewart was appointed president of the State Superannuation Board after the resignation of Mr Trimmer, the former president, who was appointed a commissioner of the Public Transport Commission in 1972. The honourable member for Ku-ring-gai when Minister of Justice asked the chairman of the Public Service Board to submit the names of three persons from within the public service whom he regarded as sufficiently experienced for appointment to the position of president of the State Superannuation Board. The chairman of the Public Service Board, the Under Secretary of the Treasury and the Under Secretary of the Department of the Attorney-General and of Justice examined and interviewed a number of officers. In the opinion of that committee the man most worthy of consideration for appointment was Mr Stewart, who was then aged 52. He had been a full-time member of the board since 1969, and a former senior clerk and then administration and property officer in the Electricity Commission of New South Wales. He had prior service in the accounts branch of the Department of the Attorney-General and of Justice and as an assistant inspector in the Registry of Co-operative Societies. The recommendation was discussed and approved by Cabinet. Mr Stewart, having gone through the processes as to his suitability, was appointed to the position.

It is fair to say that in the years in which Mr Stewart has been president of the State Superannuation Board there have been continued expansion and progress with the fund. It is fair to say also that in 1965 the board was run in a fairly amateurish way, without independent professional advice. In the years since 1965, first under the presidency of Mr Trimmer and then Mr Stewart, the State Superannuation Board has become one of the State's outstanding and most professional investment bodies. At this unhappy stage it is fair to acknowledge and proper to stress the contribution that Mr Stewart made to that body and to its history. I repeat, the Opposition will examine the Minister's statement and any other relevant documents to ensure that justice has been done.

QUESTIONS WITHOUT NOTICE

ELECTRICITY INDUSTRY WORKING HOURS

Mr COLEMAN: My question without notice is directed to the Premier. Did the submission made to the Industrial Commission of New South Wales on behalf of the power workers in the 1973 35-hour week inquiry state that the commission should consider an immediate reduction to 37½ hours a week and a further reduction to 35 hours in six months' time, which submission the Premier will recall as the counsel who put it was Mr N. K. Wran, Q.C.? Is this now the policy of the Government in accordance with the Labor Party's State platform, which is to give effect to the 35-hour week on an industry-to-industry basis?

Mr WRAN: The question is as mischievous as the material contained in it is false. There are three major ingredients in the present application to the Industrial Commission of New South Wales by the power workers for a 37:-hour week which must be emphasized. The first is that standard hours of work, that is, 40 hours a week, cannot be reduced without the approval of a full bench of the Industrial Commission of New South Wales.

Mr Coleman: On a point of order. My question refers in part to the 1973 inquiry, to the Government's policy and to the Labor Party's platform. I ask, Mr Speaker, that you direct the Premier to come to my question.

Mr SPEAKER: There is no way in which I can accede to the request by the Leader of the Opposition. Having been in Parliament for a long time, he knows full well that I have no control over the way in which the Premier answers a question other than to ensure that the answer is relevant to the matters contained in the question.

Mr WRAN: I was mentioning that three matters must be emphasized. The first is that standard hours of work, that is, 40 hours a week, cannot be reduced without the approval of a full bench of the Industrial Commission of New South Wales, pursuant to section 63 of the Industrial Arbitration Act. In other words, there can be no agreement on the matter. The powers workers' case, whether supported or not supported by the Electricity Commission of New South Wales, must go to arbitration. It is a staggering commentary on the double standards of some observers who cry the loudest that claims should go to arbitration that when a case such as this is submitted to arbitration their cry becomes even louder. The second matter is that inherent in the guidelines imposed upon and accepted by the parties is a provision that there will be no increase in electricity charges——

Mr Dowd: On a point of order. The Premier is now canvassing the subject matter before the Industrial Commission. If it is your ruling that, it being an industrial matter, it is therefore not sub *judice* and the matter should proceed, that would constitute a variation of previous rulings. I do not suggest that you are necessarily bound by those previous rulings, but it ought to be made clear that if the Premier is entitled to canvass the matter, so is every other member who wishes to discuss it.

Mr SPEAKER: The ruling given by the Chair is that persons appointed by the Government to act on commissions will not be unduly influenced by debates in this House. They have the capacity to do the job that they have been appointed to do. I see nothing in what has been said by the Premier that will change the attitude of the commission.

Mr WRAN: Inherent in the guidelines imposed upon and accepted by the parties is a provision that there will be no increases in electricity charges as a result of any decision by the Industrial Commission of New South Wales to reduce working hours

of employees in the Electricity Commission. Indeed, the economic cost of a 37½-hour week for New South Wales power workers is estimated to be of the following order: on a 5-day week basis, an actual saving of about $20,000 a year; and on a 9-day fortnight basis, a cost of about $400,000 to $450,000 a year. These figures are conservative estimates. If anything, they overstate the costs. They are calculated on the basis that all workers involved will opt for a 5-day week or a 9-day fortnight. The reality is that the position will be somewhere in between, that not all workers will opt for a 5-day week or a 9-day fortnight, but some will opt for one or the other. The confident expectation is that the cost will be of the order of $200,000 a year and this will be absorbed without any effect on the cost of electricity to domestic or industrial consumers. This economy of operation and this certainty that there will be no increase in electricity costs result from a number of changes in working conditions. The most important of them is that maintenance workers will work round-the-clock shifts—a concession made by the unions for the first time. This will drastically alter the whole of the cost structure of the industry. The third matter is that if the Industrial Commission does decide to reduce working hours, the decision will not be significant by way of flow-on to any other industries, government or otherwise.

[Interruption]

Mr WRAN: The gentlemen opposite are amused for the time being but we will take some of the amusement from their faces. That is not my bland assertion. It is supported not only by the restrictive terms of section 63 of the Industrial Arbitration Act, and by the fact that power workers constitute a special and isolated group with a particular history in relation to hours of work and increases in technology, but also by what has happened under the Fraser Government since it was elected in December, 1975, whereby the hours of work in a number of major Commonwealth instrumentalities have been reduced to 373 hours a week and there has been no flow-on to industry generally. I am referring to the following decisions in the following industries on the following dates: On 23rd December, 1975, a 374-hour week was granted to the Australian Telecommunications Commission. On 3rd March, 1976, a 374-hour week was granted to the Australian Postal Commission. On 25th November, 1976, a 374-hour week was granted ——

[Interruption]

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

Mr WRAN: —to the Gas and Fuel Corporation of Victoria. The honourable member for Bligh was on the Watergate business a minute ago before his Leader apologized for what had gone on in the Superannuation Board. On 18th July, 1977, a 374-hour week was granted to the Commonwealth Serum Laboratories. By order of 23rd September, 1977, in relation to the Australian Postal Commission there was a further 374-hour week decision. In this State of New South Wales ——

[Interruption]

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

Mr WRAN: What happened under the previous Liberal–Country party Government?

[Interruption]

Mr SPEAKER: Order!

Mr J. A. Clough: On a point of order. The Premier is debating the question and is introducing argumentative material. If he wishes to continue in that vein, you should direct him to move a substantive motion so that all members may participate in debate on the rubbish that he is now putting before Parliament.

Mr SPEAKER: Order! The Leader of the Opposition in addressing a question to the Premier asked what the policy of the Government was. At that stage I was a little concerned that the Premier's reply could end up as a ministerial statement. Had I ruled the question out of order then, it would have been open to the Premier to **make** a ministerial statement at the end of question time. It has been the practice for Ministers to come into the House equipped with information that will assist them in answering questions. It would seem that the Premier has done this. So far he is in order.

Mr WRAN: I have given the House and the public the details of 373-hour weeks in industries controlled by the Commonwealth Government—the Fraser Government. In New South Wales under the previous Liberal–Country party Government, on 5th December, 1975, the New South Wales Industrial Commission in court session reduced the working hours of university technical officers. These were not Labor governments but Liberal--Country party governments in New South Wales and in Canberra. They were the governments involved in each of these decisions. Each of the decisions reduced ordinary hours of work to fewer than forty. There has been no flow-on from any of those decisions. Moreover, a 35-hour week has been awarded in the stevedoring industry and the oil industry, and again there has been no flow on at all. To cap the hypocrisy of Mr Fraser and his colleagues, it is now suggested that there was a recent agreement between another Commonwealth instrumentality—the Atomic Energy Commission—and its maintenance workers for a 37%-hour week. In reply to the question asked by the honourable gentleman—who is so interested in it that he has left the Chamber——

[Interruption]

Mr SPEAKER: Order!

Mr WRAN: Let us have no more of these laments from Canberra about a 37f-hour week, for the Commonwealth Government has permitted several such arrangements to take place within major Commonwealth instrumentalities. It is doing nothing more than attempting to make cheap political capital by disguising what it has done and engaging in unnecessary scare tactics about flow-ons from any decision in the power industry. As the question has asked for the Government's policy, I might add that the New South Wales Government imposed certain guidelines upon the Electricity Commission and the unions. These guidelines, with minor differences, were identical with those accepted by the full bench of the Commonwealth Conciliation and Arbitration Commission in those matters in which the Commonwealth Government has been involved. In other words, the Labor Government of this State has adopted the guidelines established by another Commonwealth instrumentality and on the basis of those guidelines has turned the parties to arbitration.

Let me say without hesitation and without equivocation that it is not this Government's policy that a 35-hour week be introduced generally in New South Wales or on an industry-to-industry basis. Coming back to the power industry——

[Interruption]

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

Mr WRAN: Finally, I should like to remind honourable members, the public and the news media, that under the previous Liberal–Country party Government in this State, winter blackouts were commonplace with inconvenience to domestic consumers and disruption to industry. At various stages the State had to be divided into zones for power rationing. At one stage, under those geniuses of industrial relations,

power was available to industry in New South Wales on only two days a week. Millions and millions of dollars were frittered away. Every winter industrial chaos could be expected, industrial stagnation predicted and political ineptitude expected.

[*Interruption*]

Mr SPEAKER: Order! There is far too much audible conversation in the Chamber.

Mr WRAN: Winter after winter, that is how things were done. But in the two winters that this Labor Government has been in office there have been no blackouts; there has been no inconvenience to domestic consumers, no industrial disruption, no driving of industry away from the State, no unemployment caused by power disruption, no tens of millions of dollars lost, and no rationing of power supply. On the contrary, there has been a significant upturn in industrial relations, technology and productivity. Indeed, we are steadily working to a programme which, as I said towards the end of last year, will enable comparative reductions in electricity charges in this State. The public will remember the blackouts, the inconvenience, and the disruptions; they have enough commonsense to realize that the position would still be the same had this Government not set out to tackle the problem. More important, what the Leader of the Opposition said is mischievous and false. There is no policy—and there will be no spread of any reduction of hours in respect of government industry——

[Interruption]

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

Mr WRAN: ——or any flow-on to any other industry. What is just as important, there will be no increase in electricity charges. As I have said, there will be no flow-on in government industry or any other industry if the Industrial Commission, in its wisdom, accedes to the application that is at present before it.

COURSES FOR UNEMPLOYED YOUNG PEOPLE

Mr FLAHERTY: My question without notice is directed to the Premier. Did he make a special request to the Prime Minister for Commonwealth finance to enable this State to conduct additional pre-apprenticeship and secretarial courses in 1978 for unemployed young people? Has the Prime Minister refused such financial assistance? Is it true that the State Government will now finance these additional courses at a cost of $4.5 million? Will the Premier explain to the House why the State Government should meet this cost when the Commonwealth, which has the responsibility in the unemployment field, will not provide any assistance?

Mr WRAN: I thank the honourable member for Granville for his question. I compliment him on his continued interest in the plight of the growing tens of thousands of unemployed in this State, in particular those who are within the 17 to 30 years of age group. The answer to the first part of the honourable member's question is that on 9th November and 11th November last I sent urgent telexes to the Prime Minister indicating that it was possible for New South Wales to conduct additional training courses for unemployed young persons and seeking financial assistance from the Commonwealth to enable us to run these courses, which I stress are additional to the normal technical education programme. These courses are for automotive trades, baking, building, electrical, furnishing, hairdressing, metal industries, plumbing, welding, signwriting, and secretarial and business courses.

Having regard to the worsening unemployment situation, particularly for school-leavers, we wanted to increase the number of students this year in those additional courses from 1400 to more than 2 200. There was no response from the Prime Minister before the federal elections. However, in his policy speech Mr Fraser gave some hope to the people of Australia when he said:

> We all know what the real answer to unemployment is; it is training young people to do new jobs and keep them.

The federal elections are now over, and Mr Fraser has conveniently forgotten his commitment in this regard. In letters to me dated 24th January he refused any financial assistance to this State for these additional training courses for young unemployed people. With regard to the last part of the honourable member's question, I stress that unemployed persons have a right to be helped to train for a job so that they can take their proper place in the community workforce. The federal Government has the finance to ensure that provision is made for such training. If Mr Fraser's Government wants to renege on its responsibility, this State has no option, having regard to the need of young unemployed persons, but to finance these additional training courses. The number of additional trade students will be increased from 1 000 last year to 1 500 this year, and the additional number of secretarial students will rise from 368 to 680 in 1978. The cost to the State will be $4.5 million. Enrolment action is now proceeding at technical colleges.

The Government's decision in this matter is in line with the major initiatives that we have taken in the youth employment field. Reduction of unemployment, particularly among our young people, will continue to be this Government's principal goal. I thank the honourable member for Granville not only for his question but also for his continuing concern for young people. From time to time he has suggested a number of initiatives and programmes to the Government. He has emphasized the plight of young people in the western suburbs, where youth unemployment per thousand of population is as high as it is in any other area in the State.

CATTLE LOSSES ON RAIL TRUCKS

Mr PUNCH: I ask the Treasurer a question without notice. In view of the Treasurer's answer in this House recently, indicating that Treasury is in a relatively financial state, will he give special consideration to the plight of stockowners from the drought-striken Southern Monaro who suffered direct losses of up to $1,000 as a result of having loaded cattle on to rail trucks and then having to unload them again and return them to their properties because of a dispute within the railways? In recognition of the necessity to give every assistance possible to stockowners affected by drought, will the Treasurer therefore allow special *ex gratia* compensation in this case?

Mr RENSHAW: This Government has accepted the principle of extending benefits to stockowners who are affected by disasters such as flood and drought; indeed, the extent to which it has done this has never been paralleled before in New South Wales. I assure the Leader of the Country Party that we are sympathetic to any people who meet with disaster, but he must appreciate that I do not know personally about the matter to which he refers.

[Interruption]

Mr SPEAKER: Order!

Mr RENSHAW: However, if it is as he says, I shall give the matter immediate consideration. I shall give the Leader of the Country Party a final answer when I know all the facts.

ITALIAN COMMUNITY

Mr PACIULLO: My question without notice is directed to the Premier, whose portfolio includes ethnic affairs. Is the Premier aware of a recent statement by Mr Justice Woodward, who is conducting the New South Wales Royal commission into drug trafficking, that the commission was not an investigation into the Italian community? In view of the wide publicity that has surrounded this inquiry, and seems to have reflected badly on the Italian community generally, will the Premier inform the House of the true position with regard to those areas that the committee is at present investigating?

Mr WRAN: I welcome the honourable member's question, just as I welcomed Mr Justice Woodward's most timely remarks at the Royal commission last Friday.

[Interruption]

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

Mr WRAN: The honourable member for Raleigh seems to have joined forces with the Leader of the Country Party in not only vilifying the judiciary, in the manner in which he just did, but at the same time casting a slur upon the hundreds of thousands of Italian–Australian citizens in this community. By making insinuations, in this House and outside it, people such as the honourable member for Raleigh and the Leader of the Country Party have slurred every Italian in Australia. They endeavour to make cheap political capital out of the fact that a few people who came before the Royal commission had names of Italian origin. I dare say that the dignity, reputation and ancestry of many Italians are superior to those of the Leader of the Country Party.

[Interruption]

Mr SPEAKER: Order! I call the Leader of the Country Party to order.

Mr WRAN: There has been an abundance of sensationalism about Italians in recent months. I make it clear to the House that those remarks of Mr Justice Woodward have my wholehearted support. I have the deepest respect for members of the Italian community wherever they live in Australia. It is about time that some of the misconceptions about members of the Italian community were corrected. The Italian community is the most law-abiding of any section of the community in Australia.

[Interruption]

Mr SPEAKER: Order!

Mr WRAN: Another member of the Country Party seems to be going to great lengths now. If he took the trouble to read every so often, he would find out that what I am saying is true. Indeed, the remarks are based directly on figures prepared by the Australian Bureau of Statistics. They show that the Italian community has the lowest crime rate of any ethnic group in Australia. The figures released by the Australian Bureau of Statistics verify that this is not a flash in the pan, for these statistics extend from 1970 to 1976. The conviction rate in Australia of Italians who were either born in Italy or born of Italian parents here is about four or five persons in every 10 000.

Mr SPEAKER: Order! The volume of conversation is too high. I ask honourable members to reduce it.

Mr WRAN: I make it clear that the conviction rate is about four or five in every 10 000. One reason for the low crime rate is the close family structure of the Italian people, coupled with the influence of the church and the presence of well-organized and effective community organizations. The Italian influence in art, design,

music, building, engineering and technology, to name but a few, has been phenomenal throughout the history of the world; certainly this is no less so in Australia, where Italians have made vast and unselfish contributions to the development and prosperity of our nation.

[*Interruption*]

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

Mr WRAN: Indeed, such life-generating projects as the Snowy Mountains scheme may never have been realized if it had not been for Italian technological expertise and the many Italians who laboured on the project. While it is very easy to talk about all the positive things that Italians have contributed to society generally, the situation still regrettably exists where Italians—along with many other ethnic groups—do not occupy enough significant positions in our country. However, I would like to say, in contrast to the denigration——

[Interruption]

Mr SPEAKER: Order! I call the Minister for Conservation and Minister for Water Resources and the honourable member for Byron to order

Mr WRAN: I was saying that, in contrast to the denigration that comes from the Leader of the Country Party and his colleagues, the Government of New South Wales has initiated in the past eighteen months——

Mr Viney: On a point of order. It has been ruled many times in this House that members may use copious notes when making a speech, such as when a Minister is making a second-reading speech. However, I submit that the Premier should not be reading the whole of his answer.

Mr SPEAKER: Order! No point of order is involved.

Mr WRAN: In the past eighteen months the Government has initiated bold action to ensure that in future all ethnic groups in the community not only will have the opportunity to take part in the decision-making processes, but also will be given the incentives and support to do so. Bad feeling is caused by misconception and lack of understanding, and also by deliberately parochial, racist and vulgar insinuations by such people as the Leader of the Country Party. These attitudes must be broken down if Australia is to be a united nation.

I assure the House that the Government of New South Wales has the greatest admiration and respect for the members of the Italian community and for the generations of Australians who comprise it. They have the complete goodwill and support of this Government, even though the members of the Opposition choose to denigrate them in every way and seek to divide them from the rest of the Australian community.

Mr Viney: On a point of order. Standing Order 78 requires a Minister's reply to be relevant to the question, and not to invite debate. The concluding remarks of the Premier clearly challenge the Opposition to debate, even though that opportunity is denied them as this is question time.

Mr SPEAKER: Order! No point of order is involved.

PAYROLL TAX

Mr MADDISON: I ask the Treasurer a question without notice. Did he, in answer to a question from me, state in the House on 30th November last that the evasion of payroll tax by cleaning contractors had been rectified? Is he aware that in

September, **1976,** the Premier was advised that a device to avoid payroll tax had been developed by the establishment by contractors of trusts among employees? Was no action taken by the Government to close the loopholes in the law following advice by the Minister for Industrial Relations, Minister for Mines and Minister for Energy that where such a device was used the owners of buildings would become liable for workers' compensation and long-service leave? Is he aware that Berkeley Cleaning Company Pty Limited, which has a cleaning contract with Goulburn Teachers College, has now reverted to the trust scheme after abandoning it? Will the Treasurer explain the Government's inactivity over more than twelve months, so allowing large sums of payroll tax to be lost? Will he take action immediately to rectify the position?

Mr F. J. Walker: On a point of order. The ground on which I take the point of order is that the question is most complicated, involving no fewer than five separate issues of law and fact, and containing quite a number of false statements. It is of such length and complexity that I suggest you should direct the honourable member for Ku-ring-gai to put it on the notice paper.

Mr Maddison: On the point of order. It is news to me, and I am sure it will be news to you, Mr Speaker—as it would have been to your predecessors—to hear that the complexity of a question should prevent a Minister from answering it or at least intimating that he finds it too complex for his little brain to comprehend and therefore asking that it be put on the notice paper. It is unusual for a Minister to whom a question has not been directed to suggest that it be put on notice. If the Treasurer finds it too difficult, he should ask that it be put on the notice paper.

Mr SPEAKER: Order! When a complex question is asked it has been the practice of Speakers to inquire of the Minister to whom it is directed whether he is able to answer within a reasonable time. I ask the Treasurer whether he is able to answer this question within a reasonable time.

Mr RENSHAW: The first parts of the question require consideration and investigation involving substantial details, covering as they do five or six matters. I might be able to give the honourable member for Ku-ring-gai a considered reply in a day or two.

"LIFE. BE IN IT"

Mr RYAN: I ask the Minister for Sport and Recreation and Minister for Tourism a question without notice. Is the New South Wales Government taking an active part in the "Life. Be in it" campaign being conducted nationally by the federal Government? If so, what stage has the campaign reached, and what are the State Government's plans in respect of it?

Mr BOOTH: I welcome the question from the honourable member for Hurstville who, as everyone acknowledges, has a great sporting record on behalf of Australia. He has played an important part in developing sport and recreation facilities, particularly in the Hurstville district, where he has taken a keen interest in this and all other matters of public concern. In making that comment I am mindful not only of his football career, but also of his continuing interest in all forms of sport. I am aware that he is one of the regular users of the fun and fitness track, which is part of the Domain scene these days, and that he is constantly prodding me, my department, and the Government, to create further opportunities for sport and recreation.

[Interruption]

Mr SPEAKER: Order! I call the honourable member for Gordon and the Deputy Leader of the Opposition to order.

Mr BOOTH: The New South Wales Wran Labor Government, in conjunction with the federal Government and other State governments, is enthusiastically involved in the "Life. Be in it" campaign, which aims at getting Australians on the move so that they may enjoy their leisure time more by participating in a range of recreational activities. The campaign in New South Wales is being organized and administered by the Department of Sport and Recreation, and a special co-ordinator has been appointed to supervise the programme. The campaign began in Victoria in November, 1975, and the programme in that State is being used as a national model. The Commonwealth Department of Environment, Housing and Community Development is providing $1.8 million over three years to help finance the programme and is co-ordinating the national aspects of it. New South Wales and the other States are responsible for the day-to-day administration of the programme, including conduct and promotion of local activities. I am sure that all honourable members are familiar with the "Life. Be in it" advertisements that are being shown on television, featuring Norm, the all-round sportsman.

[Interruption]

Mr BOOTH: The honourable member for Bligh—Opposition spokesman on matters of sport and recreation—interjects, but he would not do so if he knew what was going on. He does not, nor does the honourable member for Wakehurst. These advertisements are an important part of phase one of the campaign in this State, which aims at creating awareness and making the words "Life. Be in it", and the concept, known to the general public. This phase, which is being supported by a great variety of promotional material, including stickers, posters, T-shirts and calendars, has been assisted by co-operation and sponsorship from private enterprise. Although phase one is still in progress, several regional offices of the Department of Sport and Recreation have already organized activities based on the "Life. Be in it" theme. The New South Wales campaign co-ordinator has approached several government departments, including the National Parks and Wildlife Service, the Department of Tourism, the Health Commission, and the Maritime Services Board, and has received their support and co-operation. When the second and third phases of the campaign begin later this year the emphasis will change from awareness to involvement. The Department of Sport and Recreation has an extensive role to play during these phases when people will be encouraged and helped to join in a wide variety of recreation activities, which will be promoted throughout the State.

I hope that as the campaign progresses people will come to regard activity and exercise as an essential part of their lifestyle. Today we tend to lead less active lives in an automated, technological society. By taking a fresh look at one way of living and by adopting a new approach we can seek out alternatives that will restore some healthy activities to our lives. That is what "Life. Be in it" is all about, and the State Government firmly supports the concept. There have been rumours recently that the character in the television advertisements known as Norm is off our screens. That is not the case in New South Wales or in other States, except Victoria where the campaign is well ahead of ours and into phase three. I understand that there was an incredible response to the announcement in Victoria that Norm was to be dropped. Approximately 300 complaints were received on one day. I think it can be said that we all like Norm. He is part of the campaign and has an important role to play in making more people aware of the need to put their leisure time to profitable use.

CORPORATE CRIME

Mr CAMERON: Through you, Mr Speaker, I direct a question without notice to the Attorney-General. Has the Attorney-General, throughout his twenty-one months

in office, repeatedly declaimed against corporate crime and foreshadowed action to contain it? Has the Commissioner of Police nonetheless reported that offences in this area constitute the most rapidly growing of all crimes, and has the Attorney-General himself conceded that some $45 million a year is now being lost in this way? Have procedures for the detection, prosecution and conviction of corporate criminals remained basically unchanged throughout the honourable gentleman's Attorney-Generalship despite their demonstrated inadequacy? When does he propose to bring his performance into line with his rhetoric?

Mr F. J. WALKER: The answers to the respective parts of the honourable member's question are, yes, yes, yes and, as soon as I can convince the Liberal–Country party Governments in Queensland, Western Australia and Victoria to come to their senses and to start believing that they should have law and order in the field of corporate criminality.

WATER RESOURCES

Mr SHEAHAN: My question without notice is directed to the Minister for Conservation and Minister for Water Resources. Is the Minister aware that throughout country communities there is some ignorance of the type, amount and conditions of assistance available from government departments and agencies for the establishment and improvement of dams, tanks and other water supply facilities on farms? Will the Minister investigate ways and means of publicizing these programmes more widely and effectively? In particular, will the Minister seek the assistance of all primary producer organizations and rural media outlets to inform those who may be eligible for this aid?

[Interruption]

Mr SPEAKER: Order! I call the Deputy Leader of the Country Party to order.

Mr GORDON: In reply to the honourable member for Burrinjuck——

[Interruption]

Mr SPEAKER: Order! I call the Deputy Leader of the Country Party and the Minister for Youth and Community Services to order.

Mr Healey: On a point of order. There are five or six points in the question asked by the honourable member Burrinjuck. It is a question of such complexity that I doubt whether the Minister is able to answer it.

Mr SPEAKER: Order! Is the Minister able to answer the question?

Mr GORDON: Yes, even though the Deputy Leader of the Country Party has been attempting to help me. Under the provisions of the Farm Water Storages and Bores Subsidies Act the Water Resources Commission may approve payments to landholders to the extent of 25 per cent of the cost of work up to a maximum subsidy of $1,000 in respect of farm water storages including storage tanks, bores and wells on any one property where those works will effect an improvement to primary production on that property. Only a minority of farmers are unaware of benefits available to them for implementing water storage improvements. The amount set aside in this year's Budget for this sort of work has already been overspent. Many farmers have inquired during the present drought about the asistance they might receive from the Government. However, as suggested by the honourable member for Burrinjuck, I shall make further approaches to the various primary producer organizations and country newspapers with a view to publicizing more widely the benefits available.

WATER RESOURCES

Mrs MEILLON: My question without notice is addressed to the Minister for Conservation and Minister for Water Resources. Is the Minister aware that as a consequence of the serious widespread drought in New South Wales many farmers are seeking financial assistance to sink water bores? Is he aware, also, that in some instances the delay in granting approval is as long as five months? Is it true that if farmers proceed to sink a bore without prior approval they are disqualified from receiving a subsidy? Will the Minister ensure that departmental procedures are expedited, if necessary by cutting through the usual red tape, to give farmers immediate drought assistance in this specific, concrete way?

Mr GORDON: Apparently the honourable member for Murray has been reading reports of the Premier's visits to rural areas.

Mr Jackett: She was there.

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

Mr GORDON: As I have just intimated to the honourable member for Burrinjuck, under the provisions of the Farm Water Storages and Bores Subsidies Act the Water Resources Commission may approve payments to landholders to the extent of 25 per cent of the cost of work up to a maximum subsidy of $1,000. In some cases there may he delays hut certainly five months would be the maximum. The delay would depend upon the terms of the application and the location of the property. It is an unfortunate fact of life that when somebody asks for money from the Government certain procedures must be followed. Among other things, it must be established that the proposed bore will be successful.

[Interruption]

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

Mr GORDON: It is essential that officers of the Water Resources Commission assess the potentiality of a proposed water bore. I shall do what I can to ensure that any unnecessary red tape is cut through and that subsidies are granted as quickly as possible.

CROWN LANDS (AMENDMENT) BILL
CLOSER SETTLEMENT (AMENDMENT) BILL
WESTERN LANDS (AMENDMENT) BILL

Suspension of Standing Orders

Motion (by leave, by Mr Crabtree) agreed to:

> That so much of the standing orders be suspended as would preclude the Crown Lands (Amendment) Bill, the Closer Settlement (Amendment) Bill and the Western Lands (Amendment) Bill being treated as cognate bills and one question being put for leave to introduce the bills.

Introductions

Mr CRABTREE (Kogarah), Minister for Lands [3.37]: I move:

That leave be given to bring in a bill for an Act to amend the Crown Lands Consolidation Act, **1913,** to provide for the determination of rents of permissive occupancies by local land boards, to enable the Minister, by agreement, to determine certain matters now determined by local land boards, to make further provisions with regard to the exclusion of land required for public purposes on the conversion or purchase of holdings, and for certain other purposes; and to amend the Crown Lands (Amendment) Act, **1977.**

That leave be given to bring in a bill for an Act to amend the Closer Settlement Acts to provide for the determination of rents of permits to occupy by local land boards, to enable the Minister, by agreement, to determine certain matters now determined by local land boards, to provide for the exclusion of land required for public purposes on the conversion of certain holdings, and for certain other purposes; and to amend the Closer Settlement (Amendment) Act, **1977.**

That leave be given to bring in a bill for an Act to amend the Western Lands (Amendment) Act, **1977,** in relation to the payment of arrears.

The first measure, the Crown Lands (Amendment) Bill, deals with amendments of the Crown Lands Consolidation Act, **1913,** and the Crown Lands (Amendment) Act, **1977.** The bill will give applicants for or holders of permissive occupancies the right to have the rent determined by the local land board or the Land and Valuation Court on appeal. At present the Minister may grant a permissive occupancy upon such terms and conditions as to him may seem fit. When granting a permissive occupancy the Minister determines its annual rent and, from time to time, redetermines that rent where this is warranted. There is no provision for appeal against the Minister's determination or redetermination. Under the bill a right of appeal will be established by providing that rents shall be determined by the local land board or the Land and Valuation Court on appeal, as is the case in respect of rents of leases under the Crown Lands Acts.

A degree of retrospectivity will be provided in respect of certain determinations by the Minister. Another provision will simplify and expedite the considerations of various matters by making unnecessary a report, recommendation or determination by the local land board where there is no disagreement. For instance, if an applicant or holder of a lease or a permissive occupancy and the Minister are in agreement as to the annual rent the Minister may determine or redeterrnine that rent without reference to the local land board. A further provision will widen existing powers for requiring the surrender to the Crown of land for public purposes, such as access to streams, on the conversion or purchase of leaseholds. The bill will also effect minor amendments that have been found essential to permit the issue of the Minister's certificate as to amounts due on Crown holdings.

The second measure, the Closer Settlement (Amendment) Bill, contains similar provisions to those that I have outlined in respect of the Crown Lands (Amendment) Bill. The third measure, the Western Lands (Amendment) Bill, is a short one and contains amendments similar to those contained in the other measures in respect of the issue of the Minister's certificate of amounts due on Crown holdings. I shall be pleased to give further particulars of the three bills at the second-reading stage.

Mr SCHIPP (Wagga Wagga) [3.40]: The Opposition does not oppose the grant of leave to introduce these bills. Also, it accedes to the Minister's request that they be treated as cognate bills for we accept his assurance that they have common objectives.

Time will be saved if these three bills are dealt with at the one time. Moreover, the Minister has said that they have been introduced together in the interests of the people they are designed to serve. There has been a fairly long delay in bringing these bills forward, apparently due in part to printing problems. The Opposition is curious to examine the content of each of these bills. In dealing with measures of this kind we have to be certain that security of ownership is not disturbed. The Opposition appreciates the Minister's objective in streamlining this legislation, in particular to provide that after agreement has been reached there is no need for a re-examination of the position.

I shall be interested to examine the provision dealing with retrospectivity; there must be some reason for its introduction. The Opposition looks forward to examining the surrender provisions of this legislation. The Government seems to be keen to take land from some people, particularly those who hold areas near national parks. In this respect the holders of permissive occupancies are the people most concerned. Anyone who occupies Crown land on a permissive occupancy—and such land comprises a fairly large part of this State—should be confident that they will be treated fairly. Some of the problems in growth centres have been brought about as a result of what is termed a spotted title. In these areas leasehold land is not valued as highly as land that is owned. Occupiers of leasehold land should be treated in a proper manner, not in some offhanded way. The Opposition awaits the details of these bills with interest and will reserve its comments until the second-reading stage.

Mr OSBORNE (Bathurst) [3.44]: As the honourable member for Wagga Wagga has intimated, the Opposition does not object to the grant of leave to introduce these bills. As I understood the Minister's introductory remarks, this legislation will give holders of permissive occupancies the opportunity to dispute the amount of rent fixed in respect of their holdings, and I welcome such a provision. In my electorate some startling—almost frightening—increases have been made to the rents of some permissive occupancies. Some of these cases have been brought to my attention. As I understood the Minister's remarks, this legislation will give people who have had to bear a dramatic increase in their rents the opportunity to object and to have the matter determined by a local land board. Any provision of this kind is welcome. The Minister made a brief reference to access to streams, a matter which I should like to be given particular consideration because it has caused a great number of problems, particularly in the area I represent. From the Minister's brief outline of the legislation it appears that it will be of benefit to holders of permissive occupancies; it will, at least, give them the opportunity to put before some authority a case if they feel that they have been dealt with unfairly at a departmental or ministerial level. Such a provision is particularly welcome. The Opposition has no objection to leave being granted and looks forward to examining the details of the bills and debating them at the second-reading stage.

Motions agreed to.

Bills presented and read a first time together.

GOVERNMENT GUARANTEES (AMENDMENT) BILL

Introduction

Mr RENSHAW (Castlereagh), Treasurer [3.45]: I move:

That leave be given to bring in a bill for an Act to amend the Government Guarantees Act, 1934, so as to authorise the Treasurer to execute a guarantee for the repayment of any advance made by the Bank of New

South Wales to the Trustees of the Sisters of Charity of Australia for the purpose of rebuilding St Vincent's Private Hospital, Darlinghurst, and for other purposes connected therewith.

The purpose of this bill is to give authority for the issue of a government guarantee in respect of borrowings by the Sisters of Charity to assist in meeting the cost of rebuilding St Vincent's Private Hospital, Darlinghurst. In agreeing to provide the guarantee, the Government has had regard to the fact that the financing of the project was negotiated on the basis of an undertaking given by the former Government to issue such a guarantee, the very significant contribution which has been made by this hospital to patient care in New South Wales and the substantial improvement in hospital facilities and additional bed capacity provided by the rebuilding project.

As honourable members will be aware, the purposes for which government guarantees may be granted are specified in the Government Guarantees Act. An amendment of this Act is necessary before the formal guarantee can be executed. I commend the motion to the House.

Mr J. A. CLOUGH (Eastwood) [3.47]: The Opposition agrees to leave being granted and it will reserve its comments on the bill until the second-reading stage.

Motion agreed to.

Bill presented and read a first time.

LOCAL GOVERNMENT (AMENDMENT) BILL

Second Reading

Mr JENSEN (Munmorah), Minister for Local Government [3.48]: I move:

That this bill be now read a second time.

Schedule 1 to the bill contains amendments relating to the Local Government Grants Commission the main purpose of which is to ensure that the commission, and its procedures, meet the requirements of the Local Government (Personal Income Tax Sharing) Act, 1976, of the Commonwealth.

The Commonwealth Act provided for the distribution of funds for local governernment assistance from personal income tax for 1976–77; the relativities between the States to be observed in future years in the distribution of assistance given; a base figure for future allocations of 1.52 per cent of personal income tax; and basic rules for distribution on a *per* capita and equalization basis. For the 1976–77 and 1977–78 financial years interim arrangements were acceptable to the Commonwealth but after 30th June, 1978, the equalization element is to be allocated having regard to the recommendation of the Local Government Grants Commission in each State.

Before a State may avail itself of the assistance offered by the Commonwealth after 30th June, 1978, it is therefore necessary that the responsible Commonwealth Minister be satisfied that the State in question has a local government grants commission and that such commission satisfies certain requirements as to its membership and procedures. New South Wales has had a local government grants commission since 1969 when a commission was constituted to consider the relative needs of areas for assistance for moneys to be paid into the local government assistance fund from consolidated revenue in that year and each year thereafter.

As an administrative measure, the existing Local Government Grants Commission of this State carried out the responsibilities agreed upon at the Premiers' conference of 1976 for the distribution of the Commonwealth assistance of $51,289,000 in 1976–77

and $60,341,000 made available for 1977–78. However, before the commission fulfils the role required of it by the Commonwealth legislation subsequent to 30th June, 1978, it is necessary for certain changes to be made to its constitution, functions and procedures in order to ensure that this State's entitlement to the Commonwealth funds is not in jeopardy

In order to modify part VIIA of the Local Government Act, 1919, to make provision for the extended role of the commission, schedule 1 of the bill will divide the part into four divisions. Division 1 relates to the constitution of the commission, which will continue to consist of four members but with some changes. In future, the member who is an officer of the Department of Local Government and is nominated by the under secretary of that department will be appointed as deputy chairman of the commission to enable him to act in the absence of the chairman and to oversee the detailed work carried out by the staff of the commission within the Department of Local Government. The appointment of a deputy chairman is essential in view of the expanded role of the commission and the fact that, unlike some other States, the chairman in New South Wales does not operate on a full-time basis.

Another change to the composition of the commission is that in future, instead of two of the members being required to be officers of councils who are selected from lists of three officers of councils nominated respectively by the Local Government Association of New South Wales and the Shires Association of New South Wales, two members of the commission will be required to be persons who are, or have been, associated with local government in New South Wales. This new qualification meets the requirements of the Commonwealth legislation and will confer greater flexibility in the choice of members of the commission. It will permit the appointment of, for example, a person who has had extensive experience in local government—experience which could be invaluable—but is no longer a member of a council. It may be expected that the Minister will confer with the Local Government Association of New South Wales and the Shires Association of New South Wales when considering the appointment of these two members to the commission.

During the past few days I have received from the secretary of the Local Government Association of New South Wales a letter expressing the concern of the president of that association and the president of the Shires Association of New South Wales in regard to what they contend is a fundamental change in the selection of members of the Local Government Grants Commission. They claim also that the proposals in the bill effectively terminate local government representation on the commission. The provision that the associations find distasteful is that which requires two members—in addition to the independent chairman and a deputy chairman, who will be a departmental officer—to be appointed on the nomination of the Minister who are or have been associated with local government, whether as a council member or otherwise. This supersedes the former provision which required each of those two members to be appointed from a panel of three respectively nominated by the Local Government Association of New South Wales and the Shires Association of New South Wales.

First, I deny strenuously the allegation that this change will effectively terminate local government representation on the commission. Rather, it will permit of greater flexibility of choice and will avoid the unfortunate necessity, as has recently occurred, of terminating the membership of a most worthy and experienced member merely because he ceased to hold office as a member of a council. This explanation gives the lie to the specious utterances that have been put about by some members of the Parliament, that what it is proposed to do on this occasion is to displace worthy members of the Local Government Grants Commission and appoint persons because of their political affiliations. Nothing could be further from the truth.

The fact is that the present members of the Local Government Grants Commission—all of them appointed by the former Government and most of them having Country Party affiliations—will not have their membership disturbed as a consequence of this legislation. That is the truth of the matter. Those who have been spreading untruths do not reflect any credit on themselves or on those they represent by propagating specious untruths that have no reality in fact. The realities could easily have been checked by a reasonable inquiry.

I intend to take the opportunity offered by this measure to nominate for reappointment the present members for the remainder of their term on the commission. Moreover, the proposed provision is in complete harmony with the terms of the Commonwealth legislation requiring each State to appoint a grants commission. The Commonwealth did not see it necessary to frame its legislation to restrict the members associated with local government to be serving members or people nominated by local government associations. Nor, might I add, did the State of Victoria where the relevant legislation requires the appointment of at least two members with a knowledge and understanding of local government. What is being done in this bill is identical in this respect with what was done by the non-Labor Government of Victoria.

In no way do I wish to be critical of any present or past members of the commission who, I believe, have performed their tasks extremely well. However, what must be acknowledged is that a considerable amount of Commonwealth Government money and, in the case of New South Wales, State money, is being distributed annually on the recommendations of the commission. This is a complex and difficult exercise particularly in the assessment of the relative needs of councils throughout the State. What is required is that members should be able to bring to bear not only knowledge gained as a serving member of a council but also a wide knowledge and general understanding of local government. The Government sees its responsibility as one of ensuring that the most competent people available and possessing the requisite qualifications are appointed to the commission. That is not to say that sitting local government members will not be appointed, but the Government must be free to discharge its responsibility and to ensure that the best people are chosen, whether or not they are in local government and are nominated by the Local Government Association of New South Wales or the Shires Association of New South Wales.

I should also point out that schedule 2 of the bill will ensure that the present member of the commission who was nominated by the Shires Association of New South Wales will continue to hold office until the term of his original appointment expires. The other local government representative retired from local government at the 1977 elections and, in accordance with the existing provisions in the Act, ceased to be a member of the commission. I have indicated already that it is the Government's intention to reappoint the other persons who are now members of the commission.

Division 2 of part VIIA will contain the provisions relating to the activities of the commission so far as they relate to the local government assistance fund. As the activities of the commission in this regard are unaffecetd by the Commonwealth requirements they will be largely unchanged. Division 3 will regulate the activities of the commission as they relate to the distribution of the local government revenue sharing fund, which is the name assigned to the fund in the Treasury into which will be paid all the moneys received from the Commonwealth under the subject legislation.

The broad requirement of the Commonwealth Act is that not less than 30 per cent of a State's share be allocated to all councils on a population basis with a discretion for weighting in relation to the respective sizes and population densities of the various areas and other matters agreed upon between the Prime Minister and the Premier as being relevant for the purposes of the allocation. The remainder of the

State's share is to be distributed on an equalization basis so that as far as possible each local government body will be able, by reasonable effort, to function at a standard not appreciably below that of other local government bodies in the State.

New section 218M of the Act will require the Minister to make a determination in each year for the allocation of the Commonwealth funds and, in determining such allocation, to have regard to the recommendations of the Local Government Grants Commission with respect thereto. New section 218N relates to the making of recommendations by the grants commission with respect to such matters. As I have already said, the regulation of the manner of distribution of the Commonwealth funds contained in division 3, and the general regulation of the commission's activities contained in division 4, are mainly to meet the requirements of the Commonwealth legislation.

Schedule 3 to the bill contains provisions relating to the granting by councils. of new leases or licences in respect of land in certain public reserves. I say certain public reserves because the definition of public reserves in the Local Government Act is such that it includes land about which there is no doubt as to a council's power to grant leases or licences. These lands are, first, those which are reserves within the meaning of section 37M of the Crown Lands Consolidation Act, 1913, the leasing or licensing of which is regulated under the provisions of that Act and with which it is not intended to interfere. The other land to which the new provisions will not relate is the land dealt with in section 519A of the Local Government Act which is what is generally referred to as county open-space land, the leasing or licensing of which is adequately regulated by that section.

Briefly, what the provisions set out to do is to empower councils after full consideration of the public interest to grant leases or licences of land that is a public reserve. It is acknowledged that for many years councils have permitted the occupation of public reserves by various sporting bodies, in most instances without any apparent ill effect. Prior to 1970 there was no reason to doubt the power of councils to do this provided they complied with the requirements of section 519 of the Local Government Act or clause 19 of ordinance No. 48 under the Local Government Act.

In 1970 an action was brought against the North Sydney municipal council with respect to the council's power to deal with certain land which bore a restrictive covenant to the effect that the land should not be used otherwise than as a public reserve within the meaning of the Local Government Act. The High Court held that the grant of exclusive possession, under the proposed lease, of part of the subject land to the Boy Scouts' Association was incompatible with its use for public purposes. Although the case did not directly deal with the power of a council to grant rights over land which was a public reserve, it cast grave doubts on a council's power to grant exclusive possession of a public reserve to a sectional interest. These doubts were confirmed in 1972 in a suit brought by the Attorney-General against the Warringah shire council. In this case it was held, on the authority of the previous case, that a purported lease by the council of certain land vested in it as public reserve for the purposes of a private bowling club was not authorized by the Act. It was further held that part of clause 19 of ordinance No. 48 made under the Local Government Act which purports to authorize a council to give any class of persons to the exclusion of others the right to use portion of a public reserve set aside for a particular use is ***ultra vires.***

As I have said, prior to these decisions it was believed that councils could lease parts of public reserves for the exclusive use of non-profit youth welfare groups, sporting clubs, and so on, pursuant to either the leasing power contained in section 519 of the Act or, alternatively, the power purported to be contained in clause 19 of ordinance No. 48. This belief has now, of course, been proved to be incorrect and at the present

time a council clearly has no power to grant a lease of any part of a public reserve and there is considerable doubt as to its powers to grant a licence in respect of such land.

Since the cases referred to, a considerable number of representations have been made for amending legislation. Among these representations were those from a former Minister of Justice, who expressed concern at the possible consequence of a licensed club established on a public reserve not being in a position to renew its registration under the Liquor Act. The Baden–Powell Scout Guild of New South Wales, the Local Government Association of New South Wales, various councils and the Royal New South Wales Bowling Association on behalf of many bowling clubs also made representations. Partly in response to these representations, and having recognized the present unsatisfactory situation as regards those organization that had been permitted on to public reserves by councils in good faith on the assumption that the councils had power to grant the required leases, the Government has decided to amend the Local Government Act to provide for the leasing of public reserves by councils in the future, subject to specified controls, and to regularize the position with regard to existing occupations. The amendments to the Act which will provide for the future leasing of public reserves are contained in schedule 3 to the bill. The new sections proposed to be inserted into the Act, namely, section 519C to section 519F, also make certain provisions with respect to the granting of licences in respect of land in the public reserves.

The first proposed amendment will insert into the Act a new ordinance-making power that will authorize the making of an ordinance permitting councils to grant licences over public reserves for certain limited purposes. It is envisaged that these purposes will relate to sporting and such other activities which require the occupation of the land by the proposed licensee for short and mostly intermittent periods. Licences under the ordinance will not be subject to Minister's consent, public notification and so on, which licences and leases under the Act will require.

Where the nature of a proposed occupation of a public reserve is such that it cannot be granted under the proposed ordinance the provisions of the Act will apply. These provisions will require that a proposed lease or licence must be advertised in a newspaper circulating in the council's area and will require the council to consider any objections made to the proposed lease or licence. The proposed lease or licence may be granted only after the Minister's consent thereto has been obtained, and in accordance with the terms of the consent. Before dealing with an application for consent to a lease or licence the Minister will be required to request the New South Wales Planning and Environment Commission to furnish a report relating to the application and he will be required to take such report into consideration when dealing with the application. This will meet the position in respect of new occupations.

The provisions of the bill which are designed to regularize the position with regard to existing occupations of public reserves are contained in schedule 4. Under these provisions a person who, at the commencement of what might be termed the new leasing provisions, is in possession or in occupation of a public reserve, within the restricted meaning of that term as I outlined earlier, under a fight purporting to have been previously conferred on him by a council may make application for the Minister's approval to his continuing possession or occupation of the land. A person wishing to take the benefit of this provision is required to make his application to the council in whose area the land is situated within one year and the council is then required to forward the application to the Minister with its comments thereon.

There are certain transitional provisions designed to protect the applicant for the Minister's approval during the time required by the Minister to consider the

application. The Minister is empowered to approve or disapprove of any such application. If he approves, or approves subject to such conditions as he thinks fit, details are to be set out in an instrument of approval. Upon the Minister's approval being granted, a lease of, or licence in respect of, the land specified in the approval shall be deemed to have been granted by the council to the applicant for the term and on such terms, conditions, restrictions and convenants as are specified in the instrument of approval. The Minister is required to publish in the ***Government Gazette*** details of the land to which the approval relates, the name of the person whose application relating to the land was approved, and such other matters as he thinks desirable.

It might be argued that the terms of these provisions give the Minister powers which are excessively wide and that it would have been preferable to validate the existing occupation or possession *simpliciter.* I wish to assure honourable members that a general validation of existing leases and occupancies was contemplated but because of the differing ways in which occupations could have arisen and the many different reasons for which a purported lease could be invalid it was found impossible to draft legislation in that form. I should like to assure honourable members that the provision for validating, where appropriate, existing possessions and occupations is regarded as the best that could be devised. It strikes a reasonable compromise between the claims which such persons have to the continued use of the land and the rights of the public to the unfettered use of public reserves. The discretion that is given to the Minister under the legislation will not be exercised capriciously. When an application for approval to a continuing possession or occupation is being considered the views of all parties will be taken into account. Decisions will be made only in the overall public interest.

At the introductory stage of this bill I described the amendments to the Local Government Act effected by schedules 5, 6 and 7 to the bill as being part of the Government's continuing policy of updating the Act to make it more applicable to the changing needs of local government. The schedule 5 amendments seek primarily to clarify three sections of the Act, namely, sections 2700, 270R and 351B, which basically relate to parking offences. The amendments will bring the sections into line with each other and remove certain difficulties with regard to the restrictive wording thereof, particularly the reference in section 2700 to motor vehicles instead of the desired registered vehicle.

Schedule 6 to the bill contains amendments to the Local Government Act relating to damage to public roads. Section 245 of the **Act** now authorizes a council to recover the cost incurred in making good any damage or injury caused to a public road or associated equipment caused otherwise than by ordinary wear and tear. Notwithstanding this power, however, a practice has grown up for councils to require the payment of security deposits in connection with applications for building or subdivision approvals, such deposits to be appropriated to repair damage to roads caused by the person executing the work the subject of the approval. Because of the differing approaches of councils in respect of security deposits, and the lack of statutory regulation of the practice, numerous complaints have been received from persons adversely affected. This has particularly been the case in regard to the amount of the deposit required, which is sometimes out of all proportion to the cost of the proposed work. It has therefore been decided to amend the Act to regulate the practice.

Schedule 6 to the bill inserts into the Act new section 245A, which empowers a council when approving an application to erect a building, or to open a public road, or subdivide land, to require the applicant to provide to the council security for the payment of the cost of making good any damage or injury to public roads or associated works occurring at or in the vicinity of the place where access to the construction work is obtained from the public road. The provision makes a person paying a deposit liable

for the wst of making good damage or injury to the public road or associated works caused by the approved works and permits the council to appropriate any security towards such cost. Because any requirement for the lodging of a security must be imposed as a condition of the approval, an applicant dissatisfied either generally with the requirement, or, for example, with the amount of security required, may appeal to the Local Government Appeals Tribunal.

Item **(1)** of schedule **7** amends the Act to bring certain of the electoral provisions into line with similar provisions in the Parliamentary Electorates and Elections Act, **1912.** The provisions concerned are those relating to the exhibition of posters, the removal of illegal posters and the requirement that the name and address of the author be printed on advertisements, how-to-vote cards, and so on. Item **(2)** of the schedule is of little consequence being intended only to rationalize the existing wording of section **83** which relates to the making of ordinances. The amendment does not result in any significant change to the existing law.

Sections **173** and **174** of the Act provide, in effect, that except by way of limited overdraft a council shall not borrow money unless the loan has been previously authorized by the approval of the Governor. Subsection **(3)** of section **182** of the Act contains evidentiary provisions relating to the giving of the Governor's approval and compliance with the provisions of the Act. Because of a recent change in the manner of seeking the Governor's approval to borrowing by councils and because of changed procedures within the Department of Local Government relating to such approvals by some councils have encountered difficulties with banks and other lenders.

Item **(3)** of schedule **7** seeks to resolve these difficulties. It makes a certificate signed by the Minister or by a person authorized by the Minister evidence of certain matters, including the approval of the Governor and compliance with the provisions of the Act. The approval of the Governor will, of course, still be required.

At present the fee payable for a transcription of proceedings before a board of the Local Government Appeals Tribunal is prescribed by ordinance under the Act but is required to correspond to the fee payable under the Justices Act for copies of depositions. This requirement has caused difficulties in practice because it necessitates a simultaneous amendment of the appropriate ordinance under the Local Government Act and the regulations under the Justices Act. The amendment proposd by item **(4)** of schedule **7** removes this statutory tie between the fee charged under the two Acts but it is intended, administratively, to ensure that the fees are uniform.

Item (5) of the schedule amends section **419** of the Act in certain circumstances. The purpose of subsection (2) of the section was to prevent a council giving preferential treatment to any single consumer or class of electricity consumers by prohibiting the supply of electricity to any person in any part of a council's area upon terms or at rates different from those upon which the council supplies electricity in similar circumstances to other persons within the same part of its area. In practice it is impossible for an electricity supply council to comply with this requirement when applying proposed tariff increases, as to do so would require all electricity meters to be read on the same day at the same time. This is an impossible requirement. New subsection **(3)** of section **419** recognizes the impracticability of the present requirements and overcomes this so far as is necessary to apply a variation of tariffs uniformly throughout the council's area.

Another amendment which relates to electricity supply by councils is item (6) of schedule **7** which amends section 512D of the Act. This section enables the council to recover such of the cost of repairing damage to electrical installations as a stipendiary magistrate shall think reasonable, up to a maximum of $200. Following representations

as to the inadequacy of the $200 limitation, and having regard to a similar provision in the Main Roads Act, 1924, which enables the Department of Main Roads to recover without limit the costs of repairs to roads or bridgeworks, it was decided to remove the limit of $200 which may be awarded by a magistrate and to leave the assessment of damages to be decided by the magistrate within his jurisdictional limit. A provision similar to section 512D is contained in section 32 of the Municipal Council of Sydney Electric Lighting Act, 1896, which applies to the Sydney County Council area, and it is also proposed, in a bill which is cognate with this bill, to remove the limitation contained in that section.

The final matter in the bill that I intend to deal with in any detail is the last matter contained in schedule 7, which extends any power of a council under the Act to construct, carry out or provide buildings or works to empowering the council to enter into an agreement with the Crown for the same purposes. In recent times the question as to how more efficient use can be made of public buildings and facilities provided by various authorities and bodies has been much to the fore. Of particular concern has been the question of what use could be made, and should be permitted, by public bodies of selected school buildings and other school facilities outside normal school hours. These buildings and facilities, which up to now have been provided by the Department of Education almost exclusively for educational purposes, are utilized for such purposes mainly during normal school hours with relatively little use being made of them outside such hours or in school holidays.

The 1972 annual conference of the Local Government Association carried a resolution approving in principle the use by local sporting clubs and community groups of school playing fields, toilet facilities and assembly halls outside normal school hours and supporting the future joint building of school community activity halls on the same basis. The economies to the community as a whole that could be effected by co-operation between various public authorities in the provision of facilities is obvious. Though I say this having the Department of Education and local councils particularly in mind, there is obviously also room for such co-operation between councils and various other departments of government. An example of co-operation of the nature mentioned between a council and the Department of Education is the outstanding community hall and sporting facilities being provided at the James Meehan High School under agreement between the Campbelltown city council and the Department of Education. These facilities include an assembly hall, playing fields, a gymnasium and parking areas. Some of these facilities are to be constructed on council-owned land with a 50 per cent contribution from the Department of Education. The assembly-community hall has been built on land owned by the department. It was designed to suit the needs of both the high school and the community and is being financed equally by the Department of Education and the Campbelltown city council. It is known that there are also other projects under consideration involving the Department of Education and various councils.

Item (7) of schedule 7 to the bill accordingly inserts a new section 521A into the Act which will permit the making of agreements between councils and the Crown relating to the construction or carrying out, or the payment of the whole or any part of the cost of the construction or carrying out, of any buildings or works of a class which the council is permitted to construct, carry out or provide. The council may also enter into an agreement for the maintenance, control and management of any such buildings or works. In order to regularize the position with regard to agreements that may have already been entered into, section 521A will have a retrospective application. As I have said, the economies available to the community as a whole from the fullest co-operation between the Crown and councils in the use of buildings and facilities are obvious. It is hoped that in future we shall see a wide use of the power to be provided by new section 521A.

Mr Jensen]

Schedule 8 contains amendments of a purely machinery nature and I do not consider it is necessary for me to enlarge upon them. Although I may not have covered in detail all the matters dealt with in the bill, I have dealt with. the more important of them. I am sure that honourable members will find either that the others are self-explanatory or that the explanatory note attached to the bill will serve to indicate the need for the amendment. I commend the bill to the House.

Mr FISHER (Upper Hunter) [4.23]: At the introductory stage I intimated that the Opposition would not object to the introduction of this bill and welcomed the opportunity to look more closely at it and to comment on it at the second-reading stage. The Minister for Local Government has given a comprehensive outline of the provisions of the bill, which are fairly complex and cover a wide range of matters relating to the Local Government Act. Of the eight schedules to the bill, seven are virtually unobjectionable and some are commendable. However, as the Opposition objects to some parts of the first schedule, in Committee some amendments will be moved to it. The part of schedule 1 to which the Opposition has most objection is that by which the Minister attempts to exclude the Local Government and Shires Association from membership of the Grants Commission. The Minister spent some time in explanation of this provision and added an interpolation into his second-reading speech when dealing with it.

Section 218A of the Local Government Act provides that the Grants Commission as at present constituted should include one person nominated by the Local Government Association and one person nominated by the Shires Association. That provision was inserted in the Act in 1969 when the former Liberal–Country party Government established the local government assistance fund to distribute at that time $4 million to local government bodies throughout New South Wales. It was the first attempt by any State government in Australia to assist local government by way of a local government assistance fund. New South Wales was the first State to establish a grants commission designed to give local government a say in the distribution of State funds. In consequence, this State was in a much better position than any other State of the Commonwealth when the Commonwealth Government subsequently decided that local government should share in revenue raised by personal income tax.

Mr Ryan: What about what happened in Victoria?

Mr FISHER: The honourable member for Hurstville will have an opportunity to express his views in due course. The Local Government Grants Commission that was established in New South Wales was then in a position to allocate the funds distributed to the States by the federal Government under the personal income tax sharing legislation. The Minister for Local Government in his second-reading speech, and in the explanatory note to the bill, went to some trouble to point out that the amendments were designed to bring the New South Wales Local Government Grants Commission into line with the requirements of the Commonwealth Act. I suggest that this is not so. The Minister has said in the explanatory note to the bill that the amendments necessary to comply with the Commonwealth Local Government (Personal Income Tax Sharing) Act provide that two members shall be nominated by the Minister who are or have been associated with local government. The Commonwealth Act, No. 123 of 1976, simply provides that the Commonwealth Minister must be satisfied that the membership of the body includes at least one person who is or has been associated with local government in the State.

I suggest that the Minister is attempting to mislead the House when he says that two members are required to be representative of local government. The Commonwealth Act says specifically that only one member needs to be so. The second-reading speech delivered by a former federal Treasurer, the Hon. P. R. Lynch, clearly intimated

that clause 4B of the Commonwealth Act required that local government be represented on each of the commissions, that local government bodies be able to make submissions to the commissions and that the hearings of the commissions be held in public.

The Commonwealth legislation does not require the changes proposed by the Minister, and we of the Opposition object strenuously to them. If his amendments are carried, there will be four members of the Local Government Grants Commission. One will be appointed by him. One will be a representative of the Department of Local Government, nominated by the under secretary of that department, and he will become deputy chairman. The other two will be chosen and appointed by the Minister. It is to that proposal the members of the Opposition take great exception for several reasons.

First and primarily, through the Australian Constitutional Convention local government sought a share in the distribution of personal income tax by the Commonwealth. After a great deal of debate and wrangling by the parties concerned, the Commonwealth agreed. At the introductory stage of this measure I said that the result had been of great help to local government, particularly in keeping down rates. In **1976** some $50 million was distributed in that way, and in **1977** the amount rose to approximately **$64** million. These moneys are distributed through the States. That is why I believe local government should continue to have two representatives on the commission. Those representatives are chosen by the Minister from panels submitted to him by the Local Government Association and the Shires Association. The Minister says that the amendment to which we object has been included to give greater flexibility. He already has flexibility in making appointments. It is important that local government be represented directly on the grants commission because the State is used simply as a vehicle for the distribution of funds collected by the Commonwealth. No greater flexibility will be achieved by the Minister's proposals.

The Minister said that he will consult local government before making appointments to the commission. I am sure that persons in local government will take exception to that statement, for it will be clear to them that all the Minister proposes to do is nothing more than consult them, despite the fact that the commission will be distributing more than **$60** million a year.

Mr Ryan: Surely the honourable member for Upper Hunter would not trust them to appoint representatives. They cannot even tell the difference between clearways and expressways.

Mr FISHER: I am not suggesting that the present Minister would appoint persons who were unacceptable to local government, but he will leave open that possibility, and certainly there will be no obligation on him or his successors to give local government a direct say in the distribution of the funds coming to them. The fact is that the funds will increase. At the present time the Commonwealth makes available 1.52 per cent of the moneys collected in personal income tax for use by local government, and has committed itself to increase this to 2 per cent. Why should the State Minister for Local Government seek to deprive local government of any say in how those funds are allocated?

I wonder what Government supporters who are closely associated with local government will tell the councils in their electorates about this matter. What will the honourable member for South Coast say to the councils in his area if he votes to remove from the Local Government Act a provision giving representatives of local government a say in the distribution of Commonwealth funds to shires and municipalities throughout New South Wales? Other honourable members on the Treasury benches will be embarrassed in having to tell councils in their electorates, "I am responsible for ensuring that local government does not have a direct say in the

deliberations of the grants commission." That is the position in which the Minister is placing his supporters. It was significant that the Minister, when speaking about changes to the Act in respect of leases of parks held by councils, gave an assurance that he would not act capriciously. Subsequent Ministers for Local Government might not feel bound by that assurance.

The only assurance the Minister has given local government is that he will consult it in respect of the appointment of the members of the grants commission. At present local government appoints a panel of members for the commission and the Minister has the opportunity to select from that panel one to represent the Local Government Association and another to represent the Shires Association. The original composition of the grants commission was established by the previous Government in 1969. The chairman was appointed by the Minister; another member was a person nominated by the under secretary to represent the Local Government Association. Of the other two members of the commision, one represented the Shires Association and the other the Local Government Association. The Minister now proposes that those two members should be removed, allegedly to create greater flexibility. I have no doubt that the Minister would like greater flexibility, but I am concerned that the distribution of these funds should not only be made in the best interest of local government throughout New South Wales—and I do not suggest otherwise—but also be seen to be so made.

Under the bill the Minister will appoint three of the four members of the commission, and he will be wide open to criticism that some councils have received an unreasonable allocation of funds. At present he has the perfect answer to any such allegation: he can say that every council in New South Wales is represented on the grants commission. After the passage of the bill the Minister will no longer be able to claim that local government has the opportunity to determine the allocation of this large sum of money that is being made available to local government, largely at the instigation of the Commonwealth although it is the result of efforts by councils themselves. The Minister's action in removing these representatives from the grants commission is a denigration of local government in New South Wales. I indicated earlier that the Opposition proposes to move amendments designed to retain the present position. Some time ago the Local Government Association distributed a circular claiming that the Minister appeared to have declared war on local government, and the bill is another example of that. The provisions of schedule 1 and the proposals in respect of the composition of the grants commission are objectionable. They are not, as the Minister has suggested, a requirement of the Commonwealth legislation.

Although I have already indicated that the Opposition does not object to most of the other provisions in the bill, I want to raise a couple of points. Schedule *2* deals with the transitional stages in the new composition of the grants commission, and the Opposition has no objection to this provision. Schedule **3** deals with the possession or occupation of lands in certain public reserves by councils. Proposed new section 519c **(3)** in schedule **3** is in these terms:

> The council may apply in writing to the Minister for his consent to the granting of a lease of or a licence in respect of land in which this section applies to a person specified in the application, being the person specified, in accordance . . .

I submit that the bill should refer to a person or approved organization and I raise two points in support of this contention. In the ***Attorney-General*** v. ***The Warringah Shire Council,*** Mr Justice McLelland referred to the Dee Why Bowling Cluub. As a result of that judgment, I believe that the bill should provide for an application not only by a person, but also by a club. Item 5 of schedule 4 provides:

> Where an application under clause 1 is expressed to be made by any person in his capacity as a trustee for any other person of for any body, corporate or unincorporate . . .

As the bill provides for an application made by a corporate body, I suggest that the Minister should consider an amendment to provide for applications by approved organizations also.

Schedule 4 deals with public reserves which are currently leased by councils to approved organizations, but no provision is made for land held by other government authorities. The Minister said in his second-reading speech—and this is set out in the bill—that the provision deals with land that is currently held under various sections of the Crown Lands Act and that other parts are dealt with under ordinance 48 of the Local Government Act. Unfortunately, no provision is made for, say, sporting clubs that currently lease land or occupy land owned by other government instrumentalities. The Muswellbrook Golf Club in my electorate is in difficulty over its occupation of land vested in the Department of Public Works. The bill makes no provision for the granting of leases or for regularizing the occupation of land other than that set out in the bill. I am sure there must be throughout New South Wales many clubs similar to the Muswellbrook golf club which wish to lease land other than that provided for in the measure.

The Opposition has no objection to the provisions in relating schedule 4 to ordinance 48 acd a transitional provision. Schedule 5 refers to parking offences under section 151 and section 270c of the Local Government Act. These provisions bring into line the matter of parking offences and the owner-onus basis and are welcomed by local government generally. Schedule 6 contains proposed new section 245A and amendments to sections 314 and 331 of the principal Act. These provisions relate particularly to damage to public roads and regularize the practices now adopted by councils in respect of land developers. These proposals are welcomed by local government as representing an updating of the Act and a regularizing of present practices. Local government has devised various means to overcome the problems that have arisen and the Act will be amended to regularize their actions. The Opposition has no objection to schedule 6.

As the Minister mentioned, schedule 7 is related to the Parliamentary Electorates and Elections Act and brings local government elections into line with the provisions that apply to State government elections. The Opposition has no objection to the same provisions applying to local government elections. However, as I have said previously in the House, I deplore the introduction of compulsory voting at local government elections when no provision for absentee voting is made. That omission has resulted in some 700 000 votes not being recorded. While no provision exists for absentee voting at local government elections a huge number of people will be unable to vote at these elections. The borrowing powers of council are referred to in the bill and provision is made to meet the changing method of seeking the Governor's approval. The Opposition has no objection to these provisions. Similarly, the provision for fees now payable in respect of the Local Government Appeals Tribunal is also unobjectionable.

Item (5) of schedule 7 permits councils to charge different rates for electricity supplied to persons in different parts of the council area. The Minister explained the reason for the provision as the impracticability of reading simultaneously all meters throughout a county council area. The provision is reasonable. I suggest however, that the amendments to the Act proposed by the Government will allow a council to charge a different tariff to consumers in the same part of the council area for the same type of appliance. An irrigationist in one part of a county council area might

well be charged a tariff different from that charged an irrigationist in another part of the council area. The purpose of the change is quite clear. Until all meters are read a different tariff is quite in order, but I want to ensure that councils are not provided with a power by which they might discriminate between consumers in different parts of the council's area. Unless the Minister specifically ensures that councils are not able to use the proposed powers to discriminate against a class of electricity consumer in one part of the council's area, the Government's proposals may allow this discrimination.

Item (6) of schedule 7 removing the limit of $200 damage is unobjectionable. That aspect is dealt with also in the Municipal Council of Sydney Electric Lighting (Amendment) Bill, which is cognate with the present bill and will be dealt with later in the day. Of all the proposed amendments to the Act the one most commendable and welcomed by the Opposition is that contained in item (7) of schedule 7 whereby an undertaking in respect of school buildings and playgrounds may be conducted jointly with the Crown. I commend the Minister for making this provision, which has been long overdue. In many areas of the State school playgrounds, libraries and assembly halls can readily be used by many sections of the community. The Opposition welcomes provision for joint undertakings to be entered into between the Crown and councils. Finally, schedule 8 which deals in a minor way with the Local Government (Appeals) Amendment Act, is also unobjectionable to the Opposition.

I have said that the bill deals with a wide range of amendments to the Act, most of which are unobjectionable and many of them commendable. The Opposition is primarily opposed to the amendments proposed in schedule 1 that are designed to exclude representatives of local government from the Local Government Grants Commission. Since its inception in 1969 that commission has performed an outstanding job and its members are to be commended. I was disappointed that, apart from one minor reference in an additional part of his speech, the Minister did not offer one word of praise or commendation to the commission for its work over that period of eight or nine years. On behalf of the Opposition I should like to commend the Local Government Grants Commission for the work it has done since its inception. Its work was unprecedented and would have called for a great deal of effort by the members who so willingly provided their services.

Further, the Minister has not even recognized the enormous contribution of the federal Government to local government by its decision to allocate 1.52 per cent of personal income tax to local government and over the life of the present federal Parliament to increase this proportion progressively to 2 per cent. The Minister's failure to pay tribute to the Commonwealth Government for its contribution to local government was a serious omission. Now the Government proposes to dismantle the commission, although its present structure meets the requirements of the Commonwealth, and the appointment by the Government of three of the four members will leave the way open to political appointments. For those reasons we oppose schedule 1 of the bill.

Mr BARNIER (Blacktown) [5.3]: The bill has my full support, for a number of reasons. The Minister set out to make clear the problems occurring at present in a number of areas that are covered by the bill. On behalf of the Opposition the honourable member for Upper Hunter has indicated its disagreement with the proposed changes in the method of appointing members to the Local Government Grants Commission. The bill contains an inbuilt safeguard in the form of new section 218M, which provides:

(1) The Minister shall, in respect of the year ending on 30th June, 1979, and each subsequent year ending on 30th June, make a determination—

(a) for the allocation of not less than the percentage referred to in section 6 (2) (a) of the Commonwealth Act of the annual share of revenue for the year in respect of which the determination is made among councils on a population basis, that is to say, on a basis that takes into account the respective populations of the areas of those councils and may take into account the respective sizes, and the respective population densities, of the areas of those councils and any other matters agreed upon between the Prime Minister of Australia and the Premier as being relevant for the purposes of that allocation;

The Minister has intimated that he is anxious to have competent people from councils on the commission. I believe that will result in a safeguard on the bases I have mentioned. My electorate covers a municipality that has a large area—over 90 square miles—and a large population. I have been pleased that the grants coming to the local council have been based on that important premise. For that reason I see no great problem arising from the proposed new composition of the commission or the change in the method of appointing the deputy chairman. The bill will certainly allow a greater choice of members of the commission.

One of the most important parts of the bill, I believe, is that dealing with the new leases or licences of public reserves. Over the years that matter has led to many problems. As I understand the bill it will validate many existing arrangements. At present questions arise when people are occupying reserves or public garden and recreation space. The bill will enable those arrangements to be validated and in certain circumstances, with the approval of the Minister or by way of ordinance, the use of those reserves will be permitted on lease or licence. During my time in local government I spoke strongly against the use of parks and garden and recreation space by anyone other than the people who contributed to it—that is the ratepayers—or the people who provided it. That safeguard should be maintained at all times. The question whether such lands are being legally or illegally occupied needs to be looked at and I believe the provisions incorporated in the bill will allow the Minister to deal with that situation.

I do not believe that one can say that for all time a certain area may or may not be used for a certain purpose in the public interest. Conditions may change and an area of reserve land may be put to better use at one time than at another. In some circumstances, such as where a large project is planned by a sporting body, a small portion of a park, a garden or a recreation space may be needed to allow the sporting body ultimately to develop the area for wider and better public use. I am not advocating that 20 or 30 acres of public parkland should be allowed to be taken over for some particular purpose. Rather, I am thinking in terms of a small piece of a reserve being developed for the benefit of all the people in a district. As I understand the bill, its provisions will allow for that type of project to be considered. At present it is not possible.

Another part of the bill that I consider is important, upon which the honourable member for Upper Hunter did not spend a great deal of time, is that which deals with co-operation between the Crown and councils for the better use of public buildings and playing fields. The failure to make more efficient use of these facilities in the past seems a great pity.

The legislation will result in schools and perhaps other government buildings being used for public purposes, and that will be to the good of those who live in the area. It is important to note that the bill will enable use of, and contributions to, playing

fields, for example, by parties other than the Crown. Looking even further ahead, I can see the possibility of a council that controls a large reserve co-operating with the Department of Education, for example, in plans to build a school next to the reserve. There could be a joint effort to co-ordinate the programmes. By allowing the school to have use of the reserve, a much better development would be achieved than might otherwise be possible. I am wholeheartedly in support of that sort of approach. Members of the Opposition have raised only one objection to the legislation, and that concerns the composition of the Local Government Grants Commission. They support the other provisions of the bill, as I do.

Mr CATERSON (The Hills) [5.12]: The Minister for Local Government is misleading the House in respect of some of the bill's provisions. The explanatory note attached to the measure states the objects of the bill. It begins with the assertion that it will make amendments to part VIIA of the principal Act with respect to the constitution and functions of the Local Government Grants Commission which, it says, are necessary to qualify the State for assistance under the Commonwealth's Local Government (Personal Income Tax Sharing) Act, 1976. It then gives nine particulars. Looking at some of those details, honourable members will note the claim that the amendments are necessary to qualify the State for assistance under the Commonwealth Act. These particulars include the following:

(i) to provide for a deputy chairman of the commission;

(ii) that instead of the selection of two members of the commission by the Governor from among nominated officers of councils, two members shall be persons nominated by the Minister who are or have been associated with local government;

(iii) to provide for the appointment of acting members by the Minister instead of by the Governor.

Paragraph (vi) is to the effect that the bill will result in the establishment of a local government revenue sharing fund, into which shall be paid moneys received under the Commonwealth Act.

The Minister said in his second-reading speech that the purpose of the bill is to ensure that the commission and its procedures meet the requirements of the Commonwealth's Local Government (Personal Income Tax Sharing) Act. As has already been pointed out, that is incorrect. The Commonwealth legislation sets out matters in respect of which the Commonwealth Minister must be satisfied, and they concern membership of the commission and the fund. The only requirement of the Commonwealth Minister in respect of membership is that he be satisfied that the commission includes one person who is or has been associated with local government in the State, whether he be a member of a local governing body or otherwise.

Therefore, it is completely inaccurate to say that the bill is necessary to comply with the provisions of the Commonwealth Act. For example, the Commonwealth Act does not require the appointment of a deputy chairman. It might be good to have a deputy chairman but it is inaccurate to say that it is necessary for the State to introduce this legislation in order to benefit from the Commonwealth Act in that respect. Further, the Minister for Local Government in New South Wales does not have to change the method of selecting members of the Local Government Grants Commission in order to satisfy the requirements of the Commonwealth Act. He does not have to provide for the appointment of acting members, and it is not necessary for him to repeal the existing provisions relating to the commission panel. It is most improper and quite deceitful to say that the Commonwealth Act requires such amendments. The Government should be taken to task for misleading the House and the public in that regard.

The appointment of a deputy chairman is not important to the argument. If there is good reason for having a deputy chairman, then it is right that the law be amended to provide for that to be done. However, it is quite wrong for the Minister to say that these things are necessary in order to comply with the federal legislation.

Mr Jensen: Why not tell the truth for once?

Mr CATERSON: The Minister will have his chance Iater. I have a copy of the federal Act here. The Minister can read it for himself.

Mr Jensen: The honourable member can tell lies quicker than I can read.

Mr CATERSON: I repeat, it is a lie to say that the Commonwealth Act requires these things to be done. What the Minister is trying to do is camouflage his real purpose, and that is to remove from the State Act the provisions requiring that the Local Government Association of New South Wales and the Shires Association of New South Wales should nominate persons for appointment by the Governor to the commission. As the honourable member for Upper Hunter pointed out, that has been the practice for the past eight years, covering the life of the commission.

Section 218A of the Local Government Act provides that the Local Government Grants Commission shall consist of four persons. One of them is to be a member nominated by the Minister, and he shall be chairman. One is to be an officer of the Department of Local Government nominated for appointment by the person for the time being holding the office of, or duly acting as, under-secretary of that department. One is to be a person selected by the Governor from three officers of councils who have been nominated as prescribed by the governing body of the Local Government Association of New South Wales. The fourth member is to be selected by the Governor from three officers of councils who have been nominated as prescribed by the governing bodies of the Shires Association of New South Wales. The real purpose of enshrouding these amendments in the way they are set out in the bill, and dealt with in the explanatory note and in the Minister's second-reading speech, is to make sure that only the Minister will determine the persons who will represent local government on the grants commission.

Mr Schipp: A case of jobs for the boys.

Mr CATERSON: I agree that it is a case of jobs for the boys. The Minister wants to be able to make these appointments without referring to the Local Government Association and the Shires Association. In the short time I have been a member of this House I have been perturbed at the blatant political appointments made by the Government and the measures it has taken to ensure that it will be able to continue to make political appointments of this kind irrespective of the wishes of the people concerned with particular issues. At present, the Minister is provided with two panels of names from the Local Government Association and the Shires Association. From those panels he selects two members to represent those associations. Even if one accepts that the Government wants to select its own appointees without considering recommendations by the Local Government Association and the Shires Association, what justification can there be for its claim that this amendment is necessary?

The explanatory note to the bill states that the objects of the bill are to make any amendments to the Local Government Act that are necessary to **qualify the** State for assistance under the federal Local Government (Personal Income Tax Sharing) Act of 1976 and, in particular, to provide that instead of the selection of two members of the commission by the Governor from among nominated officers of councils, two members shall be persons nominated by the Minister who are or have been associated with local government. The Local Government (Personal Income Tax

Sharing) Act does not provide that the Minister must comply with this requirement in order to satisfy the Act in respect of local government income tax sharing, no matter what the Minister may say. There is no requirement in the Commonwealth Act for the State to establish a local government revenue sharing fund, which is another of the objects set out in the explanatory note.

I do not know whether in terms of State financing it is necessary for such a fund to be established. It may well be so but it is wrong for the Minister to try to mislead the House and the people of this State by saying that it is necessary to effect these amendments in order to satisfy the requirements of the Commonwealth Act. It is a lie and a complete deception for anybody to claim that such an amendment is necessary. It is obvious that the Minister is determined to bypass the Local Government Association and the Shires Association. In his second-reading speech, the Minister said that it may be expected that the Government will confer with the two associations but it is clear from the provisions of this bill and other measures that have come before the House covering local government issues that the Minister rarely consults representatives of those associations. In the past few months the Minister has shown little willingness to do so. He certainly did not consult them in regard to the Local Government (Rating) Bill, which the Government hurried through the House just before the Christmas recess, and he has not done so in respect of these amendments.

If that is the Minister's form, one could bet one's boots that when he comes to making appointments to the Local Government Grants Commission he will not consult the Local Government Association and the Shires Association. It is a great pity that the Minister has chosen to delete from the Local Government Act the ability of those assocations to nominate a panel of names for appointment of members to the grants commission. It has been pointed out earlier that the Minister may well want to make his own appointments without regard to the wishes of other people. Local government is a continuing form of government and the bodies that represent it should be able to submit a panel of names to the Minister so that he can choose its representatives for appointment to the grants commission. Why is it necessary to amend the Act if the Minister genuinely believes that he will consult, and that his successors will consult—although he cannot give any guarantee about that—these two associations in respect of appointments to the grants commission? Although the Minister said—and the explanatory note to the bill states—that it is necessary to make these amendments to comply with the Commonwealth Act, that is not so.

Mr Jensen: It is necessary to reappoint the present members of the Local Government Grants Commission.

Mr CATERSON: It may be necessary to reappoint the present members of the commission but it is not necessary for the Minister to amend the Act in this way.

Mr Jensen: I did not say that.

Mr CATERSON: That is what you said in your second-reading speech and it is set out in black and white for everybody to see in the explanatory note to the bill. This is another example of the denigration of local government as well as an example of how local government has been downgraded at a time when it ought to be supported. The member for Upper Hunter stated that the tax-sharing scheme has given local government a financial boost. The honourable member for Blacktown, in attempting to justify this change in the selection of members of the grants commission, said that the bill provided an in-built safeguard, because grants are made on a per capita basis. The councils in my area wish that were established by the Act, which provides that the State shall allocate amongst local government bodies on a population basis not less than 30 per cent of the amount to which they are entitled under section 5. Of course, the other 70 per cent is allocated on what is said to be a needs basis.

In passing, I remind the House that when income tax sharing with the Commonwealth was first talked about the intention was for some 80 per cent of money for local government to be allocated on a population basis. If that had eventuated the comments of the honourable member for Blacktown would have had some relevance. However, in New South Wales it has been whittled down to 30 per cent. As the honourable member for Blacktown mentioned, his council and some other councils have received great benefits. Unfortunately, the Baulkham Hills shire council, which is in my electorate, received a much smaller benefit than that to which it believed it was entitled. Certainly it was less than what it would have received if the formula of 70 or 80 per cent on a population basis had been used. This is a matter that I intend to raise at an appropriate stage with the Minister for Local Government and with the Premier to seek a change in the income tax sharing arrangements for New South Wales to provide allocation principally on a population basis.

As the honourable member for Upper Hunter stated, by and large the Opposition is in agreement with the Government's proposals in the bill. The proposals for councils to permit the use of reserves by sporting and similar bodies are needed, because there has been some uncertainty brought about by court judgments. I agree with the honourable member for Blacktown that there must be safeguards to protect playing fields and reserves from improper use and to prevent their being leased to bodies that may not be entitled to them or for a use that may not be in keeping with the reserve or playing field. Safeguards will be afforded by the provisions for advertising, for recommendations to go to the Minister and for conditions to be imposed on approvals for leasing.

I do not wish to comment on matters such as the differential rating for electricity charges. The proposal to permit councils to construct or provide buildings or works in collaboration with the Crown affords an opportunity for projects to be undertaken jointly between councils and government departments. It is a commendable move. All honourable members who have been associated with local councils will be aware of the difficulty that councils have experienced when embarking upon joint ventures with the Crown or with the Government for the development of buildings or other works. In more recent times councils and local school authorities have got together to arrange for the joint use of school facilities. This has been a great forward move. However, with some joint projects difficulties have been experienced in obtaining a reasonable and responsible contribution from the Crown for the development of buildings or works and for their continuing maintenance. Sometimes the Crown has contributed insufficient finance, thus requiring councils to expend additional ratepayers' funds on such projects.

One council in my electorate sought for some years the joint development with the Crown of grounds at the Northmead High School, which is on the boundary of The Hills and Parramatta electorates. Although there were discussions over a considerable period, the conditions placed by the Government on the financing of the project and its continuing maintenance would have put such a burden on the council that it did not continue with the project. The Government's proposal will not succeed unless money is made available by the Treasury on a reasonable share basis. I ask the Minister to consider particularly this problem of financing joint projects. It is no use including provisions in the Act to permit joint projects if they are to founder through being too one-sided in their financing. That would seem to have been the problem in the past.

As the honourable member for Upper Hunter said, the Opposition agrees generally with the proposed amendments to the Act. I ask the Minister to make known to the Government my views on the financing of joint programmes between the Crown and local government. To return to where I started, I join with the

honourable member for Upper Hunter in paying a tribute to the work of the Local Government Grants Commission. Over the past couple of years particularly, with income tax sharing with the Commonwealth the commission's hands have been somewhat tied as a result of the requirement of the New South Wales Government that metropolitan councils' share on a population basis shall be only 30 per cent. That requirement is a great pity and something that should be re-examined by the Government.

The bill tidies up some aspects of the most complex Local Government Act. It is unfortunate that in the tidying-up process the Government has taken the opportunity to make a substantial change in the method of appointing members to the Local Government Grants Commission. This is regarded by some observers—and certainly by the Opposition—as a snide way of achieving the objective of making ministerial or political appointments without reference to people in local government. On this ground alone the Opposition ought to oppose the change. The Minister for Local Government should acknowledge that he has taken away from local government associations their right that the Act now confers to nominate members of the Local Government Grants Commission. At the Committee stage the Minister should withdraw the relevant provisions.

Mr RYAN (Hurstville) [5.40]: I want to deal first with that part of the bill—namely, schedules 1 and 2—which relates to the Local Government Grants Commission. The bill will ensure, inter *alia*, that the commission and its proceedings will meet the requirements of the Commonwealth Local Government (Personal Income Tax Sharing) Act, 1976. We have heard a lot about so-called Fraser federalism which, under this federal Government, is distributing 1.52 per cent of personal income tax to local government. It must be emphasized that this distribution does not include company tax revenue; it is restricted to personal income tax. This sharing is welcome, but it must never be forgotten that it was the Whitlam Government that for the first time since federation made federal revenue directly available to local government by way of both direct and indirect or tied and untied grants. Though the untied grants under Fraser federalism are greater than similar untied grants under the Whitlam scheme, it must be clearly remembered that the Fraser regime has completely abolished the specific purpose or tied grants which, in their totality, amounted to much more than local government is now receiving under Fraser federalism.

Local government has lost the specific purpose or tied grants that were available under the Whitlam Government schemes, such as the area improvement plan, the RED scheme and the Australian assistance plan. By way of example, in 1975–76 Hurstville council received $100,000 from the grants commission as an untied grant. In 1976–77 it received $315,000 as an untied grant, and in 1977–78 it will receive $366,000 as an untied grant. However, in 1975–76 it received a total of approximately $500,000 by way of specific purpose or tied grants in addition to its $100,000 untied grant. We now have a situation in which councils are receiving under the revenue sharing scheme more by way of untied grants but have been completely denied the previous grants for specific purposes.

The formula in the bill incorporating the federal Local Government (Personal Income Tax Sharing) Act, 1976, provides that not less than 30 per cent of the Commonwealth grant must be disbursed among councils on a per capita basis, with possible weighting for population and other agreed factors, and the balance—that is, 70 per cent or less—on an equalization basis. I fervently hope that the State Grants Commission will never recommend a distribution of more than 30 per cent on a *per capita* basis under the present Commonwealth Act, and that the Commonwealth Act will be amended to provide a greater share of income tax to local government on the basis of needs or equalization.

One has only to drive through Redfern, St Peters, Alexandria or Newtown to see palpable evidence of man's inhumanity to man in Sydney, without going anywhere else. One sees small, undernourished children playing in dirty, narrow streets that are used by heavy traffic, with not a tree in sight. One has only to see these conditions to be reminded of the callousness, greed and selfish, uncaring attitude of those in power in Australia for most of this century. One has only to see the desolate, crumbling houses to be starkly reminded of the economic cruelty of the economic rulers of this country since federation. The injustice of it all is appalling. In this House only last week, the Premier, in reply to a question from the honourable member for Balmain, gave statistics showing that a Liberal–Country party Government of this State had spent millions of dollars on open space on the already wonderfully endowed North Shore and a paltry few thousand dollars in the industrial suburbs south of the harbour. These suburbs are alrnost totally without open space and are badly polluted by the industries from which the captains and officers of those industries—who generally live on the North Shore—make their living.

There has not even been enough decency in industrial and commercial magnates to recoup these industrial areas, or enough decency in conservative governments to insist that they recoup the depressed areas from which they draw their fortunes. The size of their fortunes from these industrial enterprises is usually commensurate with the losses in natural environment and standards of living in the industrial suburbs. It is to be hoped that more than **30** per cent will never be distributed on a ***par capita*** basis and that not less than 70 per cent of the federal grant will always be used to cure the injustices in depressed city and country residential areas.

I compliment the Minister for Local Government on the expedition with which he has brought down the provisions in schedules **3** and 4 of the bill relating to the use of public reserves. These provisions became necessary at least no later than **1972** but honourable members opposite who were then the government, with a typical flurry of indolence and inactivity, did nothing—and continued to do nothing until their well-merited defeat in 1976. The shortcomings of the Local Government Act with respect to leasing or licensing of public reserves first became apparent in **1970** in the decision in the case of ***Storey*** v. ***North Sydney Municipal Council.*** In that case the council had attempted to lease portion of some dedicated land, which it owned and used as a public park, to the Scout Association for the erection of a scout hall. The title to the land was subject to a restrictive covenant that the land "not be used other than for the purpose of a public reserve", as defined in the Local Government Act. The plaintiff was a nearby landowner who enjoyed the benefit of the covenant. In the High Court, on appeal, he was granted an injunction restraining the council from leasing the land.

The High Court held that the grant of exclusive possession of part of a public park was incompatible with its use for public purposes. This decision raised severe doubts about the situation, but did not judicially decide the question whether a council had power under section **519** of the Act and ordinance 48, clause **19,** to lease public reserve as defined in the Act. This question was decided in the Dee Why Bowling Club case. That club had been granted the use of a portion of public reserve vested in the council for the purposes of a bowling club for twenty years, but the Supreme Court in its equity jurisdiction decided that there was no power in the council to give exclusive use of the public reserve to any one class of persons. This decision left a substantial number of bowling clubs and other clubs using public reserve with nullities for leases and in a quandary about how to protect their investments. In a sudden rush of activity, honourable members opposite, who were then in government, again did nothing to delineate or define the rights of the public and the clubs.

Mr Ryan]

Schedules 3 and 4 of the bill will now cover public reserves other than what can be called open space under the County of Cumberland scheme and its various successors or land acquired through the State Planning Authority and its successor, the Planning and Environment Commission, which is dealt with under section 519A. It also excludes certain other reserves under the Crown Lands Consolidation Act, but deals with all other public reserves. Section 519 of the Act, which previously purported to give councils power to lease property vested in or belonging to them, will not apply to public reserves covered by this new measure. Presumably, section 519 will still be the charter of councils' powers to lease land held by them in their own right in fee simple. This new measure will allow councils to grant leases or licences over public reserves, but only after some ventilation of the merits of the application.

The new section 519C provides for the giving of a month's notice by advertisement of a council's intention to grant a lease, and then for reference of the matter to the Minister, who shall consider any objections to the grant and also the terms of it, apart from council's report and a report from the Planning and Environment Commission. It might be thought that the giving of public notice by means of newspaper advertisement only may not be sufficient to alert the public, and that perhaps there should be provision for notice to be given to persons in the vicinity of the subject land, and to other interested parties.

Provision is made in new section 519E for a council to grant licences for periodic use of public reserves for sport. This has always been a grey area, with councils not quite knowing what powers they had under ordinance 48, or being hamstringed or intimidated by the requirements of section 519. I have no qualms at all about the powers proposed to be given to councils in new section 519E in respect to periodic licensing of public reserves for sport. However, philosophically I do not generally agree with the sole or exclusive leasing of public reserves. I hope that from now on only in extraordinary circumstances, and where a substantial benefit would flow to a substantial proportion of the public at large, with no loss of or little diminution of advantage to any segment of the community, will a lease of a public reserve be granted to a private body—and then only where that body pays a proper occupation fee commensurate with the value to the body and the loss to the public.

Schedule 4 deals with clubs and bodies that have been suffering in limbo since the Dee Why Bowling Club decision. In future they will be able to make application direct to the Minister for ratification of any invalid or doubtful lease they may have. It is only fair that where such clubs or bodies have spent much on improvements, they should be given sympathetic consideration by the Minister. This will be an opportunity for him to right some of the wrongs that in the past have been perpetrated on the average ratepayer who, often, is subsidizing a licensed club with poker machines. In some of the worst cases, clubs have been given juicy slices of public reserves on lease for 99 years and other long periods at a peppercorn rental, and have not even been required to pay rates, let alone a reasonable occupation fee. These are glaring examples of the misuse of public reserves and of the failure to administer local government finances responsibly—all at the cost of the little man, the ordinary ratepayer.

It might be thought that applications made direct to the Minister under schedule 4 in respect of existing situations should be advertised in the same manner as new applications—or, better still, more extensively advertised, as I have suggested, by giving notice to property-owners or residents in the vicinity. If the Minister of the day sees fit to grant a new application or to ratify an existing situation, he should ensure that a proper occupation fee is charged and that the terms are flexible enough to take account of fluctuations in value to the user. Although I am strongly opposed to the alienation of public lands by sale or lease, I am wondering whether outright sale should be allowed in the present situation where much public land has been wrongly

and invalidly leased to clubs over the years. If the Minister ratifies existing club leases, to all intents and purposes the land effectively and irretrievably will be lost to the public. If special sales could be approved in those circumstances, they would bring a worthwhile lump sum to councils, which could then use the money for or towards the provision of genuine public facilities such as swimming pools, skating rinks and cultural activities. Honourable members should bear in mind the point I emphasize, which is that in many cases the land should never have been effectively alienated in the first place. Although I should like to see power to sell included in the special circumstances I have outlined, and more stringent requirements on the giving of notice to the public of proposed leases and ratifications, as well as some strict guidelines on occupation fees, I must commend the Minister for taking a substantial step forward in local government legislation by the introduction of this bill.

Another aspect that I bring to attention is the spelling out in schedule 6 of the powers of a council to impose conditions on building applications under part XI and on roadworks under part XII, requiring repair of damage to streets and the taking of security to indemnify the council in the event of failure to repair that damage. This will clarify and strengthen the hand of a council in ensuring proper and adequate repair and the reinstatement of public streets and other works damaged and left unrepaired by builders and developers. I commend the Minister also on schedule 7, and new section 521A, which will allow councils to participate in joint undertakings with the Crown to make use of existing buildings for public purposes. It has seemed strange over the years that millions of dollars have been tied up in capital investment in schools and other buildings that are being used for only a small part of each year. For the rest of the time they stand idle, and members of the public are denied use of them. The Minister makes a major innovation and does something that has been talked about for years when he puts forward the provisions to which I refer.

In future councils will be able to participate with the Crown in the use of public buildings for worthwhile purposes. Adults will be able to have their leisure learning opportunities, various sporting events will be able to be arranged and so on, instead of the buildings and reserves being white elephants. We have a forward-looking Minister for Local Government. He has brought great initiatives to local government legislation and planning. In this bill three or four significant steps forward are made. The Liberal and Country parties would never have taken them in government, even if they had got round to thinking about them.

[Mr Acting-Speaker (Mr O'Connell) left the chair at 5.57 p.m. The House resumed at 7.30 p.m.]

Mr BROWN (Raleigh) [7.30]: I propose to make only a few comments on the bill. I join with the honourable member for Upper Hunter in expressing my concern, indeed disappointment, at the fact that the Government has decided to take away from local government their representatives on the Local Government Grants Commission. I appreciate that the Minister may reply, "I may appoint them to the grants commission". Over the years the Minister has made a point of letting honourable members know the high esteem in which he holds local government. Now we have an example of where he is not willing to provide for this to be done by way of legislation. I wish to record my support for the expressions of opinion on this matter put forward on behalf of the Opposition by the honourable member for Upper Hunter. Another matter I wish to raise concerns the leasing of reserves and parks, which is provided for in schedule 4 of the bill.

I wish to refer particularly to one problem that the Minister may possibly be able to resolve. Some years ago the Kempsey and Macleay Historical Society obtained from the Department of Lands a lease of a Crown reserve at South Kempsey. The

society has expressed a fervent wish to be able to erect on that land an old pioneer cottage which it has purchased. The proposal is to have this small cottage placed in a part of the reserve where there are plenty of trees. The project seemed to be going well until the Kempsey shire council, which is the trustee of the area, applied to the Department of Local Government for permission to grant the society a lease. The council was told that because of a decision in an Equity Court case to which reference has been made, and some other court actions, nothing could be done about the application.

In my opinion an historical society is not a sectional organization; it is a body that is representative of the whole of the community. Any resident of the Kempsey shire—indeed any part of the surrounding district—would be welcome to join the society and to work with it. The Kempsey and Macleay Historical Society could not be considered to be anything other than a body that fosters district community activity. I have been concerned that the society's programme has been delayed because of the ruling given by the Department of Local Government. Last week I wrote to the Minister for Local Government asking him to allow his department to authorize the lease even though it may be only a few weeks before the Minister will have power to grant it under the provisions of the bill.

Over the years the Kempsey and Macleay Historical Society, like similar organizations, has done excellent work on behalf of the community. The society, which has done much to record the history of the district, has been singularly fortunate in having the assistance of people with enough time available to them to go to the Mitchell Library and other sources to research the early history of the district. Many of these people have lived in the district; others have given the society items of historical interest, some dating back to when the district was first settled. Last week I received a telephone call from a Mr Irvin Davis, a descendent of early settlers on the Macleay. Over the years Mr Davis has gathered a great number of historical items and a vast amount of literature concerning the district. Mr Davis is now 82 years of age, and all he wants to do is to complete his will so that he can leave these items to the historical society. However, he will not do this until the society has obtained a lease of this area. I understand that every few weeks his solicitor rings him and says, "Irvin, you are now 82 years of age and you are a bit closer to your goal than you were a few years ago".

Before the bill goes to the other place, before it is sent to the Governor for Royal assent or before it becomes law, I ask the Minister to authorize the Kempsey shire council to lease that part of the park which has been set aside by the Department of Lands for the historical society. If that is done, the society can go ahead, erect the pioneer cottage, which it purchased at a cost of about $6.000 or $7,000, and develop this wonderful site. Eventually this area will be a magnificent historical complex; it will be situated in the park among some old trees and other natural features. It will not interfere with any other organization that conducts sporting activities in the park. The area in question is on the western side of the park, near the railway line, in a part that is not used by many people. I appeal to the Minister to take this action before the bill becomes law. If not, perhaps this will be the first lease of part of a reserve that he authorizes after the bill receives Royal assent.

Mr WILDE (Parramatta) [7.35]: I have much pleasure in supporting the bill. I commend the Minister for bringing forward for the consideration of this House another important piece of legislation affecting local government. This bill is wide-ranging in the matters it covers. A great deal more legislation affecting local government will have to be presented to the Parliament. In the eleven years the previous Government was in office it had little regard for the requirements of local government: it certainly did not recognize the fact that changing circumstances often required

amendments to the Local Government Act. The honourable member for Raleigh dealt with that aspect, although he evaded the issue when he spoke of his wish that provision be made for the Kempsey and Macleay Historical Society to be allowed to lease a portion of land on which it wants to erect a pioneer cottage it has acquired.

The honourable member for Raleigh would be well aware of the fact that for about eight years it has been known that the position of local government in regard to granting leases of public reserves was in grave doubt. Subsequently it was confirmed that a local council did not have the right to grant leases of public reserves for the purpose proposed by the honourable member for Raleigh. Although this was known as far back as 1972, the former Government did nothing to remedy the situation. That Government showed little concern for organizations that were adversely affected in this way; in fact it completely ignored their plight.

I congratulate the Minister for moving so promptly and for answering the pleas that have been made by sporting organizations and local government bodies to enact legislation to overcome this problem, to ratify leases which have been invalidated as the result of certain court cases to which I shall refer later, and to make provision whereby councils, after due consideration, could provide for the use of land by organizations that wished to establish sporting facilities and other amenities similar to those to which the honourable member for Raleigh referred. Before I deal with that matter further, I propose to refer to what is possibly the most important part of the bill. I refer to the provisions dealing with the composition of the Local Government Grants Commission, which is charged with making recommendations to the Minister in respect of the distribution of funds received under the Commonwealth–State agreement—that is local government's percentage of personal income tax. Honourable members would be aware that the percentage of personal income tax to be distributed to local government has been fixed by legislation at 1.52 per cent of the total amount of personal income tax collected. For the financial year 1976–77 this percentage amounted to $51,289,000; for 1977–78 it will be $60,341,000.

Money supplied for local government grants will play an increasingly important role with regard to the determination of the future of local government in New South Wales. Legislation is necessary to ratify the agreement reached between the States and the Commonwealth with regard to the distribution of the funds. It is provided that 30 per cent of the funds will be distributed on the basis of population. The other 70 per cent will be distributed on a needs basis, as assessed by the Local Government Grants Commission. It is essential that the right people be chosen for membership of the grants commission. They should be people with wide experience in local government who have demonstrated that they are aware of the broad spectrum of local government requirements, not merely sectional or regional interests. For that reason I commend the proposal that it is not necessary for representatives to be nominated by the Local Government Association of New South Wales or the Shires Association of New South Wales.

In the past estimable people have been nominated by those organizations but the fact that the appointments were restrictive left too much control in the hands of those organizations. Unsuitable nominations could be made and people with long experience in local government, but who for various reasons were no longer representatives of local government, would be excluded from appointment to the commission. The Minister refererd to one person in that category whose valuable services could, and should, be retained by the Minister if he sees fit to do so, under the powers proposed to be given to him by the legislation. I am sure that members acknowledge that the Minister has a great awareness of the needs of local government. I am confident that

when he nominates people for appointment under the legislation he will choose wisely and well and will recommend people who will make recommendations for the good of local government throughout New South Wales.

Some local government areas are in a depressed condition. In some instances that may be because of economic circumstances; in others it may be because of maladministration. Whatever the reason, it is beyond the powers of the ratepayers in those areas to finance adequate local services. The people who live in those areas are thus at a disadvantage. This situation is found in particular in the older areas of Sydney where there is not much open space. In years gone by subdividers gained commercially when they were allowed to develop every last inch of land. Now it is very costly in these areas to purchase land for open space purposes and it is often beyond the finances of the local councils of those areas. A wise recommendation from the Local Government Grants Commission could go a long way toward rectifying that imbalance. Unless the Minister has the right to nominate people with a broad view of such problems the purpose of the grants system could be negated.

The principle of providing a percentage of personal income tax to local government will prove to be a boon to local government. Among other things it will allow rates to be kept to a low level. Over the past two years the New South Wales Government has introduced legislation to peg rates to a reasonable level. The principle of providing a percentage of personal income tax to local government was initiated by the Whitlam Labor Government. One of the few things the present federal Government deserves credit for is that it has had the decency to continue that worthwhile legislation. Had it not been for the Whitlam Labor Government funding direct from personal income tax for local government would not have been introduced. That was a demonstration of Labor's care and concern for local government. Our predecessors in office brought forward little legislation covering local government matters.

An earlier speaker in the debate referred to the granting of leases of portions of public reserves. In my local government area two clubs have been adversely affected as a result of the cases to which I referred earlier. In 1970 an action was brought against the North Sydney municipal council in respect of that council's power to deal with certain land that had a restrictive covenant to the effect that it should not be used other than as a public reserve within the meaning of the Local Government Act. The action related to the building on the land of a hall for use by boy scouts, It was held that the council was in error in granting approval for that purpose.

An area of doubt still existed in relation to that matter but it was clarified in 1972 when an action was brought by a number of people against the Warringah shire council. They objected to the establishment of a private bowling club on a public reserve. The judgment in that case demonstrated conclusively that councils did not have the power to grant such leases. The former Government was well aware of the decisions in those two cases and representations were made to it by many clubs similarly affected, but it did nothing to rectify the position. In my area two clubs were adversely affected. They had leases on public reserves. One lease expired a number of years ago and the other is to expire shortly. Both clubs realized that they were in a tenuous situation. The one whose lease has expired has no legal right to occupy the reserve.

As a local government representative I was aware of representations made over many years on this matter to the former Government. It put the matters in the too-hard basket. I do not know its reasons. The former Government never gave reasons to the Parramatta city council for its refusal to take any action to rectify the position of those clubs which had, through no fault of their own, found that the tenure they thought they had was non-existent, even though they might have invested hundreds of thousands of dollars on improvements to those reserves.

I compliment the Minister on his endeavours to rectify that situation. Applications will be made in the future for the use of public reserves for sporting purposes but it is not the intention of the legislation to give the green light to any organization that seeks to appropriate part of a public reserve. Ordinarily public reserves should be available for use by all the people and areas should not be handed over for use by sectional interests. The bill makes adequate provision for seeing that its provisions are not abused. Application will first have to be made to the local government body concerned; it will examine the request and report to the Minister. Then the application will be referred to the Planning and Environment Commission for examination and report to the Minister. The Minister will be required to pay due regard to that report of the Planning and Environment Commission before he makes a determination.

Anyone who suggests that the bill will facilitate the alienation of public reserves is tampering with the facts. The bill affords adequate safeguards. At least while this Government is in oftice—and that will be for a long time to come—there will not be any unwarranted alienation of public reserves. Approval will be given only in areas where there will be genuine public benefit and adequate, alternative public recreation areas are available.

A number of other matters, to which I shall not refer at length, are dealt with in the bill. Although they are comparatively minor matters, they are of importance. I refer first to the parking of motor vehicles in council parking areas. Under existing legislation councils have certain powers to prosecute the owners of vehicles that are left parked other than between marked lines, in travelling lanes, that exceed the time allowed, or for similar infringements. In certain respects the Local Government Act is not in line with the provisions of the Motor Traffic Act. The purpose of schedule 5 is to bring the Local Government Act into line with the overriding Act, which covers the parking of vehicles on public roads.

Amendments are proposed also to the Electoral Act so that election posters and similar material will conform to the provisions of the Parliamentary Electorates and Elections Act. Although it is not dealt with in any great detail in the bill, nevertheless it is important that similar provisions should apply to local government elections as apply to parliamentary elections. Unfortunately, some unscrupulous people seek to enter local government—and quite frequently succeed in doing so—who are not bound to any responsible political party in the same way as Labor Party candidates are bound to that party. The people to whom I refer stand for election to local government under a variety of guises. Often they show great disregard for the truth in material that they disseminate at local government election time. Often they distribute scurrilous pamphlets attacking reputable, political organization~. The authors of these pamphlets are never named thus preventing action being taken against them. They make all sorts of lying statements by way of electoral propaganda and all sorts 9f ridiculous promises which are never fulfilled.

Hopefully the provisions proposed will bring some degree of responsibility to those who stand for local government. I repeat, these people to whom I refer do not stand as representatives of responsible political organizations. At the last elections the Liberal Party finally summed up sufficient courage in a number of local government areas to endorse its candidates. It was noticeable that the literature distributed under that banner was of a somewhat higher standard than that distributed in the past by so-called independents. One must commend any action that brings an increasing awareness to candidates of the importance of electoral honesty. I congratulate the Minister for Local Government for including these matters in this amending legislation.

I wish to refer finally to the use of schools for public purposes. There has been an increasing utilisation of school facilities for public purposes. The 1972 annual conference of the Local Government Association passed a resolution approving in

principle the use by local sporting clubs and the community generally of school playing fields, assembly halls and other facilities. After some discussion, the Department of Education agreed to the joint use of these facilities. In the past there has not been a great deal of use by the community generally of facilities at schools. The expenditure of local government funds for such purposes is now being authorized. Obviously there must be some contribution by the various bodies concerned. It is unreasonable to expect the Department of Education to provide its amenities for wide community use unless local government contributes to the cost.

The bill will facilitate the allocation of funds by local government for the use of community facilities which are owned by the Department of Education or for the development of facilities jointly by that department and local government councils. I hope it will result in a greater use of public facilities that are presently underutilized. It is a pity to see school playing fields unused at weekends, and for assembly halls in areas where community halls are sadly lacking to be used only occasionally of an evening for school purposes, although they might be heavily used by schools during the day. In some areas community centres are being built where for a fraction of the cost the local school assembly hall could be upgraded and modernized to meet adequately joint community purposes. I hope that the bill will encourage the joint participation by councils and the Department of Education in the use of these facilities. I congratulate the Minister for Local Government on bringing forward this wide-ranging measure. Unfortunately, time does not permit me to deal with a number of other important matters covered by the bill, which I am sure will prove beneficial to local government. It will be looked upon as a landmark in local government legislation.

Mr ROZZOLI (Hawkesbury) [7.58]: I find it inexplicable that four Government supporters should speak in favour of those provisions of the bill relating to representation on the Local Government Grants Commission. The rest of the bill embodies many principles that are good and will serve to enhance the function of local government in New South Wales. It is a great shame that the Government has put a blight on the bill by withdrawing the right of the Local Government Association of New South Wales and the Shires Association of New South Wales to nominate their representatives on the grants commission. The honourable member for Parramatta put forward the amazing contention that within the ranks of the 2 000-odd members of local government who represent the community at local council level there are not those of sufficient experience and wisdom to be nominated to the Local Government Grants Commission but one has to go beyond their ranks to find suitable people to nominate for appointment.

The honourable member would know as well as anyone that representatives of local government include people who have been elected for the first time at the recent local government elections as well as those who have served on councils for many years. It is unlikely, although perhaps not impossible, that a person would proceed through the local government system to the point where he would be nominated by either of the local government associations to be a representative on the grants commission if he did not enjoy the confidence of local government and was not considered able and wise.

Echoing the Government's attitude, the honourable member for Parramatta would have us believe that no one in the ranks of local government is capable of occupying those positions. That is obviously ridiculous. This is the second time in recent months that local government has been denigrated in this manner. I said on the first occasion that it possibly foreshadowed the Government's attitude. That was in relation to the Heritage Bill. A number of bodies representing various fields of expertise

were allowed the right of nominating a panel of five persons from which a representative on the Heritage Council would be appointed. Incredibly, local government was denied the same right.

During debate at that time honourable members on this side of the House drew this to the attention of the Government but the Government did not give a satisfactory season for adopting a different attitude in regard to local government. Had the Government been consistent it would have provided in the Act that all representatives of bodies would be appointed on the basis of being persons who, in the estimation of the Minister, were worthy of representing their fields. That was a glaring inconsistency. It is not quite so evident in this bill, for we are talking about one body, but it reflects the State Government's distrust of local government. It is sad that this so. The Minister has had a long association with local government. I feel that perhaps, in his heart of hearts, he is not as happy as he might be in bringing forward this type of legislation and, with it, the implication of distrust that is inherent in it.

This distrust has been very much in evidence in the present Government's rating amendment bills. It has taken away from local government considerable powers and discretion. Here we see once again what appears on the surface to be a fairly simple part of the legislation but in fact is a point of fundamental importance and one which to members on this side of the House is quite inexplicable. No valid reasons have been given in this debate to justify such a move. The House is entitled to a rational explanation of the Government's attitude. There might be practical reasons why it has to be implemented, or there might be philosophical or ideological reasons, but it is an attitude that has not been adopted as yet towards bodies other than local government. Perhaps in reply the Minister will enlarge on the Government's proposal and give the House a rational explanation of why local government should be treated in this manner.

Mr WADE (Newcastle) [8.4]: I wish to raise only a couple of matters. I congratulate the Minister on the presentation of such a voluminous document. Generally the Opposition appears to support the bill—with the exception of the honourable member for Upper Hunter, the honourable member for The Hills, the honourable member for Raleigh, and now the honourable member for Hawkesbury. It is quite evident that in Committee the Opposition will oppose the provision that deals with the Grants Commission. I know that in his reply the Minister will be able to answer adequately the questions raised by members of the Opposition. His answers may not satisfy the members of the Opposition who are attacking the Minister, but I have every confidence in him. I am quite sure that every government supporter and the majority of the people of New South Wales have also. The Minister was a most popular lord mayor of Sydney. He knows everything about all aspects and facets of local government. In the eyes of the Government he will be a successful Minister for Local Government, as he has been in the past.

The Minister does not need anyone else to answer the Opposition's bleating about who will be appointed as local government representatives on the commission. Opposition members are playing a game; they do not hearken back to the years when Pat Morton was the Minister and sacked the Sydney city council because his party could not get control of it. They fiddled the boundaries and pushed everyone round quite blatantly and cheekily. They appointed an ex-Leader of the Opposition as commissioner for two years and then knighted him for good measure. They knight everyone on that side of the House because there is a quid in it for someone.

What attracts me to the debate on the bill is an aspect of it that affects two bowling clubs in my electorate, which have had a problem for some years. One of the bowling clubs was Hamilton, which is situated at Gregson Park. That club wanted

to extend its hall by 6 feet so as to make it adequate. It is the oldest bowling club in Newcastle and championships for that area are played there, including singles and doubles. Parliamentary bowls have been played there on numerous occasions. That club is restricted because of the want of *6* feet of space.

People were cunning during the period following the North Sydney court decision in 1970 and the Warringah court decision in 1972. There is always someone who wants to bellyache somewhere along the line; there is always someone who is ready to kick the can. In this case they did it here. They protested and their protest was fatal, with the result that the club was forbidden to extend by 6 feet, despite the fact that Newcastle city council had approved of the extension and granted the 6 feet that was required. Representations were made to the Department of Lands, but they were to no avail, because of the decision made by the court. It was under the decision of the court that these people acted.

The amendments in this bill will help to overcome the sort of problem that I have mentioned. For the Hamilton Bowling Club to ask for an extra *6* feet of space to lengthen its building did not take away the rights of citizens to any degree. Bowling clubs throughout the State cater for a greater number of players than any other sport. Frequently they are situated in parks, and parks cater for people who play sport or enjoy watching sport. The bill will alleviate the sort of problem that I have mentioned.

The other club I wish to mention is Carrington Bowling Club, which is in my own suburb and of which I am a member. It made application to the Newcastle city council for 18 feet of land to extend its second bowling green to bring it into conformity with the dimensions of a standard bowling green. The Newcastle council approved and submitted the application for a change in the lease to the Department of Lands at Maitland. The Department of Lands advised the bowling club that the reserve on which the club was situated—Connolly Park—would in a short time be allocated to the Newcastle city council which would then have control of the matter of altering the lease in place of the department. The Newcastle city council would then negotiate with the bowling club to incorporate the extra 18 feet in the lease. The park was handed over to the council, but it was then found that the transfer to the council contained a provision preventing the council from alienating any land transferred to it, despite the fact that everyone was happy about the bowling club's application. The Department of Lands was not at that time under the control of the present Minister for Lands. I believe it hoodwinked the bowling club into withdrawing its application, knowing that in the final analysis the club would not get the 18 feet it wanted. Such a situation necessitated changes in the Act to permit the Minister to rectify the matter.

I have mentioned two clubs. I know there are others. The honourable member for Parrarnatta spoke of some in his area. The honourable member for Raleigh referred to a house in his electorate. Probably every honourable member has some problem in his electorate arising from a similar situation. I am hopeful that the bill will be ratified by the other Chamber and the problems that exist will be overcome. The Carrington Bowling Club, without any suggestion from the Newcastle city council, volunteered to reposition the children's playground equipment to allow for the 18 feet proposed extension. In addition, again without any suggestion from the council, the club reconditioned a tennis court and shed situated in the same area but not associated in any way with the bowling club's problem. The bowling club voluntarily brought the tennis club up to date. A tennis court that had not operated for many years is now functioning, catering for schoolchildren, senior citizens and other people in my suburb who can now play tennis and enjoy facilities that were provided years ago by the Newcastle city council but bad been allowed to deteriorate. In that instance the bowling club fulfilled its obligations.

Carrington is a small suburb but quite a number of people enjoy the facilities provided by the bowling club as well as watching the games of bowls. Carrington is an industrial suburb. It is also the hub of the port of Newcastle. Many foreign seamen come to the bowling club and enjoy a game of bowls, either by watching or participating. The provisions of this amending bill will allow the bowling club's application to be restored and enable the club to extend its second bowling green to the standard dimensions so that it can function in the interests of the people of the area as well as of the club. I believe the bill presented by the Minister is a worthy one. It has been substantially supported by the Opposition except for that section dealing with the Grants Commission. I commend the bill and congratulate the Minister on his initiative in bringing it down. I believe the results that will flow from it will be beneficial to the people of New South Wales in general and in particular to the two bowling clubs to which I have referred.

Mr DUNCAN (Lismore) [8.15]: I draw the Minister's attention to proposed section 521A, the sidenote to which is, "Joint undertakings with the Crown". Section 521A (1) provides:

> In this section, "Crown" does not include a body or a statutory body representing the Crown.

I ask the Minister what his interpretation is in relation to a college of advanced edueation; does he describe it as the Crown? Is it a body or a statutory body? For his information I point out that the Lismore city council has entered into an agreement with the Northern Rivers College of Advanced Education to build student accommodation on college land. Though undoubtedly the land is owned by the Crown, the agreement is with the college. The Lismore city council has the approval of the Governor to raise funds to enable it to enter into this construction with the college, but is the Government, under this legislation, able to give the council the right to enter into such construction? I ask the Minister for Local Government, through you, Mr Speaker; if not, why not? Will the Minister be able to amend the Act accordingly?

Mr HATTON (South Coast) [8.17]: The main provisions of the bill on which I wish to comment are those dealing with the Grants Commission, the leases or licences on public reserves, damage to roads, kerbing, guttering and footpaths, the electoral provisions and the multipurpose use of assets. There would not be anybody in this Chamber who would not express concern about anything in the Local Government Act that threatened the sanctity of public reserves. Though we sometimes say that those in local government have failed, we should not denigrate them and we should at least give them an opportunity to show that they can act responsibly. I believe that the bill does this. I believe the safeguards in the bill are adequate. It provides for one month's notice of a proposal, advertisement of it in a local newspaper, and consideration of objections being compulsory on the council. Finally, the proposal can be approved only for limited purposes with the Minister's sanction. I also recognize that this provision is to legitimatize many arrangements that have been found to be illegal.

I welcome the provisions in the bill that try to regularize and make consistent the charges or bonds that are to be lodged by constructing authorities and private enterprise for damage occurring to kerbing, guttering and footpaths and also the removal of the maximum of $200 payable to the Department of Main Roads in such cases in addition to the amount payable to the council.

The electoral provisions are absolutely essential. Honourable members know that in all elections there is a great temptation for dirty tactics to come to the fore. It is important that local government elections should be conrolled in the same manner as federal and State elections are controlled and in my view the authorization of literature is a positive step in this direction.

I have been interested for some time in the multi-use of buildings. The bill, only within the scope of the Minister's power, touches upon the joint assets of local government and State Government authorities, in the form of amenities blocks, playing fields, assembly halls, gymnasiums and parking areas. This could be taken much further, for there seems to be an unnecessary duplication with, say, libraries. Some libraries of high standard are incorporated in many high schools, but in the same area the people are paying a high library rate to have a public library constructed and stocked. In many localities much better use could be made of book, film and tape stocks, for the mutual benefit of both parties.

The encouragement to councils to take advantage of the wider powers under section 521A is commendable, but I also look at this subject from a general government point of view. As a taxpayer, I have always wondered at the insular approach of departments. This is often found in councils, where the power and controls of, say, the health and engineering departments are jealously guarded. This can be extended beyond local limits, to State matters and even into the national field. The States can deal with schools and technical colleges, and others. The exclusive use of council chambers are regarded by some councillors as places of great sanctity. I am thinking also of the use of computers and office equipment. It is not generally recognized that there is a tremendous capital investment by county councils, private enterprise and State Government departments in computers and sophisticated accounting and other office equipment. With this type of equipment, distance is no problem. Once the information is codified, it can be transferred readily from one area to another.

It is ridiculous to have these functions duplicated in councils and departments all over New South Wales. This equipment, which involves a high capital investment, can deal with many operations. For example, the Shoalhaven shire computer can produce annual cost statements, rate notices, electricity notices, water notices, garbage notices, and gas notices. It can even list the catalogue for the local library. It can issue dog licences, building permits and monthly statements of account. It can produce cost control, so that the engineers do not get historical figures for major jobs, but have up-to-date figures, accurate to within ten days. I can see no problem in this sort of material being put through computers and being made available to the smallest council.

It is a matter of educating the town clerk and the administrative staff in the greater use of electronic equipment—and also educating them out of the insular approach that is often taken. I do not blame only the councils for this. It is often seen between one government department and another. Computers and office facilities are not being used, and there could be greater co-operation between organizations such as the Department of Main Roads and the councils. The Minister has opened up these great horizons. The Department of Main Roads in a certain area maintains plant servicing, workshop facilities and plant, but in the same area the council maintains plant servicing and plant and equipment. It is ridiculous that the two cannot get together on a basis of common use of capital assets, especially with heavy machinery such as bulldozers. Yet they both maintain separate substantial workshops to cater for their heavy machinery. There should be a greater interchange of these facilities. This shortcoming is noticed even between county councils and the local councils.

In the welfare field a greater co-operation has been developing for some time between the Department of Youth and Community Services and the councils. At the same time, a tremendous area of further co-operation needs to be opened up. The Commonwealth can play a role in the payment of unemployment benefits through councils. Social welfare moneys also would be far better dispensed at the local level rather than through the great white father in Canberra. I refer also to matters such as the use of defence facilities. Ships at sea can be of assistance to both the State and

the Commonwealth. Local government would not come into such matters as oceanographic surveys for organizations such as the CSIRO, but the defence vessels could police fishing limits and customs matters. These are a vital part of an area in which there is increased activity. In this bill we are considering the tiny way in which the door has been opened. But the door is ajar and there are great horizons for co-operation between all departments in a maximum use of capital equipment and staff.

I now wish to deal with the Grants Commission. I first became interested in this subject when I first became interested in local government. At that time I heard what Sir Robert Menzies said. Both parties have a record of which, in some instances, they should not be proud. For example, we cannot blame the Commonwealth when we look back at a statement that was made upon finance and local government by Mr H. D. Black, M.Ec., senior lecturer in economics at the University of Sydney, who spoke at a local government seminar in **1964.** He referred to the fact that in **1950** the Prime Minister of the day, Sir Robert Menzies, actually suggested that the States get together in a convention. Mr Black said:

> . . . it is worth recalling the policies reported in the publication of the Local Government Association of New South Wales, entitled "Financing of Local Government Services in New South Wales". In retrospect the remark by the Prime Minister in **1950** that "I would like to see the Commonwealth, the States and Local Government all represented at a Convention—not for a day or two, but if necessary for a prolonged period—to examine the real nature of the problem and the means of solving it", was an interesting and useful suggestion with a touch of imagination, which brought no results because the States would have none of it . . . an undeserved fate, as I see it, for a good idea which should have been given a trial. Before such a Financial Convention could be brought into being the Prime Minister naturally stipulated that the States should request him to do. They never did. What, instead, did they do? To the credit of the New South Wales Government (under prompting from the Local Government Association in this State), the several Ministers in the six States concerned with local government were induced to assemble in May, **1962.** But their resolutions killed the notion of a Financial Convention. They re-affirmed their view that each State continued to bear sole responsibility for considering local government needs and resources. They gratuitously patted themselves on the back by saying "they were fully aware of the needs of local government" and "doing as much as is practicable to assist local government from within the existing resources available to the States".

In **1970,** when I became a member of the Local Government and Shires Association, I was privileged to be involved in the preparation of a case that was taken to the federal Government for an allocation of untied grants of Commonwealth moneys to the States. In his typical adroit fashion, Sir Robert Menzies, despite his statements back in **1950,** cleverly said, "Once the States come to a real agreement on how their finances are to be disbursed, we will seriously consider it from the Commonwealth viewpoint". He knew that the differences between the States were so great that they could not reconcile them without great difficulty. That safely let him off the hook. The previous New South Wales Government should be given full credit for the fact that in **1965** it saw the way open, and created the New South Wales Grants Commission.

A person who played a major role in the formation of the Local Government Grants Commission in New South Wales was the Hon. L. P. Connellan, who was president of the Shires Association when I was a member of it in 1970. He passionately pushed the idea of the establishment of a grants commission, knowing full well that it would be the salvation of local government and an answer to its problems at that

time. He believed that the formation of a grants commission would avoid the hassle about the distribution of funds and the complexities of the different systems. New South Wales led the Commonwealth at that time. I remember that a Local Government and Shires Association conference wanted to tear the Hon. Leo Connellan to pieces at one stage when as spokesman for the grants commission he tried to explain the complexities in arriving at a formula for the equal distribution of a fund that happened to be nothing more than a mere pittance. The fund was made up of State contributions, with nothing from the Commonwealth. I recall going to his defence on that occasion and saying that the delegates were fighting over a very small piece of cheese indeed.

I submit that although there has been a change in the nature of the grants made to the States for the local government purposes since 1974, the amount involved is still a pittance. Before 1974 the Commonwealth made no untied grants to the States for local government. In 1974–75 the Commonwealth gave the States $21.35 million for this purpose. In 1975–76 the grant was $29.2 million. In 1976–77 it was $51.28 million. In 1977–78 it is $60.34 million. That is still only 1.52 per cent of Commonwealth income tax revenue. No honourable member, irrespective of his political party, would gainsay the paucity of that amount. In 1974–75, the year in which the Commonwealth grant to the States for local government was $21.35 million, total income tax revenue was $13,900 million. In 1975–76, when the local government allocation by the Commonwealth was $29.2 million, total revenue from personal income tax was $16,700 million. The next year, 1976–77, when the local government grant was $51.28 million, the Commonwealth collected $19,500 million in personal income tax, and the estimate for 1977–78, a year in which the States will be given a measly $165 million, is that the Commonwealth will collect $22,170 million in personal income tax.

In view of the responsibilities borne by local government and the pressures to which it is subjected, we are talking about dividing up a mere pittance, despite the immediate importance of the sum to shires and municipalities. Local government is concerned with such matters as the construction and maintenance of roads, footpaths, kerbing and guttering; the control of buildings and land subdivisions; health services; garbage and nightsoil disposal; recreation facilities of a local character; local planning; rest, cultural and youth centres; municipal libraries; tree planting; tourist facilities; social services at local government level; local development; and the maintenance and repair of plant and machinery. It is concerned also with a number of other responsibilities shared with ad *hoc* authorities and State departments. What we ought to be pioneering in this Parliament, irrespective of our political viewpoint, is action to urge the Commonwealth to make a tremendous increase in its allocation to the States for local government in recognition of the fact that only a small part of the amount collected in income tax is being spent in the towns and villages throughout the State in which our people live. There must be recognition of the growth that has occurred in the demand for local government services.

It is interesting to note that the late President Kennedy of the United States of America appointed a commission to inquire into likely future demands for recreation space in the light of growing wealth and an expanding population. The commission found that the demand for recreation space would treble by the year 2000. This reflected the uses likely to be made of higher incomes in a society with more leisure—itself a product of growth. In Britain, similar inquiries had suggested that though the population might grow by only 50 per cent, the demand for recreation space, including making up for previous inadequacies, would similarly increase by 300 per cent. That applies to a whole range of services, and it is particularly true of welfare services.

Anyone who has been associated with local government will acknowledge that. Yet here in Australia the Commonwealth is making available to local government only **1.52** per cent of the amount collected in personal income taxation. I strongly disagree with the Local Government Association and the Shires Association in pressing for an increase to a mere **2** per cent. There is no doubt in my mind that the minimum should be 5 per cent.

On the question of the appointment of members of the grants commission I find myself with divided loyalties. As a member of the Shires Association I agree with the Opposition speakers in this debate that the proposal in the bill would appear to be a slur on that organization, in that it will not be given direct representation. But how does one make use of the expert knowledge of persons like the Hon. Leo Connellan, for example? I should be most interested to hear his views on the point. He would probably be big enough to say, "Even though I was a member of the grants commission, even though I was its chairman, and even though I was president of the Shires Association, I shall defer to somebody who is now a representative of that body". But his abilities should not be lost. I am thinking of men like Mr Morse and Mr Gosling. In the interim we shall lose the services of men like Mr Black, a person for whom I have come to have a great deal of time. I met him only recently at Armidale at a local government conference on welfare services. He is no longer in local government. How does one make use of his expert knowledge? So one must decide whether the party political game is the primary consideration, and whether the position will change according to the political views of those in control of the Local Government Association and the Shires Association.

Which is worse—to say that because the members of the Local Government Association and the Shires Association are elected by a large number of councillors, each of those bodies should be represented automatically on the grants commission, or that they should be represented only if they happen to agree with the Government's political viewpoint? I have no doubt that if the Local Government Association and the Shires Association reflect a different political viewpoint from that held by the government of the day, the legislation would be amended accordingly. Or is it better to give the Minister for Local Government freedom to appoint persons to the commission? Obviously the Minister would lean according to his political bias, but he will have an important freedom in accordance with the provisions of the bill, and that is to be able to appoint persons to the grants commission who have vast experience in local government but are not now associated with or active in this sphere.

Mr Freudenstein: Will the honourable member for South Coast be supporting schedule **1?**

Mr HATTON: At this stage I intend to support schedule **1,** which will give the Minister for Local Government power to choose members of the grants commission, but I admit freely that I am in a quandary about it. I served on the Shires Association of New South Wales, and I believe that the association should have representation on the commission. I weigh against that the arguments I have put forward.

Mr Freudenstein: The honourable member will be supporting denigration of local government.

Mr HATTON: I am pleased that the honourable member for Young has raised the matter of denigration of local government. Nothing denigrates local government more than people who for party political reasons constantly jump up and down and say that every action of a particular government denigrates local government. Denigrating any arm of government is done simply by restricting the financial capacity of its administration. That is exactly what was done prior to the Whitlam era.

Following along the line of my previous argument, I point out that the fact that only 1.52 per cent of income tax revenue is allotted to local government is an indictment of the attitude of the Commonwealth Government and an indication of its lack of recognition of the importance of the third tier of government. The Opposition cannot have it both ways. It cannot be said that councils should have more power and more representation unless they are given greater access to finance and more responsibility. One cannot say, as has been said here tonight, that councils should not be given power to alienate reserves lest that create grave dangers. I do not believe this measure denigrates the role of local government.

Mr JENSEN (Munmorah), Minister for Local Government [8.41], in reply: In some respects this has been a most illuminating debate but in other respects it has been disappointing. It is most disappointing to hear honourable members opposite talk about the denigration of local government as if its denigration or enhancement depended on whether or not the nominees of the Local Government Association in 1978 should serve as members of the Local Government Grants Commission, or whether the nominees of the Local Government Association of 1974, appointed by the former Government on the recommendation of the Local Government Association, should continue to serve. That is the measure of the intellect of honourable members opposite. I have asked the Parliament to agree that those members of the Local Government Grants Commission appointed on the recommendation of the Local Government Association in 1974 by the Liberal–Country party coalition Government should continue in office until 1st January, 1979, to carry on the job that they have done with great competence since their appointment. However, the intellectual giants speaking on behalf of the Opposition say that what this Government proposes to do is something that amounts to jobs for the boys and appointing to the Local Government Grants Commission those whom the Local Government Association would not wish to appoint.

What I have clearly put to the Parliament is that the Government proposes through this measure that those members of the Local Government Grants Commission appointed by the former Government should continue in office until the term for which they were appointed has expired. Yet the Opposition says that this Government is intent on denigrating local government. Have honourable members opposite asked themselves who moved at the constitutional convention in Hobart for the recognition of local government in the federal and State consitutions? Who was it local government unanimously asked to move the motion? It was me. I was that man. Yet honourable members opposite denigrate me because what I am attempting to do is reappoint the persons whom they appointed to serve on the Local Government Grants Commission.

The spokesmen for the Opposition have the temerity and hide to say that because I want to do that I am in favour of jobs for the boys. They say that because I want to do that I do not appreciate what has been done by the members of the Local Government Grants Commission whom they appointed in 1974. Have honourable members opposite asked themselves who wants to reappoint those people? Again, it is me. Honourable members opposite are the ones who want to go to the Local Government Association and say: "Do you want Mr Connellan reappointed? If you do not want him reappointed we do not want the Minister to be in a position to be able to do it." Certainly Mr Gosling could not be reappointed under this trumped-up argument advanced by the Opposition for its completely spurious and ignoble motive. Mr Gosling could not be nominated by the Local Government Association for he is no longer a serving officer in local government. Nevertheless, he has done a formidable job as a member of the commission.

I ask honourable members opposite to give me details of any occasion on which the Local Government Association has nominated someone who was not a serving officer to represent an affiliated organization. If they do so I shall give some credence to their argument. Of course, they cannot do so; it has never happened. The argument put forward by the Opposition is completely phoney and fallacious. The bill is an indication of the measure of esteem in which this Labor Government holds local government. In recent times no other measure has given local government more real authority and real power than the Local Government (Rating) Bill which the Opposition saw fit to criticize. That measure gave local government a real extension of power by enabling authorities to rate differentially between commercial, industrial and other uses. It is a great power and one that the Opposition parties would never have extended to local government. So far councils have not shown much inclination to use this privilege. Nevertheless, it is a real power and a real authority. Governments that give local government authorities power of that sort are not denigrating local government.

The Opposition parties are not advancing local government. They are merely endeavouring to advance the Local Government Association. They act as though the association were, in fact, local government. Are local government bodies in New South Wales required to be members of the Local Government Association? Certainly not. Many local government authorities have decided not to join the association. Are those authorities to be denied by the Opposition parties the opportunity of representation? Why should any government, including one of the present Opposition parties, be limited to considering as suitable for appointment to the local Government Grants Commission or any other body only those persons whom the Local Government Association or its executive sees fit to nominate? There were nine years in the history of this State when some of the most competent people in local government were not members of the Local Government Association. They could not have been nominated for appointment to any kind of commission or inquiry set up in this State if the qualifications required for appointment were to include nomination by the Local Government Association.

The Opposition's arguments with respect to these matters have been most disappointing. The Opposition did not seize the opportunity it had to examine closely the provisions of this measure. There has been no real criticism of the Government's intention, which is to make it possible for members of the existing grants commission, whom the Opposition so speciously praised, to continue to perform the sort of role that the coalition Government appointed them to do. Did honourable members opposite listen to my second-reading speech? Did they pay heed to what I said? Did what I said seep into their minds at all? Have honourable members opposite any awareness at all of what is proposed in the measure?

I gave to the honourable member for Upper Hunter a copy of my second-reading speech not two, three, four or five days ago, but six, seven or eight days ago. When I was spokesman for the Opposition nobody from the former coalition Government ever extended that sort to courtesy to me. Nobody ever handed me in advance a copy of a speech so that I might have a better understanding of the matter. I believe members of the Opposition should have every opportunity to have complete and full understanding of measures that come before the House.

This is not a party political bill. It is a measure designed to ensure that the Local Government Grants Commission continues to give advice—and it can give only advice—to the Government. The honourable member for The Hills advanced some horrible, offensive and obnoxious propositions when he spoke about an allocation to the people of New South Wales on a **per capita** basis. Such an allocation would not be tolerated by the present grants commission. In fact, it would not be tolerated by any

grants commission in Australia, with the exception of the commission in Western Australia. In that State the commission wants to continue to deny country areas the opportunity of participating in these grants. How can members of the Country Party sit there and listen to the honourable member for The Hills with all his drivel and nonsense? When speaking for the Opposition parties he said that country areas of New South Wales should get loaded allocations by the present grants commission. I know why the honourable member for The Hills does not want the present grants commission to continue: it is distributing fairly equitably money to all parts of this State.

Mr Caterson: It is limited.

Mr JENSEN: It is not limited in any way. The proposals put up by the Prime Minister and the Premiers were to the effect that a minimum of 30 per cent of the funds available for distribution should be distributed on a ***per capita*** basis. That means that in New South Wales one third of the funds would be distributed on a ***per capita*** basis, the other two-thirds being distributed on a needs and equalization basis. In this way, deprived and underprivileged areas in the State—and most of them are in the country areas—get a ***per capita*** distribution that is significantly greater than that received by some urban areas. That is what the grants commission has done and that is why the honourable member for The Hills does not want to see its present membership continue. He wants to see these deprived areas of the State denied the sort of distribution they are getting at present.

The honourable member for The Hills ought to be ashamed of himself and the members of the Country Party should move even further away from him. Their view and interests do not coincide with the view that he has indicated. I am expected to believe that because I introduce into this Parliament measures that advance local government and give it powers and opportunities long denied to it and because I am not willing to agree that the selection of members of the grants commission should be limited to the extent that representatives of the Local Government Association and the Shires Association want to limit it, the Government is denigrating local government. The honourable member for The Hills, who is attempting to interject, had his chance to speak but he made a mess of it. He put up arguments that denied his own colleagues.

I do not want my opinion to be regulated in any way by what any other honourable member may say. I am saying to the honourable member for The Hills—indeed to all honourable members—that I believe that those who have served on the Local Government Grants Commission, those members appointed by the former Government whose terms expire on 1st January, 1979, should be allowed to continue to serve on the commission for that period. They should be allowed to give the sort of acceptable advice that they have given to me as Minister. It is obvious they did not give any advice to Ministers in the previous Government: at that time the grants commission was not operating under a system of federal grants. I am asking the Parliament to agree that those people should be allowed to continue to be members of the grants commission.

I do not know whether the Local Government Association would nominate the same people again; I do not think it would do so. One of those members is qualified under the terms of the federal legislation to which this Government is bound to conform. Under that federal legislation members of the grants commission need only be persons who have served in local government; they do not have to be officers who are at present serving in local government. Despite all its bleatings, inventions and distortions, the Opposition has advanced no valid arguments. The fact is that this measure is such that even the ranks of Tuscany could scarce forbear to cheer it. The Opposition can find little wrong with the bill, except that honourable members opposite

do not like what the Government proposes in respect of the Local Government Association. If the Government had wanted to adopt a policy of jobs for the boys, it would have done what the former Government did when it appointed the members of the grants commission. The honourable member for Sturt mentioned Eric Thomas, so I will say something about him in a moment.

Mr Fischer: I never said appointed——

Mr JENSEN: What happened was that those people who were appointed to the Local Government Grants Commission by the former Government had the singular qualification of not having any association, distant or otherwise, with anybody connected with the Australian Labor Party for the past thirty or forty years. Indeed, most of them would not have had any such connection in the past one hundred years. Mr Gosling was a son of a former Chief Secretary of New South Wales, a distinguished man and eminent Labor supporter. I am conscious of the significant contribution that Mark Gosling made to the worthwhile history of this State, but his son did not have any association with the Labor Party and he has never been identified with the Labor Party in any way. This is one of the qualifications that a person had to have if he wanted to get on to any committee when the former Government was in office.

I repeat—because it takes a lot of repetition to sink into the consciousness of honourable members opposite—that all the Government proposes under the terms of the bill is ensure that the present members of the Local Government Grants Commission, which acts as an advisory body to the Minister for Local Government of the day with respect to the allocation of Commonwealth funds in conformity with the requirements of the Commonwealth Act, should continue in office until 1st January, 1979. So much for the unworthy arguments advanced by the Opposition in regard to this aspect of the bill.

The honourable member for Lismore made some worthwhile comments about the Northern Rivers College of Advanced Education. Contributions of this kind justify Oppositions. They are analytical observations that help the Government in the preparation of bills. I hope the day will come again that came to me when I was the shadow minister for local government—a period of about nine years. On one occasion in this Chamber I moved twenty-two amendments to a bill under consideration and the government of the day accepted them all. Perhaps the officers in my department and other departments are men of higher skills than their predecessors. I am appreciative of some of the observations that have been made by honourable members who have applied themselves to the real issues in the bill, rather than try to take petty party political advantage from it.

When the bill was at the drafting stage the Government hoped that the Parliamentary Counsel would have been able to ensure that organizations such as colleges of advanced education could be covered by its provisions. Though they are not covered, that was the Government's intention and hope, and indeed, its philosophy. That was the Government's attitude towards this subject generally. I give the honourable member for Lismore an undertaking that the particulars of the special case at Lismore will be examined to see whether what he proposes is possible. The Government will certainly be looking in future amendments of the Local Government Act to ensure that institutions such as the one to which the honourable member for Lismore has referred are covered. Such institutions are not covered in the bill because the Parliamentary Counsel was unable to give the Government the means of doing so in the time available. The point raised by the honourable member is important and well taken. It is one that the Government will be delighted to accept if it is possible to do so in the circumstances.

The honourable member for Upper Hunter raised a number of matters with respect to the definition of person, as that term is used in the bill. He has been courteous enough to let me have the amendments he proposes to move in Committee. On the proposed amendments relating to items (1), (2) and (3) of schedule 1, which relate to nominees of the Local Government Association, I have made the Government's position clear.

A person, as defined in section 21 of the Interpretation Act of 1897, includes a body corporate. All licensed clubs are required by the Liquor Act to be incorporated. They, and all other corporate bodies, are covered by the definition of person. I suggest, with respect, that the honourable member for Upper Hunter look again at his fourth and fifth amendments. An unincorporated association cannot be the holder of a lease or licence of any kind. Those organizations can hold licences or leases only through trustees. Trustees are persons within the terms of the Act. The suggestion by the honourable member for Upper Hunter would be constructive if it were relevant but I am advised by departmental officers that his concern is not appropriate. The verbiage of the bill covers the situation that he outlined.

It seems to me that members of the Opposition generally support the bill. They support the continuation of the grants commission. The things to which they object, for the reasons they have advanced, relate to the fact that the Government, consistent with the provisions in the federal bill, has decided that it will not include in this legislation the requirement that those who will serve on the grants commission must be nominees of the Local Government Association of New South Wales or the Shires Association of New South Wales. I assure the House that the Government has no intention other than to use the provisions of the bill to ensure that those members of the Local Government Grants Commission who have advised the Government effectively for two years will be allowed to continue discharging their responsibilities until their terms of office expire on 1st January, 1979. The Opposition has the assurance that those members will remain there until then.

I am confident that we shall be returned to government. If the Opposition is confident that it will be elected, it should not worry about this aspect, for its members would then be making the next appointments. Bear this in mind: the Local Government Grants Commission can allocate only the money made available to it by the Commonwealth Government as a result of the initiatives taken by the Whitlam Government. I give credit to the Fraser Government for its continuation of the Whitlam-initiated policy. But, let it be clearly understood that no action in the history of the nation has contributed more to the advancement of local government than that of the former Prime Minister of Australia, Gough Whitlam, in introducing the legislation that initiated the concept of the allocation of federal funds for local government.

I say that advisedly and as distinct from saying that the Labor Party did it. The Labor Party had no more enthusiasm for this concept than did the Country Party or the Liberal Party. The man who was dominant in Australian politics at that time —Gough Whitlam—believed that the best way to overcome inequalities and make society more egalitarian was to make sums of money available to local government. In terms of percentage of income the sums of money that he made available to local government for unregulated expenditure were less than those being made available by the present federal Government, but the sums that he made available for worthwhile developmental community purposes was much greater.

Mr Fischer: What about the funds he took away from classified rural roads?

Mr JENSEN: It is impossible to deny what I have said about the sums that he made available. I spent years as an advocate of local government needs. On behalf of the lord mayors of Australia and local government, I talked to Bob Menzies

in a vain endeavour to get some recognition of the unsatisfied needs of local government. I spoke also to Bert Evatt, that great Australian, whom I held in high esteem. I spoke also to Arthur Calwell. They are three men who gave great leadership in the affairs of this nation, but not one of them gave a sympathetic response to the needs of local government. The only one who was sympathetic—not because of my pleading or that of anyone else, but because of his own conviction—was Gough Whitlam. The fact that the Fraser Government has emulated Gough Whitlam by acceptance of the desirability of that action is commendable. I give it the accolade. I give the Fraser Government credit for that. Do not let anyone say credit has not been given by me.

I give credit to the Fraser Government for its acknowledgment of the need for the increase from **1.52** per cent to **2** per cent. **I** agree with the honourable member for South Coast that the total funds made available from federal sources for local government purposes is less than it should be. My advocacy is not for 2 per cent of income tax but for a larger percentage of the total taxation income of Australia. Never in any circumstances would I agree with the miserable concept of the honourable member for The Hills who said that the funds should be distributed on a ***per capita*** basis.

Mr Caterson: I did not say that,

Mr JENSEN: The honourable member for The Hills is an advocate of per ***capita*** distribution. That completely ignores those parts of the State with unsatisfied needs. The Whitlam concept—the Labor Party's concept—is that there should be an equalization of distributed funds having regard to an expert examination of needs. That is what the Local Government Grants Commission is charged with—conducting an investigation and advising objectively how the unsatisfied needs and inequalities in these communities can be satisfied by the allocation of funds. I believe that the Local Government Grants Commission has done that task admirably. For those reasons I commend the measure to the House. The best way of guaranteeing a continuation of the worthwhile activity is to ensure that those who have been instrumental in achieving a measure of success so far should be allowed to continue with the worthwhile work they are doing—at least until 1st January, **1979.**

Motion agreed to.

Bill read a second time.

In Committee

Schedule 1

Page 5

5 (b) Section 218A (2) (b) (iii), (iv)—

Omit the **subparagraphs,** insert instead :—

(iii) two members nominated by the Minister, each of whom **is,** when appointed, or has, at any **time** before his appointment, been, associated with **local** government in New **South** Wales, whether as a member of a council or otherwise.

Mr FISHER (Upper Hunter) [9.9]: I do not propose to occupy much time on **this** matter. I have circulated an amendment that I propose to move in respect of schedule 1. The matter was dealt with at some length in the earlier stages. **The Opposition** has pointed out its objection—it still maintains the objection despite the

explanation of the Minister—to his omission of representation of the Local Government Association of New South Wales and the Shires Association of New South Wales on the grants commission. It is the Opposition's view that members of the grants commission should fairly and equitably distribute the funds made available by the Commonwealth to local government. The Opposition has never been interested in whether the appointments to the commission are of a particular political nature.

Mr Gordon: You could have kidded me,

Mr FISHER: I ask the Minister for Conservation and Minister for Water Resources to look objectively at the appointments made by the former Government. If the Minister has anything to indicate that Mr Gosling and other commission members have political affiliations it is not known to me. I do not consider that the present commission members were political appointments. I am concerned, as are all Opposition members and I hope all Government supporters, that there will be a fair and equitable distribution of funds for local government bodies throughout New South Wales. The Minister for Local Government has given an assurance that members of the grants commission will continue to serve their terms of office. The magnanimity of the Minister can be gauged from the fact that their present term will cease in less than twelve months' time. He knows as well as I know that after that time he will appoint three of the four members to the commission. I am concerned only that of those four there should be a representative of either the Shires Association or the Local Government Association. The only assurance the Minister has given to the House is that he will consult the associations—nothing more or less than that. The associations, which represent local government bodies throughout New South Wales, deserve more than that. For these reasons, I move:

That at page 5, all words on lines 5 to 12 be left out.

Mr CATERSON (The Hills) [9.13]: I rise only to comment on the intemperate and vague remarks of the Minister, particularly those relating to appointments to the Local Government Grants Commission after 1st January, 1979. The Minister had a lot to say about retaining the members of the commission until that date. However, he was silent about appointments after that date. He might be able to hoodwink members of his own party but he cannot hoodwink the Opposition. He knows as well as I that after that time he will make appointments with a political bias.

The Minister made the interesting statement that there may be some councils which may not be at some particular stage members of the Local Government Association or of the Shires Association and he asked whether they should be deprived of the opportunity of having a representative on the Local Government Grants Commission. I ask the Committee to relate that statement to appointments made to represent trade unions. Would the Minister agree to a non-trade unionist being spokesman for a trade union? The Minister knows as well as I that that would be beyond the realms of possibility. The Minister has offered a lame excuse and used the bill to take away from the Local Government Association and the Shires Association, which he did not consult, the opportunity to nominate a panel of members from which he could select a member to serve on the grants commission. Those associations represent almost all municipalities and shires in New South Wales. They have opportunities to put forward their views in conference and through their executive members. In the same way as the Labor Party would insist that a unionist represent a trade union, so too should the Local Government Association and the Shires Association be afforded the opportunity of placing before the Minister a panel of names from which he may choose one of the members of the Grants Commission to represent those associations.

Although the Minister has said that he wishes to continue the present commission membership until 1st January, 1979, he is silent about what will happen after then. The bill presents the Minister with an opportunity to disregard any views of those

associations and to make his own appointments. In his second-reading speech the Minister said that it may be expected that the Minister will consult those organizations. As I suggested earlier, those expectations may not be realized. Further, the present Minister will not always be Minister for Local Government; there may be changes, particularly when there is a change of government. I ask the Minister to agree to the Opposition's contentions.

Question—That the words stand—put.

The Committee divided.

Ayes, 47

Mr Akister	Mr Gordon	Mr Paciullo
Mr Bannon	Mr Haigh	Mr Petersen
Mr Barnier	Mr Hatton	Mr Quinn
Mr Bedford	Mr Hills	Mr Ramsay
Mr Booth	Mr Hunter	Mr Renshaw
Mr Brereton	Mr Jackson	Mr Rogan
Mr Cleary	Mr Jensen	Mr Ryan
Mr R. J. Clough	Mr Johnstone	Mr Sheahan
Mr Cox	Mr Jones	Mr Wade
Mr Crabtree	Mr Kearns	Mr F. J. Walker
Mr Degen	Mr L. B. Kelly	Mr Whelan
Mr Durick	Mr McGowan	Mr Wilde
Mr Einfeld	Mr Maher	Mr Wran
Mr Face	Mr Mallam	*Tellers,*
Mr Ferguson	Mr Mulock	Mr Johnson
Mr Flaherty	Mr O'Connell	Mr Keane

Noes, 45

Mr Arblaster	Mr Healey	Mr Punch
Mr Barraclough	Mr Jackett	Mr Rofe
Mr Boyd	Mr Leitch	Mr Rozzoli
Mr Brewer	Mr Lewis	Mr Schipp
Mr Brown	Mr McDonald	Mr Singleton
Mr Bruxner	Mr Mackie	Mr Taylor
Mr Cameron	Mr Maddison	Mr Viney
Mr Caterson	Mr Mason	Mr N. D. Walker
Mr J. A. Clough	Mrs Meillon	Mr Webster
Mr Coleman	Mr Moore	Mr West
Mr Cowan	Mr Morris	Mr Wotton
Mr Dowd	Mr Murray	
Mr Duncan	Mr Mutton	
Mr Fisher	Mr Osborne	*Tellers,*
Mr Freudenstein	Mr Park	Mr Doyle
Mr Griffith	Mr Pickard	Mr Fischer

Pairs

Mr Day	Sir Eric Willis
Mr Neilly	Mr Darby
Mr Stewart	Mr McGinty

Question so resolved in the affirmative.

Amendment negatived.

Mr HATTON (South Coast) [9.26]: I refer to another item of schedule 1 which relates to the revenue sharing fund. Proposed new section 218L provides:

> (1) There shall be constituted an account in the Special Deposits Account in the Treasury to be called the "Local Government Revenue Sharing Fund" which in this Division is referred to as the "Revenue Sharing Fund".
>
> (2) The Treasurer shall pay into the Revenu Sharing Fund all amounts paid to the State under the Commonwealth Act.

Proposed new section 218M (1) provides:

> The Minister shall, in respect of the year ending on 30th June, 1979, and each subsequent year ending on 30th June, make a determination—
>
> (a) for the allocation of not less than the percentage referred to in section 6 (2) (a) of the Commonwealth Act of the annual share of revenue for the year in respect of which the determination is made among councils on a population basis, that is to say, on a basis that takes in to account the respective populations of the areas of those councils and may take into account the respective sizes, and the respective population densities of the areas of those councils and any other matters agreed upon between the Prime Minister of Australia and the Premier as being relevant for the purposes of that allocation; and
>
> (b) for the allocation of the remainder of the annual share of revenue for the year in respect of which the determination is made among councils on a general equalisation basis, that is to say, on a basis that has the object of ensuring, so far as is practicable, that each council is able to function, by reasonable effort, at a standard not appreciably below the standards of other councils in the State, being a basis that takes account of differences in the capacities of those councils to raise revenue and differences in the amounts required to be expended by those councils in the performance of their functions.

That provision is vital to the bill. There is an anomaly as between the policies of State and federal governments. Large amounts of State money have been provided to stimulate growth centres such as Bathurst–Orange and both State and federal money has been provided for the Albury–Wodonga complex. The idea is to stimulate growth in areas that would not normally grow at such a rapid rate. The allocations to the States of untied grants fail to give adequate recognition to problems in areas that already have a large growth rate. Assistance is needed in matters such as roads and the peak loading of water on sewerage supplies, and in shires where there are large areas of national parks, which are in fact national assets and therefore should be nationally funded and nationally recognized. There is tremendous pressure on parks and reserves. Boat ramps, marinas, nature trails, fire protection, picnic and sporting facilities are needed, over and above the needs of the permanent population. Ranger services against vandalism and clean up services must be provided. Section 218M refers particularly to amounts to be expended by those councils in the performance of their functions, and any other matters agreed upon. I believe that the Minister should take into account the special problems that are experienced in areas of high growth rate, for example, in the townships of Bermagui, Vincentia, Huskisson and Bateman's Bay where there were severe water supply difficulties. In the areas of Milton and Ulladulla and in fact all the shires of Imlay, Eurobodalla, Shoalhaven and Mumbulla

there are now considerable problems in local government financing caused by their rate of growth. This should be resognized as a definite factor of a greater share of revenue from the Grants Commission.

Where there are special influences such as relationship to the Australian Capital Territory and growth pressures caused by that relationship, and where national parks belong to the nation, I believe those matters require special consideration by the Prime Minister. This is especially so in respect of shires that have in excess of **50** per cent of their area taken up by unrateable Crown land. I put that case forward very forcibly. I believe that to correct the anomaly under this section the New South Wales Government, together with other state governments, should press the Commonwealth for special recognition of the problems in areas with high growth rates. The Greater Shoalhaven water extension scheme will cost **$24** million and according to the old schedule it is due for funding this year. I understand that the review by the Department of Public Works takes growth pressures into account. But I cannot see that the State Government can find **$12** million or that the council can find its $12 million and without this work there could be a disaster.

Mr JENSEN (Munmorah), Minister for Local Government [9.32]: The honourable member for South Coast has raised a number of matters of major importance. The Commonwealth Grants Commission under the chairmanship of former Justice Else-Mitchell has travelled round Australia and conducted examinations in an endeavour to determine formulae that would enable the Commonwealth Grants Commission to decide the best means of distributing Commonwealth funds for the purpose of equalizing amenities and facilities in the local government areas of Austarlia and to determine practices that would make for the raising of desirable standards in the deprived areas of Australia. To take cognizance of the factors referred to by the honourable member for South Coast is indeed a difficult exercise. One of the reasons why I have high admiration for the members of the Local Government Grants Commission in New South Wales is that they have taken up the information garnered as a consequence of the Australia-wide investigations by the Commonwealth Grants Commission under former Justice Else-Mitchell and endeavoured to apply practices that would have as a consequence the equalizing of facilities between advanced and deprived communities in this State. That is one of the reasons why I find myself fiercely opposed to the ***per capita*** distribution of funds.

I favour the arrangement that obtained prior to the advent of the present Government in Canberra when the task of the grants commission was to determine which communities had the greatest unsatisfied need, taking into consideration all the factors to which the honourable member for South Coast has referred. But it was the decision of the present Government in Canberra that at least **30** per cent of the moneys to be distributed should be allocated on a ***per capita:*** basis so that those areas that had no needs that they could demonstrate would get some money and those areas that had great unsatisfied needs would get less of the available funds because at least **30** per cent would go to areas that could not demonstrate a need at all. But the basic principles enunciated that justify paragraph (b) of new section 218M (1) have my unqualified support. The existing ***per capita*** distribution of funds mitigates against the effective disbursement of available funds.

Schedule agreed to.

Schedule **3**

Mr FISHER (Upper Hunter) [9.36]: In the Minister's reply to the second-reading debate he intimated that the amendments I had proposed to move to this schedule were covered by the Interpretations Act. I accept the Minister's explanation and consequently I shall not pursue my intention to move the amendments.

Schedule agreed to.

Adoption of Report

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

CRITICISM OF LEADER OF THE OPPOSITION

Personal Explanation

Mr Coleman: I seek the indulgence of the House to make a personal explanation. Today the Hon. D. Dunstan, the Premier of South Australia, issued a press statement stating that I, in association with a company director and an ASIO officer, approached a Sydney journalist to publish a magazine to discredit leftwingers on the basis of ASIO material. In the House of Assembly Mr Dunstan alleged also that scurrilous personal details in Special Branch files passed to ASIO and ultimately to me. These allegations are false and they are infamous. The facts are as follows. As Editor of the ***Bulletin*** I met some ASIO officers, as did other editors and journalists, and saw some ASIO material of an entirely non-secret nature, such as collections of newspaper clippings and semi-academic analyses of current ideologies—some dozens of which Mr Whitlam, as Prime Minister, made public.

I examined this material as any journalist or editor would. I have never seen or sought to see anything of a secret nature, let alone of a personal nature. I have never seen or sought to see anything that can be called a file or a dossier in the usual meaning of those words as used in these controversies. I have never in my parliamentary or journalistic career drawn on any material that is secret or personal. On the other hand, I have published my views on how ASIO should be reformed so as to protect the rights of individuals, and my ideas in this respect are echoed in the excellent Royal commission report on ASIO by Mr Justice Hope. Further, as a foundation member of the Privacy Committee of New South Wales, I helped draft the legislation under which it operates to protect the privacy of citizens of this State, and under which it is now conducting its inquiries into the New South Wales Police Special Branch—an inquiry I fully support and was foreshadowed when I was on the Privacy Committee.

Some years ago an acquaintance informed me that he was considering publishing a magazine which would draw on, among other sources, the sort of non-secret ASIO material I have mentioned. He invited me to assist him and he showed me some material he had in mind. I refused to be involved, and was in no way involved in further discussions. A Sydney journalist, however, expressed great enthusiasm for the proposal, and spent some weeks planning the publication. He was, it later became clear, in fact engaged in collecting material for a newspaper attack on ASIO, which appeared in due course and naturally he used my name for whatever reason. I repeat, I was in no way involved and indeed the publication did not appear.

I state these facts to the House only because the Premier of South Australia has seen fit to make these allegations—and to make them, need I say, without checking with me. I thank the House.

[Interruption]

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

CONSTITUTION AND PARLIAMENTARY ELECTORATES AND ELECTIONS (AMENDMENT) BILL

Message

Mr SPEAKER: I have to report the following message from the Legislative Council.

[Interruption]

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

I have to report the following message from the Legislative Council:

Mr Speaker—

The Legislative Council has this day adopted the Report and attached agreement on its behalf of the Free Conference in reference to the Constitution and Parliamentary Electorates and Elections (Amendment) Bill and has granted leave for its managers to meet again with managers for the Legislative Assembly.

Legislative Council Chamber,
Sydney, 7 *February,* 1978.

HARRY BUDD,
President.

MUNICIPAL COUNCIL OF SYDNEY ELECTRIC LIGHTING (AMENDMENT) BILL

Second Reading

Mr JENSEN (Munmorah), Minister for Local Government [9.42]: I move:

That this bill be now read a second time.

The bill is cognate with the Local Government (Amendment) Bill, 1978, and is the measure to which I referred in my second-reading speech on that bill. The bill seeks to remove from section 32 of the Municipal Council of Sydney Electric Lighting Act, 1896, which applies to the Sydney County Council, the limit of $200 that may be awarded by a magistrate as the cost of repairing damage to electrical installations. The proposed amendment is consistent with that made to section 512D of the Local Government Act. Henceforth the assessment of damages will be left to be decided by the magistrate within his jurisdictional limit. I commend the bill to the House.

Mr FREUDENSTEIN (Young) [9.44]: As I intimated at the introductory stage, this bill, which is cognate with the Local Governmept (Amendment) Bill that has just passed through the House, will receive the support of the Opposition. The measure will effect amendments to the principal Act, which was originally placed on the statute book in 1896. The principal Act provides for a maximum penalty of $200 for people who cause damage to certain electricity works used to supply electricity. That is an absurd penalty to impose these days an a person who purposely knocks down an electricity pole.

If I might mention something that is outside the order of leave, I believe that in the future some recognition should be given to damage caused to private property by power lines and by the electricity county councils. I believe that that should be the next move. In my electorate recently it was suggested that the consumers of electricity might be responsible for the payment of $3 million in respect of a fire that was caused by a short circuit of the county council's wires. It would be dangerous for consumers of electricity in a certain area to be loaded with the cost of such damage. As the

Government has refused to help the local county council, I thought I would invite attention to the matter. I thank you, Mr Speaker, for your tolerance while I was mentioning something that was outside the order of leave. The Opposition supports the bill.

Motion agreed to.

Bill read a second time.

Third Reading

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

YANCO WEIR RECONSTRUCTION BILL

Second Reading

Mr GORDON (Murrumbidgee), Minister for Conservation and Minister for Water Resources [9.46]: I move:

That this bill be now read a second time.

The purpose of the bill is to authorize the reconstruction of Yanco Weir, which is situated on the Murrumbidgee River approximately 15 kilometres northwest of Narrandera. The weir allows diversions of flow to be made to supply the Yanco Creek system which includes the Yanco, Colombo, Billabong and Forest creeks, which traverse a distance of 1000 kilometres. Irrigation in the Yanco Creek system is restricted by the uncertainty of stream flows caused by difficulties in operating Yanco Weir, which is fifty years old and was not designed to allow rapid manipulation or to sustain the diversion flows necessary to support any significant increase in irrigation. At present 140 licences authorize a total of 2 500 hectares of irrigation in the creek system.

The reconstruction of the weir and the construction of associated works are estimated to cost approximately $2.1 million. When the work is complete it will be possible to raise the pool level in the Murrumbidgee River to increase the diversion capacity of the Yanco Creek svstem. Better control of flows will result and this will allow expansion of the present level of irrigation development in the creek system.

The proposal for the reconstruction of Yanco Weir forms part of a general plan to improve the management of water resources in the Yanco Creek system. Following investigations by the Water Resources Commission, it was announced that the diversion facilities of the Yanco Creek offtake would be reconstructed to allow increased development of irrigation in this system, subject to the surrender of certain rights by individuals so that irrigation efficiency might be achieved in the distribution of water. By rearranging stock supplies to effluent streams and modifying some of the licensed dams, it has been assessed that annually an additional 28 000 megalitres of the regulated flow presently committed will be made available for irrigation purposes. It is expected that this additional water will be quickly taken up by irrigators. The total system demaad annually on regulated flow of the Murrumbidgee River will increase from 140 000 megalitres to 170 000 megalitres following the introduction of assured supplies for irrigation to the system.

The economic feasibility of the plan has been assessed on the net value of increased rural production resulting from the use of this annual saving of 28 000 megalitres in irrigation, and comparing it with the cost of reconstructing the weir and providing the associated works. Benefits of irrigation were assessed on the basis that

initially the 28 000 megalitres of regulated flow will be available for irrigation throughout the Murrumbidgee Valley, and will be taken up progressively in the Yanco Creek system. Allowing for full utilization in the system over a 5-year period, the resulting benefits of irrigation of an aggregate crop mix of pastures, cereals and oil seeds more than outweigh the cost of the proposed works. The assessed benefit-cost ratio of the project is 1.6 at a 10 per cent discount rate, and the internal rate of return is 14 per cent.

The benefit-cost studies do not allow for the costs of major refurbishment of the present weir which would be necessary if reconstruction does not proceed, or for the operational advantages of the greater degree of control over diversions to the Yanco Creek system. The project is, therefore, more attractive than indicated by the assessment.

The works are to be carried out as an authorized work under the Public Works Act of 1912 and will comprise the reconstruction of the existing weir to form a fixed crested weir, the excavation of a cutting across the bend of the river on which the weir is located, the construction of a grated control structure in the cutting, the construction of a regulator in Yanco Creek near its offtake from the river, raising the level of an existing block bank, and the construction of minor levee banks. Other minor works include the construction of access roads to the works and the establishment of borrow areas for materials, and the carrying out of such work for the protection of the environment as is deemed necessary. The estimated cost of the scheduled works is $2.1 million and the bill provides that this sum shall not be exceeded by more than 10 per centum. The Water Resources Commission is to be the constructing authority and the bill will empower the commission to carry out the works and to undertake such contracts and to take any steps as it may consider necessary to complete the works.

An environmental study was made of the Yanco Weir reconstruction and the works have been arranged to minimize adverse impacts on the environment. Appropriate safeguards are incorporated in the proposal. One such safeguard includes the provision of a specially designed fishway to allow the free passage of migrating fish and to assist research on fish movements. The study clearly shows that the impact of the proposal will be low. There will be little or no impact on local communities and there will be some temporary improvements in employment and resulting incomes.

The reconstruction of Yanco Weir will greatly increase the irrigation potential of the Yanco Creek system which is limited by the inadequate diversion facilities of the weir. The weir itself is in need of major refurbishment. Although more than one hundred landholders will benefit directly from this work, the increase in demand on the regulated flows of the Murrumbidgee River has been considerably reduced because of measures to increase the efficiency of distribution of water in the system. All landholders have agreed to these measures as part of the plan for the management of the water resources of the Yanco Creek system. I commend the bill.

Mr COWAN (Oxley) [9.52]: As was said at the introductory stage, the members of the Opposition support the bill. We appreciate that it will sanction expenditure on the Yanco Weir. We appreciate also that for more than fifty years that weir has played an important part in the diversion of water into the Murrumbidgee River. The Minister for Conservation and Minister for Water Resources gave details of the cost of reconstruction of the weir, which I understand will take the form of a fixed crested weir. Considerable works will be associated with the reconstruction, including roadworks, levee banks and the like.

I was pleased to hear the Minister say that the environment will be properly cared for. We were told that there are about 140 licensees below the weir and that the proposed works will be important in the regulation of the Yanco Creek system.

Any work of this sort is welcomed by the Opposition parties. In our time in Government, and at all times in Opposition, we have continued to emphasize the need for additional water conservation works within the State, whether they be major dams, weirs, or underground supplies. That is important to the future of agriculture. Recently I was in the southwest of New South Wales and I can fully appreciate the Minister's concern about the Murrumbidgee area. His own electorate is closely involved in present problems. He wants to work with irrigators to conserve as much water as possible in the area. Members of the Opposition believe that the future of agriculture depends heavily on the ability of the Government to undertake the water conservation works that are necessary today to keep down primary-production costs.

There is a defeatist attitude abroad, expressed in the saying that the cost of producing food on the farm has become so great that it does not seem to be worth while for the State or the Commonwealth to embark on expensive water conservation schemes. I know that the Minister for Conservation and Minister for Water Resources strongly supports any conservation work that will assist the land owner and the irrigator, but history has shown that Labor governments are not always behind their conservation minister. In saying that I am not being critical of the Minister himself, for I know how keen he is to develop our water resources. I say simply that the history of Labor governments leads members of the Liberal and Country parties to ask the Minister to use his influence at all times to have drawn up a priority list of major water conservation schemes. In the time of the former Government, the Hon. Jack Beale, Minister for Conservation, undertook a survey of thirty river valleys in this State. He did this in order that a government programme for conservation could be evolved.

Today agriculture is suffering because of the effects of the Whitlam administration, when costs in Australia for the man on the land went up by 98 per cent. The farmer cannot now afford to plant a crop unless he has some assurance that it will be harvested. We are quickly reaching a point when farmers will look for and will be entitled to a supply of water for irrigation purposes. That is why I say the Minister must use his influence to have a programme drawn up. The agriculturalists of this State must know what the Government intends to do and in what period of time. The honourable member for Sturt and I had something to say at the introductory stage of the bill about the Lake Mejum scheme, which is important to the Minister's electorate. We are sure that the Minister will do what he can about that storage, but every time a scheme like it is announced, someone asks for an environment impact study to be made. Exactly the same thing happens in the timber industry, though I must not get on to that subject. Members of the Opposition are deeply concerned about the timber industry and forestry in New South Wales. We are even more concerned about water conservation.

The Water Resources Commission is an exceptionally efficient body of well-trained officers, always careful for the environment, but despite that fact, every time works are proposed and plans drawn for a water-storage project, somebody calls for an environment impact study. What is happening on the Colo River with respect to electricity works is typical of that. Members of the Opposition will certainly let the people of New South Wales know at the time of the next election what their programme of water conservation works will be. In our period in Government we undertook many such projects. We built Copeton Dam, for example. It is of considerable importance to the northwest of the State. We built Lostock Dam and Toonumbar Weir, in the Casino electorate. We started Windamere Dam. I know what the Minister will say about that. He will say that in our last year in government we made very little allocation to the Windamere Dam.

The allocation of funds for capital works from the Whitlam administration was so low that it is obvious that the Fraser administration, with a deficit of $4,000

million, was not able to pass on to the State loan moneys to enable the undertaking of this work. The Windamere Dam project suffered severely because of this. It was not until the honourable member for Dubbo, the honourable member for Burrendong, the honourable member for Bathurst and I went to the site of the Windamere Dam and saw what was necessary to be done that suddenly the Premier announced the Government's intention to spend $1.5 million to recommence work on the project. I should like to know when that work will be recommenced and when actual construction of the dam will start.

Mr SPEAKER: Order! I am most reluctant to interrupt the honourable member for Oxley but for some time he has not spoken to the bill before the House. He is debating the whole ambit of water conservation throughout New South Wales. I ask him to come back to the bill before the House.

Mr COWAN: I am sorry for diverging, Mr Speaker, but I am sure the House would appreciate my immense concern for the people on the land trying to make a living. Reconstruction of the Yanco Weir was started by the coalition Government. The honourable member for Young, who formerly held the portfolio, instituted the drawing-up of plans for this work. Full credit must go to the present Minister for continuing with the scheme. The Opposition is delighted that he has done so. The Yanco Weir will make an important contribution to the Murrumbidgee area.

The *Rice Mill News* of March, 1977, published in the Murrumbidgee area, reveals that the income to the area in 1976 was $67.5 million. Most of that income would not have been available without the water resources of the Murrumbidgee River. The Yanco Weir, Burrinjuck Dam, Blowering Dam and other associated weirs and waterworks in that area made possible this handsome income. Of the total income the rice industry brought in almost $16 million, wool contributed more than $1 million, livestock just on $6 million, eggs and poultry just on $6 million, wheat and oats $8.5 million and vegetables in excess of $6 million. This gives an indication of the importance of the Murrumbidgee area in the southern part of our State. It must be assured of an adequate supply of water.

The problems that now exist with regard to the Murray River system reveal than an insufficient amount of water is available to irrigators. Farm costs are continually increasing and farmers need an additional allocation of water in order that they may grow more crops and keep their production costs down. The Yanco Weir will help to alleviate the problem in the Murrumbidgee area. The Opposition strongly supports this bill, as it would any measure that would assist irrigators, and in particular, any proposal that would allow for greater storage of water along the waterways of this State.

Mrs MEILLON (Murray) [10.4]: I welcome the opportunity to support the Yanco Weir Reconstruction Bill on behalf of the Oppositon as well as my constituents in the Yanco Weir, Billabong Creek and Colombo Creek areas, many of whom will benefit from this work. I congratulate the officers of the Water Resources Commission who carried out the planning of the reconstruction. I am aware that those officers were just as frustrated as farmers in the area when in 1975 and 1976 work was delayed by severe floods. Through proper storage and use of water the horrors of drought can be practically abolished. I support any government or group of people that is willing to manage the available water resources in such a way as to provide a weapon to be used against future droughts.

In the present drought crisis in my electorate, in 1977 Burraboi had seven inches of rain, no more than half an inch in any one fall being reported. However, with good management of available irrigation water from the Murray River, crops have survived. In the Deniliquin district, dry area crops, which survived the drought, yielded 5 to 15 bushels an acre, and pre-irrigated wheat on well-managed irrigation blocks

produced from 70 to 80 bushels an acre. So we do have a weapon against drought, The Premier, on his recent visit to my electorate, was quick to appreciate the district's dependence on water. Farmers in the area were delighted when he assured them that he realized that in these times of crisis the Government must also be prepared to take chances, and release scarce water to save growing crops and keep stock alive. This promise to cut red tape and bring immediate relief to the area gave great hope to my constituents.

The convoy of trucks carrying grass clippings to Deniliquin last Sunday week was a heart-warming experience, when fifty vehicles carried 200 tons of grass clippings for stock in my area. Surely that is an exercise that will show the whole of the State that no government will suffer by helping the people in the bush. Provided that people in the city understand the need for assistance in times of crisis, they will respond as they did in this grass-clippings operation. We depend on each other. I should like to take this opportunity to ask the Minister for Conservation and Minister for Water Resources to visit Pooncarie, on the Darling, and let the landholders there show him the need for a weir that will better control the flow from Menindie and ensure a better supply of water for the town and the district. As the Yanco Weir Reconstruction Bill will bring new hope and greater productivity to the eastern portion of my electorate, so too could similar work at Pooncarie be another blow struck in the war by the people in the West against drought. I support the bill and any other legislation that will enable better storage and management of water, which is the only conqueror of drought.

Mr FISCHER (Sturt) [10.8]: In welcoming the second-reading debate on this bill, I wish to point out to the House the dimension of the project envisaged by it. Few honourable members would fully realize the significance of this project which is estimated to cost $2,100,000 and will benefit a large number of primary producers throughout a part of New South Wales that has been traditionally affected by drought. This bill will be of tremendous benefit to the shires of Narrandera, Murrumbidgee, Urana, Wakool, Jerilderie, Conargo and Windouran. A large number of primary producers in those shires will benefit directly by the Yanco Weir re-development, the augmentation associated with the weir and the additional water that will be able to flow from the Murrumbidgee River, down Yanco Creek, and down the Colombo Creek and Billabong Creek system and ultimately into the Edwards River. A traditionally drought-stricken section of the Riverina, a vital grain-producing area and an important livestock producing district will thus be serviced.

This scheme will provide a measure of security which has otherwise not been present in that part of the Riverina. This has been proven only too clearly by what has happened in the last two drought-stricken seasons. I wish to take this opportunity to pay tribute to a strong band of men who over the years have operated the trust which controlled the Yanco, Colombo and Billabong creeks system. The Yanco Weir has now become part of the responsibility of the Water Resources Commission and is under its direct jurisdiction. Some honourable members may not realize that this trust was responsible for the building of the weir and the arrangements which resulted in water being brought down that creek system. The foresight and effort of those people is still being carried on by people like Mr Hunter Landale, Mr Frank Coughlan and Mr Jeff Wright. They are but a few of the people who have put a lot of effort into maintaining this creek, which is vital to that part of the State. The work and foresight that went into this augmentation project won the support of the former coalition Government prior to the last election. The detailed planning ordered to be done by the honourable member for Young has resulted in the presentation of this bill. I congratulate the Minister and the commission on continuing with this project. At one time I was concerned that the Minister, who is the honourable member for Murrumbidgee, was having second thoughts about it.

Previously the Minister expressed the opinion that this project would unfairly take water away from the Murrumbidgee irrigation area and the rice growers. I am glad to see that the Minister has been big enough to realize that not all the water can be kept on one side of the river and that the scheme is intrinsically worth while for a large section of the primary producers in the Riverina. That is one of the reasons why he has brought the bill before the House tonight. On a minor, but interesting, note, I welcome the fact that a fish ladder is to be included in the Yanco Creek weir. The reconstructed Berembed Weir has a fish ladder in it. I believe that it is important to look after the marine life in the river system. Provision of fish ladders facilitates the breeding and movement of fish. Provision of the fish ladder might help anglers on the Murrumbidgee River whose lot has not been easy from time to time, particularly when trying to catch Murray cod.

In short, the project is extremely worth while. An expenditure of $2.1 million does not point to the project as minor or small. Every dollar spent will provide a benefit in economic terms to the State Treasury and primary producers in the area that will be served and who will pay taxes. The final point I should like to make is that augmentation of the Yanco Creek, Colombo Creek and Billabong Creek flow will mean yet another commitment of the scarce water resources of the Murrumbidgee valley. The Murrumbidgee River system is approaching a stage where all the storage for generation of water supplies for irrigation results in a total commitment of the resources with little room to manoeuvre, particularly if there are two dry seasons and the lakes and the Burrinjuck Dam do not fill to capacity before the beginning of each summer season. The Minister faces the challenge to take yet another step in relation to the Murrumbidgee valley.

Last weekend the Minister decided to express reservations and to prepare the public, I believe, for an announcement about the cancellation or total abandonment of the Lake Mejum project near Narrandera. I challenge him to declare once and for all where he stands on that project—to say whether he will abandon it, as some sections of the rice growing industry would want, though they have not publicly said so. They have indicated now that they favour an upper river storage in place of Lake Mejum. I myself favour Lake Mejum, because I believe it will be able to provide a better river flow, with a gateway into the Murmmbidgee area. That would assist the Water Resources Commission in the operation of the Murrumbidgee valley system and allow it to re-store water already released from Burrinjuck but flowing down the Murrumbidgee. Owing to the sudden arrival of heavy rains, previously water went through to South Australia and sometimes was a total loss to the system.

By having an off-river storage with a gateway into the Murrumbidgee area the Water Resources Commission would have greater and more efficient control of the precious water in the. Murrumbidgee River and the valley system. That would help the Murrurnbidgee irrigation area and the people who will be served by the Yanco Weir augmentation project. I ask the Minister to take the opportunity in his reply to say whether he will abandon the Lake Mejum project, defer it indefinitely or make a genuine attempt to bring on the project. Even if it is expensive—the Minister mentioned $60 million—let him look more carefully at the alternatives, such as the use of the Berembed Weir as a diversion weir for the Lake Mejum project, rather than the construction of a new weir, by lifting the water at Berembed Weir into a shorter intake canal into Lake Mejum. I do not know whether that is an economic idea, but surely it should be one alternative to be examined.

I fully support the Yanco Weir Reconstruction Bill. The weir will be a most welcome improvement to the Billabong, Yanw and Colombo creeks system. It will benefit the Murrumbidgee valley and enhance a large section of the Riverina. I hope it will not be long before the works associated with this construction are completed and the augmented water supply is available.

Mr Fischer]

Mr GORDON (Murrumbidgee), Minister for Conservation and Minister for Water Resources [10.16], in reply: I thank the honourable member for Oxley who did his utmost to give me the kiss of death by the faint praise he offered me. I assure him that the Government has not adopted a defeatist attitude. Contrary to the honourable member's information, the Labor Party when in government at least planned, if it did not build, almost every major water storage in New South Wales. Furthermore, those schemes that it planned were major storages, not small dams and face-saving electioneering ponds that were built by the former Minister, as mentioned by the honourable member for Oxley. Irrigation in this State virtually started with the Burrinjuck Dam. In the late 1920's when the wall of the Burrinjuck Dam showed signs of strain, the Hon. B. S. B. Stevens, a former Premier of a coalition government, wanted the dam demolished. That would have ruined the Murrumbidgee irrigation area, and perhaps no other government would have dared to proceed with irrigation. That represents the great contribution by former Liberal-Country party governments. The less the Opposition says about irrigation and water storages the better.

The honourable member for Oxley mentioned the Windamere Dam. He suggested that because he and a couple of his colleagues were going to Mudgee the Premier panicked and made available $1.5 million for the project. It is pretty hard to panic the Premier into making available $1.5 million. A couple of you bunnies going to Mudgee would not do it. If it were that easy I should have the honourable member going all round the State for me. Whoever told the honourable member that story was pulling his leg. His little story is a fairytale. The Windamere Dam is progressing and will be completed. The only cessation of work on that project occurred when the former Government was in office. If my memory serves me correct, the honourable member who led for the Opposition was the Minister at the time.

The honourable member for Oxley mentioned also a weir at Pooncarie. The same suggestion was made to me recently. However, during the eleven years that the coalition Government was in office it made no mention of a dam, weir or any programme for Pooncarie. There has been no Pooncarie weir mentioned on any programme that has been presented to me. The father of the honourable member for Murray was a member of this House for thirty-five years and no Pooncarrie weir was built.

Mrs Meillon: It is in the Broken Hill electorate.

Mr GORDON: Is it suggested that because it is not in the Murumbidgee electorate we do nothing about it? People live in the Broken Hill electorate, which is represented by an honourable member who is a Government supporter. The honourable member for Sturt said that last week I expressed reservations about the building of Lake Mejum., I do not recall making any statement last week. I gave certain information to several newspapers.

Mr Fischer: The Minister was quoted as having said it.

Mr GORDON: Although I was quoted as having said it, the honourable member did not hear me say it. An environmental study was made by consultants and it was circulated. I did not make the study. I did not make the recommendations, nor have I made many recommendations about Lake Mejum. For the honourable member's peace of mind I inform him that Lake Mejum is still regarded as a more attractive storage proposition than further storage in the headwaters. However, alternative propositions are being examined. At this stage that is as far as I can go because I do not have the information, nor does anyone else. I recall the time when a predecessor of mine would go round putting theodolites and men all over the State and panicking landholders into thinking that their properties were about to be resumed. I do not propose

to do that. When this Government or I make a proposition there is something to it: it is not just flying a kite.

Motion agreed to.

Bill read a second time.

Third Reading

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

ADJOURNMENT

Aerosol Products

Mr GORDON (Murrumbidgee), Minister for Conservation and Minister for Water Resources [10.21]: I move:

That this House do now adjourn.

Mr OSBORNE (Bathurst) [10.21]: I should like to bring to the attention of the Minister for Consumer Affairs and Minister for Co-operative Societies, on behalf of a constituent of mine, what could be described as a near-tragedy that happened to her son. The incident concerned a product known as The Six Million Dollar Man Crazy Foam. It is in a pressurized container with a nozzle—it is known as an aerosol pack—and apparently it can be used for a number of purposes. I understand that recently the product came to the notice of the Minister from another source and that he is taking certain action about it. However, the matter that I wish to raise concerns a different aspect of the product.

It appears that some friends of my constituent's son—a young man—intended to spray some of the contents of this product on the back of the young man's neck or head. At the moment of spraying he turned round, either laughing or talking, and the foam entered his mouth. This caused him to choke violently. From his mother's description of what happened, her son was able to gasp air into his lungs but was unable to exhale it. His efforts to remove the foam from his mouth with his hands were unsuccessful. Apparently it is a sticky, tacky solution. Fortunately, some adults took drastic action and were able to get him breathing again. The lady informed me that her son could easily have suffocated if this assistance had not been given.

I purchased one of these containers and I shall let the Minister have it if it is of any help to him. It seems to be aimed at the market that consists of children or young persons. On the outside of the can it is described as a bath fun foam but there is no indication of its chemical components. There are some instructions on it but there is nothing that would help a person in the circumstances that I have described. The only warning is, "Instruct children in the proper handling". I think the Minister will agree that is quite an insufficient warning for something (hat is dangerous to use. It bears the normal warnings that apply to all pressure packs, but they have no relation to the contents.

The Minister has intimated that some other aspects of this product have come to his attention. I ask him to consider the extreme danger of this product in the circumstances that I have outlined. I have no medical knowledge and I do not know the components of the substance, but if it got into a person's eyes one can imagine the effect it might have.

The lad suffered a terrible experience. His mother is most concerned about the dangerous aspect of the foam. She is anxious that I bring this matter to the notice of the House and the Minister for Consumer Affairs and Minister for Co-operative

Societies. If the Minister considers there is any other information I can supply to him or his department on the matter I should be happy to get it, either from the young lad or from his parents.

Mr EINFELD (Waverley), Minister. for Consumer Affairs and Minister for Co-operative Societies [10.26]: The honourable member for Bathurst has raised an important issue. I think almost everyone in New South Wales will now know that it has occasioned me a good deal of anxiety. It has brought to a climactic situation the products to which he refers and caused me, on behalf of the Government, to place a twenty-eight day ban on these products from last Friday afternoon when the matter was brought to my attention. That was after I had had examined The Six Million Dollar Man Crazy Foam and a sister product called The Bionic Woman Crazy Foam. The products are packed in a colourful aerosol can and are supposed to attract children to have a bath if they are unwilling to do so, as small children are wont to be. The foam, when put in a bath, grows rapidly, snows up and looks quite attractive. It has been sold only in the past few weeks.

The matter was brought to my attention by a doctor from Leichhardt who was called to assist a 9-year-old girl who was badly burned—in fact she suffered second and third-degree burns—as a result of using this foam. She was taken to the Children's Hospital in Camperdown and later discharged. My department had the foam examined, and Mr Hughes and Dr Crawford of the department of occupational health reported to me that it was highly flammable. The 9-year-old girl suffered badly because of its use.

At the same time, or just before that, the honourable member for Bathurst's constituent had written to the department and told of the serious and sad circumstances of the young man's difficulty in breathing after he had inhaled or swallowed some of this foam. The blame in that case could hardly be laid at the door of the manufacturer for the young people with whom the boy was playing at the time got up to all sorts of monkey tricks and were spraying it. Nevertheless, it is very dangerous. What happened to him was very dangerous because he swallowed some of the foam and, as I understand, it was only by the use of copious drafts of water that his lungs could be released from the foam and he was able to breathe.

These two articles were packed by Aerosols of Australia Limited, a well-known and reputable company. They were packed for a company called Dynasty Fashions Pty Limited of 11 Bridge Street, Epping. I spoke to Mr Ryan, the head of Aerosols of Australia Limited, on Friday afternoon and told him that I had had an adverse report from my experts from the department of occupational health, and from members of the products safety committee of the Department of Consumer Affairs, who recommended that I take quick action, particularly because of the flammability of the product and also because of the misfortune of the son of the constituent of the honourable member for Bathurst. I explained to Mr Ryan that I should have to ban it. I found that 40 000 cans had already been packed and 20 000 cans had been sold. The only company that knew the products were dangerous, as far as I know, was Woolworths Ltd. That was because a member of the products safety committee is from Woolworths. They immediately took the cans off their shelves.

I reported it as quickly as I could to the media. Anyone who saw the morning papers on Saturday would have seen my handsome face beside a dish of foam, which I set alight for each of the media. The foam flames up quickly, showing that it is quite dangerous. The little girl who was burned in the bath used a can of this foam and, as the height of the foam rose in the bath, the flame in the gas bath heater set the whole mass alight, and she was very badly burned.

Mr Ryan, the chief executive of Aerosols of Australia Pty Limited, to whom I spoke, was aghast, worried and anxious about the matter. I told him I had banned this product for twenty-eight days. He gave me assurances about action his firm would take. Rick Johnson of Dynasty Fashions Pty Limited spoke today to my secretary and said that his company would try to find some means of improving the product by replacing the dangerous butane gas with another gas. Everyone knows how flammable butane is. It is used in some cigarette lighters. The flame flashes up high. If I were to put such a thing near you, Mr Speaker, the flame would rise higher than your face. I would not do that, because I do not want anything to happen to a man of your dignity and standing.

Mr Ryan told me that his company proposes to replace the butane gas with a fluoro-carbon gas, which I believe is less flammable. I told Aerosols of Australia Pty Limited that if they made their product satisfactory and recalled all the cans on the market I would reconsider the position. If the company markets a new product containing a gas that is not poisonous, flammable or dangerous in any way, the ban may be lifted. I have power under the Act to ban for twenty-eight days a product that is found to be dangerous. In the meantime I have asked the product safety committee to examine this particular product and to report on it. I use that power with some care. I would not want to harm manufacturers or people who market commodities in good faith. Nevertheless, I have used that power on a number of occasions when I have considered the use of a product to be dangerous.

What worried me on Friday afternoon was that a child might be burned on Friday night if I did not take immediate action. A young man might have been asphixiated if immediate action had not been taken. We have heard about what happened to the son of the constituent of the honourable member for Bathurst. It would be necessary to have a parent present to administer copious draughts of water in an attempt to get a young man to breathe after he became affected in that way. I had a duty to ban this product, so I imposed a ban for twenty-eight days. I signed the ban notice, and it will be gazetted this week.

This is a very important issue. I am not now criticizing Aerosols of Australia Pty Limited. I believe that it is a reputable company and will do as its representative has promised. I believe that they will recall all the cans they can. I hope that all citizens of New South Wales will get the message that was given wide publicity last Friday night and Saturday morning. The media are always ready to publicize warnings of this sort when danger is evident. I hope that the people of Bathurst and in all other electorates where this product is sold, have heard the warning. The honourable member for Bathurst does the public a service when he brings up this matter. I had hoped that the news would have gone throughout New South Wales on Friday night and Saturday morning that this produce is being banned for twenty-eight days. In case it did not, I repeat that I am hopeful that every citizen in New South Wales will ensure that children, or anyone else, do not use this product, but will return the unused cans wherever they were bought or, alternatively, will destroy them. I hope that the goods on retail shelves have been recalled and that no more people will be endangered by this product. I hope that what happened to the son of the lady in the Bathurst electorate will happen to no other child or young person anywhere, and that this sort of risk will not be taken by firms that want to market products but do not want to examine the contents sufficiently to make sure that they are not dangerous.

Motion agreed to.

House adjourned at 10.35 p.m.